



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Agenda for Board Meeting of the Authority July 23, 2025

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Public Comment

Incentives

Clean Energy

Economic Security

Venture

Strategic Innovation

Authority Matters

Board Memoranda

Executive Session

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 11, 2025

MINUTES OF THE MEETING

The Meeting was held in-person, via Microsoft Teams, and by teleconference call.

Members of the Authority present in person: Chairman Terry O'Toole, Jamera Sirmans representing Aaron Cruz, Executive Representative; Public Members Charles Sarlo, Vice Chair; Fred Dumont, and Josh Weinreich,

Member of the Authority present via Microsoft Teams: Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; State Treasurer Elizabeth Muoio of the Department of Treasury; Manuel Paulino representing Commissioner Justin Zimmerman of the Department of Banking and Insurance; Elizabeth Dragon representing Commissioner Shawn LaTourette of the Department of Environmental Protection; Public Members Philip Alagia, and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority absent: Public Members Aisha Glover, Massiel Medina Ferrara, Marcia Marley, and Robert Shimko, First Alternate Public Member.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Mary Maples, Deputy Chief Executive Officer, Matthew Reagan, Assistant Attorney General; and staff.

Chairman O'Toole called the meeting to order at 10:05 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan 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. Sullivan 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.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the May 13, 2025 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, seconded by Mr. Weinreich, and approved by the nine (9) voting members present.

Commissioner Angelo and Manuel Paulino joined the meeting at this time.

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.

PUBLIC COMMENT

The next item of business was the public comment portion. Chairman O' Toole asked Ms. Esser to share the NJEDA's public comment policy and process for the Board Meeting.

Rev. Molly Dykstra thanked the Board for considering the 120 East State Street Project at the meeting today.

Mr. Norm Sutaria addressed the Board regarding the Route I-80 Program, as well as the Greenway and NJ Transit projects. He asked that the list of projects being purchased for TOD be made public once the transactions are completed.

FOR INFORMATION ONLY: The next item was a summary of the Audit Committee meeting from May 29, 2025.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from May 30, 2025.

AUTHORITY MATTERS

ITEM: 2024 Authority Activities Annual Report

REQUEST: To approve the Authority's 2024 Activities Annual Report as required under N.J.S.A. 34:1B-4 and Executive Order No. 37 (2006).

MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Dumont AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ECONOMIC TRANSFORMATION

SSBCI – ANGEL MATCH

ITEM: Updates to Angel Match Program

REQUEST: To approve updates for the Angel Match Program to help support New Jersey entrepreneurs.

MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Sarlo AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

CLEAN ENERGY

ITEM: Amendment to NJ ZIP Recapture Policy, Transfer of Compliance Obligations in Event of Sale of Business and Recapture Commencement Date

REQUEST: To amend the NJ ZIP voucher award recapture provisions regarding the transfer of rights and obligations for Phase 1, 2 and 3 Awardees and to update the date used for the voucher recapture policy in only Phase 3 of the Program.

MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Alagia AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

VENTURE

ITEM: New Jersey Innovation Evergreen Fund: June 2025 Qualified Investment Approval

REQUEST: To approve a Qualified Investment presented under the New Jersey Innovation Evergreen Program.

MOTION TO APPROVE: Mr. Dumont SECOND: Ms. Sirmans AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

WORKFORCE

ITEM: Memorandum of Understanding between NJEDA and New Jersey Council of County Colleges – AI for Impact Internship Program

REQUEST: To approve: (1) An MOU between the NJEDA and the New Jersey Council of County Colleges (NJCCC) that will enable NJEDA to provide funding to NJCCC for support of the AI for Impact Internship Program utilizing funds from the State Fiscal Year 2024 appropriation to the Authority for Arts and Innovation; (2) Delegated authority to the CEO to execute and extend the MOU.

MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Sirmans AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

COMMUNITY DEVELOPMENT

ITEM: Government Restricted Municipality Phase II – Grant Awards and Revision

REQUEST: To approve: (1) Grant awards for the execution of Government Restricted Municipality Planning Grant – Phase II projects; and (2) administrative changes to the Program.

MOTION TO APPROVE: Mr. Dumont SECOND: Ms. Antoine-Johnson AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

LEGAL AFFAIRS

ITEM: On Point Laundry Company LLC - Request Not to Disqualify

THIS ITEM HAS BEEN WITHHELD FROM CONSIDERATION

LOANS

ITEM: Fort Monmouth Economic Revitalization Authority - Loan Maturity Extension

REQUEST: To approve alignment of maturity dates on two NJEDA loans.

MOTION TO APPROVE: Ms. Sirmans SECOND: Mr. Sarlo AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

BONDS

*A Public Hearing is being conducted for this project for Final Approval.

APPLICANT: Advanced Schools, Inc.* **PROD-00319024**

LOCATION: Franklin Township, Somerset County

PROCEEDS FOR: Acquisition of property, building and land, funding of debt service reserve fund, and costs associated with the issuance of the bonds.

AMOUNT OF BOND: Not To Exceed \$32,500,000 Tax-Exempt Stand-Alone Bond

MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Dumont **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

INCENTIVES

DIGITAL MEDIA TAX CREDIT PROGRAM

CNBC LLC PROD-00318715

MAX AMOUNT OF TAX CREDITS: \$ 12,773,610

CNBC LLC PROD-00318993

MAX AMOUNT OF TAX CREDITS: \$ 16,351,142

CNBC LLC PROD-00318994

MAX AMOUNT OF TAX CREDITS: \$ 17,764,623

MOTION TO APPROVE: Comm. Angelo **SECOND: Ms. Sirmans** **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

HISTORIC PROPERTY REINVESTMENT PROGRAM

ITEM: 120 East State, a NJ Nonprofit Organization - Steeple Center Rehabilitation Project, Recommendation of Award

REQUEST: To approve a Historic Property Reinvestment tax credit award to 120 East State, a NJ Nonprofit Organization for the Steeple Center Rehabilitation Project.

MOTION TO APPROVE: Mr. Dumont **SECOND: State Treasurer Muoio** **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Ms. Antoine-Johnson recused because of a conflict of interest regarding a potential client.

FOR INFORMATION ONLY: The next item was a summary of the Real Estate Committee meeting from May 29, 2025.

REAL ESTATE

ITEM: Establish Project Budget for Greenway Phase 1 Project; Recommendation for Award for Construction Management Services; Delegated Authority for Contract Changes

REQUEST: To approve: (1) establishment of a project development budget for preconstruction & construction activities; (2) The selection and award of a construction management contract for Phase 1 of the Greenway project; (3) Delegated authority to the CEO to approve contract changes.

MOTION TO APPROVE: Mr. Weinreich **SECOND: Ms. Dragon** **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Lease Agreement for Office Space - NJ BASE

REQUEST: To approve: (1) the NJ BASE office space location; (2) the core proposed lease terms and delegated authority to the CEO to execute the lease; and (3) Initial funding authorization.

MOTION TO APPROVE: Mr. Sarlo SECOND: Mr. Weinreich AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Urban Investment Fund Grant Program Funding Award - Camden Community Partnership, Inc.

REQUEST: To approve: (1) An Urban Investment Fund Grant award; and (2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 7, 2024, to conform with the December 31, 2026, Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Dumont AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Lease of Monmouth County Office Space

REQUEST: To approve: (1) Delegating authority to the CEO to execute a lease, consistent with the terms of the letter of intent, with Landlord for office space in Monmouth County; and (2) Expending funds for tenant improvements, fixtures, furniture and equipment, and moving expenses.

MOTION TO APPROVE: Ms. Sirmans SECOND: Mr. Weinreich AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

BOARD MEMORANDUM – FYI ONLY

- Credit Underwriting Projects Approved Under Delegated Authority – May 2025
- Economic Transformation Products Delegated Authority Approvals, Declinations, & Other Actions, Q1 2025
- Real Estate Development, Delegated Authority, April 2025
- New Jersey Green Bank Annual Report

EXECUTIVE SESSION

The next item was to adjourn the public portion of the meeting and move into Executive Session to discuss two distinct matters, both involving the purchase, lease, or acquisition of real property with public funds, the setting of banking rates, or investment of public funds, that could adversely affect the public interest if disclosed. The minutes of the Executive Session shall become public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Weinreich AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Treasurer Muoio left the meeting at this time.

Manuel Paulino left the meeting at this time.

The Board returned to Public Session.

REAL ESTATE

ITEM: Allocate Property Assemblage Funds to CRDA, Approve a Memorandum of Understanding granting funds to CRDA, Revisions to the Property Assemblage Fund

REQUEST: To approve the allocation of Property Assemblage Funds to the Casino Reinvestment Development Authority (CRDA), approve an MOU granting funds to CRDA to purchase a property in Atlantic City, approve revisions to the Property Assemblage Fund; and delegation of Authority to CEO regarding administrative matters – as discussed in Executive Session.

MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Sirmans AYES: 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Purchase of Properties from NJ Transit Corporation for Transit Oriented Development

REQUEST: To approve: (1) NJEDA's purchase of certain properties from NJT for Transit Oriented Development; (2) Delegation of authority to the CEO to enter into a Purchase Agreement, Escrow Agreement, and Management Agreement with New Jersey Transit to effectuate the purchases of properties; and (3) Delegated authority to the CEO as it relates to the approval, as discussed in Executive Session.

MOTION TO APPROVE: Comm. Angelo SECOND: Mr. Weinreich AYES: 8
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

Mr. Dumont recused on this item due to a potential conflict of interest as it relates to his employer.

There being no further business, on a motion by Mr. Weinreich, and seconded by Ms. Sirmans, the meeting was adjourned at 11:59 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, Director
Governance & Strategic Initiatives
Assistant Secretary



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: July 23, 2025

Re: July 2025 Board Meeting – CEO Report

Several weeks ago, Governor Phil Murphy signed the FY26 State Budget into law, which aims to increase affordability, bolster our economy, and put families first. Even in a more constrained budget environment, the NJEDA remains well-positioned with a strong portfolio of resources to continue advancing our mission. Alongside the budget, Governor Murphy signed several key bills that reinforce our economic development agenda—including a bill that strengthens our film tax credit program and solidifies the State’s long-term commitment to supporting the film industry. These enhancements will help attract new productions, create local jobs, and expand investment in communities across the state.

There was also a package of bills aimed to support New Jersey’s thriving innovation ecosystem. The bills, which bolster the New Jersey Innovation Evergreen Fund and Angel Tax Credit programs, will encourage entrepreneurs to continue building new businesses in the state, and will support job creation, cutting-edge technologies, and a stronger statewide economy.

In its third year, the North to Shore Festival proved to be successful again with amazing performances, conversations, and cultural programs taking place in Asbury Park, Atlantic City, and Newark. While showcasing New Jersey’s creative spirit, the North to Shore Festival reinforces the State’s commitment to the arts as a catalyst for economic growth, tourism, and statewide vitality. This year’s festival drew tens of thousands of attendees and created hundreds of jobs, while driving local spending and brand visibility for participating communities. North to Shore works to attract talented artists to the state, generating jobs through festival design and operations, and strengthening New Jersey’s tourism and local economies. And we’re already looking forward to North to Shore 2026!

With the FIFA Club World Cup and Premier League Summer Series games taking place this month, and as we prepare to host the 2026 FIFA World Cup Final, I recently attended *The Global Game: The Future of Soccer, Tech, and Media*. The event brought together leaders from global soccer, media, marketing, and technology to discuss how streaming, data, AI, and athlete-driven media are reshaping soccer and its global audience. As we continue to position New Jersey as a top-tier destination for global events, these engagements help us explore new partnerships and innovation opportunities across media, infrastructure, and tourism. Welcoming large-scale sporting events to the state will help boost the hospitality industry and generate economic activity in communities across the state.

The NJEDA recently announced two new Strategic Innovation Centers (SICs) in the state. In partnership with SOSV and Princeton Plasma Physics Laboratory (PPPL), we are launching the NJ HAX Plasma Forge, which will focus on bolstering plasma-focused startup creation and acceleration, promote industry collaboration, and commercialize groundbreaking technologies in an emerging economic sector.

We are also launching a multi-location SIC, in partnership with Rowan University. In South Jersey, the SIC will support the research, development, and commercialization of novel medical technologies and devices. The SIC will also have a presence at the Maternal and Infant Health Innovation Center in Trenton, which will

focus on driving breakthrough solutions in maternal care equity, digital health, doula support, perinatal mental health, and public benefits access. Through our SIC initiative, New Jersey is making robust investments into our innovation economy, keeping New Jersey competitive and at the forefront of technological advancement.

Applications recently opened for the Apprenticeship Training Centers Construction Grant Program. The nearly \$10 million program will award grants for new construction or the substantial rehabilitation of workforce training facilities in Overburdened Communities. The training facilities will ultimately help prepare local residents for high-paying jobs, eliminating transportation barriers, and creating positive economic benefits for communities.

I hope all of our staff and board members are able to take some time to relax and spend time with their families throughout the rest of the summer. I encourage everyone to take advantage of all that New Jersey has to offer, including our beaches and boardwalks, lakes, and state parks, and all the small businesses up and down the state that help keep our economy moving forward.

A handwritten signature in dark ink, appearing to read 'T. Sullivan', with a long horizontal flourish extending to the right.

Tim Sullivan, CEO



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Special Adoption and Concurrently Proposed Rules for the
Aspire Program “3.0” (N.J.A.C. 19:31V)

Request:

The Members are asked to approve:

- 1) The attached special adoption rules and concurrently proposed rules for the Aspire Program and to authorize staff to (a) submit the special adopted new rules and concurrent proposed program rules for promulgation in the New Jersey Register and (b) submit the proposed program rules as final adopted rules for promulgation in the New Jersey Register if no substantive formal comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (“OAL”).
- 2) Delegated authority to the Chief Executive Officer to approve potential purchasers pursuant to the Sale of Buildings provision in proposed rules.

Background:

Aspire 1.0

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (“ERA”) into law as P.L. 2020, c. 156.

On July 7, 2021, Governor Murphy signed P.L. 2021 c.160 amending P.L. 2020, c.156 and further improving the programs established under the ERA. On November 10, 2021, the members approved the creation of and the rules for the Aspire program.

On November 15, 2021, the NJEDA submitted specially adopted Aspire Program rules, pursuant to section 67 of P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 (N.J.S.A. 34:1B-335, et seq.), and concurrently proposed rules to the OAL for publication in the New Jersey Register. The specially adopted rules became effective upon acceptance for filing by OAL and were published in the December 20, 2021 New Jersey Register. The initial expiration for the specially adopted rules was 180 days from the date of filing or May 14, 2022. The rules were concurrently proposed in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. The concurrent proposal extended the expiration of the rules by an additional 180 days to November 10, 2022. See N.J.S.A. 52:14B-5.1.c. Significant public comments were received.

Aspire 2.0

On July 6, 2023, Governor Murphy signed P.L. 2023, c. 98 (Chapter 98), which amended the Program. The amendments included, but were not limited to, revisions to the maximum amounts of tax credits that may be awarded to and revised certain eligibility requirements. The legislation allowed for current applicants to continue to move forward under the then existing rules or for residential projects to move forward under those rules with the addition of increased project award amounts and certain other provisions if they submitted a completed application and received relevant approvals under the Municipal Land Use Law, P.L.1975, c.291 by November 6, 2023 (the first business day after the Saturday deadline imposed in the law).

The legislation also changed the circumstances in which a developer may be exempt from the a community benefits agreement (“CBA”) requirement; expanded the provision that allows certain projects to demonstrate a reduced net positive benefit to the State; revised prevailing wage requirements for certain persons doing work at a project, including work by tenants; and added a new requirement that EDA adopt rules concerning affordability controls for residential projects under the program, including residential projects that utilize Federal Low Income Housing Tax Credit Program (“LIHTC”), consistent the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and the Uniform Housing Affordability Controls (“UHAC”), N.J.A.C. 5:80-26 et seq.

On December 13, 2023, the NJEDA submitted specially adopted Program rules, pursuant to Chapter 98 and concurrently proposed rules to OAL for publication in the New Jersey Register. The specially adopted rules became effective upon acceptance for filing by OAL and were published in the January 2, 2024, New Jersey Register and were codified at N.J.A.C. 19:31-23A. The initial expiration for the specially adopted rules was 180 days from the date of filing, or May 14, 2024. The rules were concurrently proposed in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. The concurrent proposal extended the expiration of the rules by an additional 180 days to June 2, 2025. See N.J.S.A. 52:14B-5.1.c. Significant public comments were received.

Subsequently, N.J.A.C. 19:31 (“Authority Assistance Programs”) was recodified and readopted. As a part of the readoption, the Aspire Program rules were recodified to N.J.A.C. 19:31V with attendant technical updates to the rule text concerning cross-references, agency names, addresses, etc., effective May 6, 2024.

Aspire 3.0

A significant legislative update to Aspire was passed in January of 2025. On January 23, 2025, Governor Murphy signed S4023 into law as P.L. 2025, c. 2 (“Chapter 2”). The amendments modified the Program in various ways including, but not limited to, creating the concept of a “special mission non-profit project,” which is exempt from certain eligibility requirements related to affordability controls and incentive areas; expanding those 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 directing the Authority to adopt rules that allow a developer to sell one or more buildings at the project during the eligibility period. This memorandum requests the members to approve new special adoption rules reflecting the Chapter 2 changes and the public comments received.

Program Description:

The Aspire Program encourages place-based economic development in the State by providing tax credits for ten years (the “eligibility period”), or five years, pursuant to Chapter 2, in more limited instances. The amount of tax credits a real estate development project (referred to in the statute as

a “redevelopment project”) receives is generally a percentage of the project costs and is subject to a statutory cap determined by the project location and other aspects of the project. The overview provided here highlights key aspects of the program. Additional program details are included in the sections below, and full program details are contained in the draft rules (attached) and the statute.

To be eligible for the Aspire Program, a project must meet various eligibility criteria at the time of application. For example, a project must:

- Demonstrate through NJEDA analysis that, without the incentive award, the redevelopment project is not economically feasible;
- Demonstrate that a project financing gap (including review of a reasonable and appropriate rate of return) exists, and the redevelopment project will generate a below market rate of return;
- Be located in a designated incentive area (except a film production project);
- Include a developer equity participation of at least 20 percent of the total development cost (or 10 percent in a GRM);
- For commercial projects (and with limited exceptions for certain uses), result in a net positive economic benefit to the State;
- Meet specific size and/or cost thresholds, depending on where the project is located and;
- Meet a minimum eligible score as outlined in the Aspire Program scoring criteria.

Tax credit awards under Aspire are calculated based on a percentage of project costs (which are the eligible costs of the project), capped based on the type and location of the project. Transformative projects – which is a distinction given to projects meeting larger program thresholds and of special economic importance – are capped at the same percentage of project cost but can receive up to \$400 million in tax credits.

Key Updates:

Aspire Program Definitions

Chapter 2 amends the definition of

- “incentive area” to remove transportation connectivity requirements to Planning Area 2 or Designated Center under the State Development and Redevelopment Plan.
- “commercial project” includes any industrial space that is predominantly used for warehouse distribution or fulfillment centers if the eligible project cost includes at least \$10,000,000 in environmental remediation costs.
- “government-restricted municipality” to include three additional municipalities—Camden, East Orange, and New Brunswick—alongside the existing ones: Atlantic City, Paterson, and Trenton.

Chapter 2 also provides that for a redevelopment project located in a government-restricted municipality, the calculation of “project cost” or “eligible project cost” also includes land costs, capped at no more than 20 percent of the eligible project cost.

Chapter 2 adds a new project category: “Special Mission Non-profit Project”, which is defined in the new law as a project in a government-restricted municipality or in an enhanced area that serves a special mission to accomplish the public purpose of a non-profit that is a developer of or affiliated with the project; and that includes no more than 100 units of 100 percent supportive housing units for tenants requiring special needs or social services. The new law permits these projects to have no more than 25,000 square feet of commercial space for on-site social service programs that require a license from the Department of Children and Families as a childcare center. The new law further stipulates that “Special Mission Non-profit Projects” are exempted from the net benefit test requirement, affordable housing requirements, and the market study requirement.

In the proposed rules attached, staff recommends that qualifying applicants must demonstrate a special mission to operate the project, provide services on-site, and service individuals with special needs. Further, additional requirements for this project type include but are not limited to a narrative description about the social services plan for the project, a description of the activities undertaken by the social services coordinator, and documentation demonstrating that the proposed Special Mission Non-Profit has the required special mission – either through by-laws or past experience. Special Mission Non-profit Projects are required to have a social services coordinator dedicated to the project for at least 20 hours per week and a social services plan that addresses the needs of the identified population of individuals with special needs. If a social service coordinator is provided through a third party, then a signed agreement between the Special Mission Non-Profit and the third party is required.

Further, Staff proposes that these projects adhere to the following definitions and requirements:

- (1) “Special Mission Non-profit” means a non-profit that is a developer or is affiliated with a special mission non-profit project with a special mission to operate the special mission non-profit project and to service the identified individuals with special needs “
- (2) “Supportive Housing Units” means the space that is rented to and/or occupied by an individual with special needs, or related individuals that includes an individual with special needs, who is a tenant or occupant requiring special needs or social services.
- (3) “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 or developed in consultation with other State agencies.

Complying with these definitions in our program ensures clarity, consistency, and integrity in how the program supports serving individuals with special needs. It establishes eligibility criteria, qualifies mission-driven organizations as applicants to support service-oriented housing solutions, and clarifies that the physical housing space must be intended and designed for individuals with special needs as identified in the project’s social services plan.

Staff further recommends that the following uses be deemed ineligible for Special Mission Non-Profit Projects: Long-Term Care Facilities, Adult Day Care Centers, and Dormitories. Additionally, Staff recommends that projects that may otherwise qualify under the program rules—such as residential developments, health service centers or medical facilities, and Food

Delivery Source Projects—be deemed ineligible as Special Mission Non-Profit Projects. These exclusions are based on the unique intent of the Special Mission Nonprofit Project type, which is designed to support service-enriched transitional housing for individuals with special needs. Narrowing the pool of eligible applicants in this manner ensures alignment with program goals, helps prevent the funding of projects that are more appropriately supported by non-EDA funding sources, and avoids over supporting projects that already qualify for Aspire assistance.

Five-Year Eligibility Period

The new law allows developers to elect a five-year eligibility period if their projects are located in GRMs or qualify as a Special Mission Non-Profit Project. For commercial projects in GRMs electing the five-year eligibility period, Staff recommends allowing developers to opt for a 10-year Net Benefit Test (NBT) analysis, provided they agree to an additional five-year compliance period immediately following the five-year eligibility period. Staff recommends this option because limiting the NBT to five years would significantly reduce the calculated award, fail to capture the full scope of the project's direct, indirect, and induced economic benefits, and ultimately discourage investments in commercial projects.

Regardless of the NBT election, Staff proposes evaluating the project's financing gap over a 10-year period following stabilization. This approach aligns with the ten-year hold period used to analyze the rate of return for all other Aspire projects and ensures consistency across the program.

Calculation of Tax Credit Amount

Chapter 2 increases the amount of tax credits that may be awarded to redevelopment projects, including transformative projects, that are located in certain government-restricted municipalities. Under prior law, a project located in a government-restricted municipality is allowed a total tax credit award not to exceed 80 percent of the total project costs. Under the new law, any project that is located in a municipality, which qualified as government-restricted municipality before the enactment of this bill (Atlantic City, Paterson, and Trenton), is allowed a total tax credit award not to exceed 85 percent of the eligible project costs. Any project that is located in a municipality, which newly qualifies as government restricted municipality under this bill, (Camden, East Orange, and New Brunswick) is allowed a total tax credit award not to exceed 80 percent of the eligible project costs. Chapter 2 provides that a Special Mission Non-Profit project is allowed a total tax credit award not to exceed 85 percent of the eligible project costs, up to \$120 million. The new law also prohibits the authority from resizing or reducing the tax credit at project completion based on the executed financing commitments or the updated projected cash flow. However, the Authority is required to use the commitments and cash flow to calculate the return on investment required under the program

Occupancy Requirements for Commercial Projects

Chapter 2 provides that, beginning on the fourth year of the eligibility period for a commercial project, and through the conclusion of the eligibility period, if the average occupancy rate of a commercial project is less than 60 percent during any applicable tax period, the developer and any co-applicant is required to forfeit all tax credits until the average occupant rate has reached or surpassed 60 percent. Under the new law, occupancy is required to be measured by the average of the monthly occupancy during the relevant tax period. Residential projects, including commercial spaces in a residential project, are exempt from this requirement.

Sale of Buildings

Under Chapter 2, developers are permitted to sell one or more buildings—or portions thereof—during both the eligibility and compliance periods. In the event of such a sale during the eligibility period, staff proposes to analyze the financial impact of the transaction to ensure it does not result in over-enrichment to the developer and remains consistent with the Board-approved project scope

and financial structure. This analysis would be triggered by an updated pro forma in the annual report submitted in the year the sale occurs. Under previous versions of the program, there was no mechanism to allow such sales during the eligibility period.

Prior to any sale, the developer must submit an application for approval. At that time, Staff will:

- Confirm that the building or portion of a building was included in a certified project or phase completion,
- Collect a debarment/disqualification questionnaire from the proposed purchaser.

Staff proposes, in the rule amendments, that the Authority shall approve or disqualify the purchaser, which may be based on a debarment or disqualification review.

Staff requests delegated authority to approve proposed purchasers based on the existing delegated authority for debarment/disqualification review. The eligibility for approval of the sale of a building in the proposed rule amendments includes only two criteria: (1) the building was included in a completed Aspire project or phase and (2) EDA approves the proposed purchaser upon review of the proposed purchaser's legal debarment/disqualification questionnaire. For the purposes of the debarment/disqualification review of the purchaser, Staff proposes a high-level review. A full review would be conducted of the developer as the developer will remain responsible for compliance with all obligations under the approval letter and incentive agreement. Thus, if under existing debarment/disqualification authority, staff can clear the purchaser, then staff would also be able to approve the sale of building.

To assess the financial impact of a sale, staff will review the returns generated by the project, including the sale transaction, and compare them to the Board-approved "Maximum Return" (also previously preferred to as the "hurdle rate"). Specifically, staff will evaluate the cumulative return—which includes actual returns to date plus projected returns through the end of the eligibility period. If the cumulative return (including the sale transaction) exceeds the Maximum Return, the Authority will require the developer to remit 20% of the excess return (capped at the amount of the net proceeds of the sale transaction) to the State at the time of the project finance evaluation and prior to the issuance of that year's tax credit. By requiring payment to the State of 20% of the returns above the Maximum Return, the State's investment is partially recouped in cases of above-average profitability. This payment is final and will not be adjusted based on future project performance. The intent is to ensure the State shares in any above-average return realized during the year of the sale, regardless of the project's ultimate financial outcome.

Staff recommends two alternatives for a multi-phase transformative project. First, if a transformative project reinvests 100% of the net proceeds of the sale back into the same Aspire redevelopment project, then no payment will be required at the time of the annual report. Rather, the impact of the sale will be reviewed as part of the standard project financing review. Staff proposes this option solely for multi-phase transformative projects because they have a much longer construction period and can be developed in separately financed phases. Rather than require financing external to the project for such significantly larger redevelopments, this acknowledges that the multi-phase transformative projects can use the economic benefit generated from initial phases to continue developing the project. Second, the developer can opt to have the payment into the escrow for any payments of excess returns, which will be held and adjusted in the standard mechanism for excess return evaluation until final reconciliation at the end of the project, at which time the developer would pay to the State 20% of the profit in excess of 15% over the Maximum Return.

Finally, Staff proposes that the developer shall continue to be obligated for all compliance terms, including but not limited to affordability controls, prevailing wage and affirmative action

requirements, for the sold building (or portions of a building) throughout the original eligibility period identified in the agreement. Accordingly, tax credits will continue being issued to the developer, not any subsequent owner of a building or condo.

Transformative Projects

The Aspire statute allows projects that meet certain parameters to qualify for credit above and beyond the caps that are established for standard projects under Aspire. To be considered a transformative project, a project must include at least \$150 million in total project cost, demonstrate a project financing gap (as with all Aspire projects), and be at least 500,000 square feet except it may be 300,000 square feet in an enhanced area, 200,000 square feet in a government-restricted municipality, or 250,000 square feet for film studio projects (square feet are exclusive of parking). Furthermore, transformative projects must leverage the competitive economic development advantages of the State's mass transit assets, higher education assets, and other economic development assets, in attracting or retaining both employers and skilled workers generally or in targeted industries by providing employment or housing.

Projects can be commercial or residential. Chapter 2 retains the same requirements for transformative projects. Residential transformative projects must meet one of the following project thresholds:

- At least 700 newly constructed residential units, down from 1,000 per the new legislation;
- For a mixed-use residential project of at least 30,000 square feet, down from 50,000 (exclusive of parking), of commercial space:
 - If the project is located in a government-restricted municipality, 200 or more newly constructed residential units
 - If the project is located in an enhanced area, 300 or more newly constructed residential units; or
 - Non-government-restricted municipality or enhanced area projects, 400 or more newly constructed residential.

Rulemaking Process:

The newest legislation authorizes the Authority to promulgate special adoption rules for the Aspire Program, which will be effective immediately upon filing with the Office of Administrative Law and continue for 365 days. In addition, Staff proposes pursuing concurrently the proposal of long-term rules, which will include a 60-day public comment process pursuant to the Administrative Procedure Act's rulemaking procedures.

Compliance with Executive Order 63:

In accordance with the Executive Order 63 directive to ensure outreach efforts are made to the public and affected stakeholders for agency rulemaking, the Authority issued a news release advising the public that a listening session would be held.

Additionally, the public were able to submit written feedback through the NJEDA's [Informal Draft Rules Feedback - NJEDA](#) or via email at Aspire@njeda.gov from May 8, 2025 through May 13, 2025.

Two amendments were posted with appropriate comment periods – one on May 30, 2025, and another on June 19, 2025.

Chief Compliance Officer Certification of Draft Rule Proposal:

Pursuant to Section 101(a) of the ERA, the Chief Executive Officer is required to appoint a Chief Compliance Officer (CCO) to, among other things, “review and certify that the provisions of program rules or regulations provide the authority with adequate procedures to pursue the recapture of the value of an economic development incentive in the case of substantial noncompliance, fraud, or abuse by the economic development incentive recipient, and that program rules and regulations are sufficient to ensure against economic development incentive fraud, waste, and abuse”.

Lisa Almeida, Chief Counsel/Acting CCO has reviewed the proposed compliance portion of rules and regulations for the Aspire Program and is prepared to sign the certification, subject to the Board taking action to approve the same for submission to the New Jersey Office of Administrative Law for publication in an upcoming issue of the New Jersey Register.

Recommendation:

The Members are asked to approve:

- 1) The attached special adoption rules and concurrently proposed rules for the Aspire Program and to authorize staff to (a) submit the special adopted new rules and concurrent proposed program rules for promulgation in the New Jersey Register and (b) submit the proposed program rules as final adopted rules for promulgation in the New Jersey Register if no substantive formal comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (“OAL”).
- 2) Delegated authority to the Chief Executive Officer to approve potential purchasers pursuant to the Sale of Buildings provision in proposed rules.



Tim Sullivan, CEO

Prepared by: Julien-Pierre Schmitz

Attachments:

Appendix A – Special Adoption and Concurrently Proposed Rules – Aspire Program “3.0”

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Aspire

Specially Adopted and Concurrently Proposed New Rules with Specially Adopted and Concurrently Proposed Substantial Changes: N.J.A.C. 19:31V

Filed: _____, as R. _____

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-_____.

Effective Date: _____, 2025.

Expiration Date: _____, 202__.

Submit written comments by _____, 2025, to:

Alyson Jones, Managing Director of Legislative & Regulatory Affairs

New Jersey Economic Development Authority

PO Box 990

Trenton, NJ 08625-0990

Alyson.Jones@njeda.gov

Take notice that in accordance with P.L. 2025, c. 2, the New Jersey Economic Development Authority (“NJEDA” or “Authority”) has specially adopted the following new rules with specially adopted substantial changes to implement the provisions of the New Jersey Economic Recovery Act of 2020, establishing the New Jersey Aspire Program, sections 54

through 67 of P.L. 2020, c. 156, as amended by P.L. 2021, c. 160, P.L. 2023, c. 98, and P.L. 2025, c. 2.

The specially adopted new rules with specially adopted substantial changes became effective on _____, 2025, upon acceptance for filing by the Office of Administrative Law (OAL). The specially adopted new rules with specially adopted substantial changes shall be effective for a period not to exceed 365 days from the date of filing, that is, until _____, 2026.

Concurrently, the provisions of the new rules with substantial changes are being proposed for readoption in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. As the NJEDA has filed this notice of readoption before _____, 2026, the expiration date is extended 180 days to _____, 202__, pursuant to N.J.S.A. 52:14B-5.1.c. The concurrently proposed new rules with concurrently proposed substantial changes will become effective and permanent upon acceptance for filing by the OAL (see N.J.A.C. 1:30-6.4(f)), if filed on or before _____, 202__.

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes follow.

Summary

Summary of the Rulemaking and Legislative History:

The New Jersey Economic Recovery Act of 2020, P.L. 2020, c. 156, created a package of tax incentive, financing, and grant programs to address the ongoing economic impacts of the COVID-19 pandemic and build a stronger, fairer New Jersey economy, including the Aspire Program. The Aspire Program is a gap financing tax incentive program to encourage the

development of commercial, mixed use, and residential real estate projects in New Jersey by providing tax credits in an amount based on a percentage of the project's costs.

On November 15, 2021, the NJEDA submitted specially adopted Aspire Program rules and concurrently proposed rules, pursuant to section 67 of P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 (N.J.S.A. 34:1B-335, et seq), to the OAL for publication in the New Jersey Register. The specially adopted rules became effective upon acceptance for filing by OAL and were published in the December 20, 2021 New Jersey Register. See 53 N.J.R. 2252(a). The initial expiration date for the specially adopted rules was 180 days from the date of filing, or May 14, 2022. The rules were concurrently proposed in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1, et seq. The concurrent proposal extended the expiration of the rules by an additional 180 days to November 10, 2022. See N.J.S.A. 52:14B-5.1(c).

Significant public comments were received. Pursuant to N.J.S.A. 52:14B-5.1.d(1), Governor Phillip D. Murphy, on October 31, 2022, directed that the expiration date of the Aspire rules be extended for a period of 12 months, from November 10, 2022, to November 10, 2023.

Additional, subsequent legislative changes were enacted. On July 6, 2023, Governor Murphy signed S4023 into law as P.L. 2023, c. 98 (Chapter 98). Chapter 98 modified the Aspire Program in numerous ways, including but not limited to revising the maximum amount of tax credits that may be awarded to redevelopment and transformative projects pursuant to the Program, revising the square footage requirement for commercial projects, adopting rules concerning the establishment and administration of affordability controls for residential projects under the Program, and revising the circumstances in which a developer would be exempt from

the Program’s community benefits agreement (CBA) requirement. Thereafter, on December 5, 2023, the NJEDA submitted specially adopted amendments to the Aspire Program rules and concurrently proposed rule amendments to the OAL for publication in the New Jersey Register. These specially adopted rule amendments became effective upon accepted for filing by OAL and were published in the January 2, 2024 New Jersey Register. See 56 N.J.R. 60(a). The initial expiration date for the specially adopted rule amendments was 365 days from the date of filing, or December 4, 2024. The rule amendments were concurrently proposed in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1, et seq. The concurrent proposal extended the expiration of the rule amendments by an additional 180 days until June 2, 2025. See N.J.S.A. 52:14B-5.1(c).

Significant public comments were received. Pursuant to N.J.S.A. 52:14B-5.1(d), Governor Phillip D. Murphy, on June 6, 2025, directed that the expiration date of the Aspire rules be extended for a period of 180 days, from June 2, 2025, to November 29, 2025.

In the interim, further legislative changes were enacted. On January 23, 2025, Governor Phillip D. Murphy signed S1323 into law as P.L. 2025, c. 2 (Chapter 2). Chapter 2 modified the Aspire Program in numerous ways, including but not limited to:

Special Mission Non-Profit Projects

Chapter 2 adds the concept of “special mission non-profit projects”, which is defined in the new law as a project that serves a special mission to accomplish the public purpose of a non-profit that is a developer of or affiliated with the project; and that includes no more than 100

units of 100 percent supportive housing units for tenants requiring special needs or social services. The new law permits these projects to have no more than 25,000 square feet of commercial space for on-site social service programs that require a license from the Department of Children and Families as a child care center. The new law further stipulates that “special mission non-profit projects” are exempted from the net benefit test requirement, affordable housing requirements, and the market study requirement.

Sale of Buildings

Chapter 2 creates a new provision permitting a developer to sell one or more buildings that are part of the redevelopment project during the eligibility period, in accordance with these rules adopted by the Authority.

Changes to Eligibility Requirements

Chapter 2 amends the requirement that developers and co-applicants of commercial projects must maintain an average occupancy rate of at least 60 percent during the fourth year of the eligibility period, rather than during the third year as was previously required. The new law additionally clarifies that if the average occupancy rate drops to less than 60 percent during any applicable tax period, the developer and co-applicant must forfeit any tax credits until the occupancy rate reaches or surpasses 60 percent.

Changes to Tax Incentive Award Requirements

Chapter 2 makes changes to the tax incentive award requirements, including reducing the eligibility period from 15 years to 10 years for commercial and mixed-use projects. The new law further provides that for any year during the eligibility period in which the Director of the

Division of Taxation in the Department of Treasury (Director) purchases a tax credit certificate or a tax credit transfer certificate is issued for a redevelopment project, if the actual rate of return on investment exceeds the reasonable and appropriate rate of return on investment at the time of Board approval by more than 10 percent, the Authority shall require the developer to pay up to 20 percent of the amount in excess. The Authority shall not reduce or recapture any tax credits at project certification or at the end of the seventh year of the eligibility period solely due to an increase to the return on investment.

Changes to Annual Report

Chapter 2 also amends the annual report requirements. This amendment includes that the Authority shall preliminarily determine whether the annual report submitted by the developer is complete. After the Authority makes their determination, the Authority has 120 days to either approve the annual report and notify the Director or request more information from the developer. If the Authority fails to act within 120 days from its preliminary determination, the annual report shall be deemed approved.

Upon receipt of the certificate of compliance, the Director of Taxation shall allow the developer a tax credit. A developer shall apply the tax credit awarded against the developer's liability identified in the tax credit certificate or in the tax period for which it was issued. A developer may carry forward an unused tax credit, if necessary, for use in the seven privilege periods next following the privilege period for which the tax credits are applied.

Changes to Projects Located in GRM

Chapter 2 increases the amount of total tax credits a developer can receive for a project

located in a government-restricted municipality. Previously, a developer was allowed a tax credit up to 80 percent of the eligible project cost for a redevelopment project located in a government-restricted municipality. The new law changes this amount to 85 percent for redevelopment projects and special mission non-profit projects.

Summary of the Public Comments and Agency Responses:

In response to the December 5, 2023, special adoption and concurrent proposal at 56 N.J.R. 60(a), the Authority received comments from the following:

1. U.S. Representative (then-State Senator) Nellie Pou
2. State Assemblywoman Eliana Pintor-Marin
3. Dan Kennedy, Chief Executive Officer, NAIOP New Jersey
4. Kevin Polston, Project Executive, Riverton, Sayreville Seaport Associates Urban Renewal, L.P.

1. COMMENT: Commenters requested removing from the definition of “commercial project” the exclusion of warehouse, distribution, and fulfillment facilities.

RESPONSE: P.L. 2025, c. 2 amends the definition of “commercial project” to include industrial space that is predominantly used for warehouse distribution or fulfillment centers if the eligible project cost includes at least \$10 million in environmental remediation costs. This statutory update has been incorporated into this rulemaking.

2. COMMENT: Commenters suggest revisions to the definition of “project cost” and that the term “eligible project cost” should be used in lieu of “total project cost.” Commenters also suggest that the term “total project cost” should replace the terms “total development cost” or “total redevelopment cost.” Further, commenters suggest revisions to the definition of “project

financing gap,” that the term “total project cost” should be used in lieu of “total development cost”, and that the term “eligible project cost” should be used in lieu of “total development cost.”

RESPONSE: P.L. 2025, c.2 amends the definition of “project cost” to use the term “eligible project cost” in lieu of “total development cost” and amends the definition of “total development cost” or “total redevelopment cost” to also include the term “total project cost” in lieu of “total development cost” or “total redevelopment cost”. This statutory update has been incorporated into this rulemaking. Moreover, the specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes provide that the term “total project cost” shall have the same meaning as “total development cost” or “total redevelopment cost”. The portions of the statutory definition of “project financing gap” that commenters requested be included in the definition in the rules are already incorporated into other definitions in the rules, namely the definitions of “developer contributed capital” and “equity”.

3. COMMENT: Commenters requested increasing the eligibility period to up to 15 years for commercial and mixed-use projects and for the Authority to incorporate a mechanism to reduce the eligibility period if a shorter period would enhance the monetary value of the tax credit award.

RESPONSE: P.L. 2025, c. 2 amended N.J.S.A. 34:1B-323 and –328, which limit the maximum eligibility period to 10 years, to allow for applicants to elect a five-year eligibility period for projects located in a government-restricted municipality and for special mission non-profit projects. This statutory update has been incorporated into this rulemaking. Projects with a five-year eligibility period required to demonstrate a net positive economic benefit to the state may

elect to have the net positive economic benefit evaluated for 10 years, subject to a 5-year compliance period immediately following the eligibility period.

4. COMMENT: Commenters suggest that the prevailing wage requirements for buildings services work should include language specifically exempting workers employed to perform building services work by any residential tenant. Further, commenters request that prevailing wage for construction work should be limited to 2 years after the first tax credit and language in the rules providing that prevailing wage shall apply to all construction work done by tenants at the redevelopment project should be removed.

RESPONSE: P.L. 2025, c. 2 includes language explicitly exempting workers employed to perform building services work by any residential tenant from prevailing wage requirements. This statutory update has been incorporated into this rulemaking. The Authority is bound by the statutory language at N.J.S.A. 34:1B-325, which requires prevailing wage requirements for construction work during the eligibility period

5. COMMENT: Commenters suggest that language should be added to the rules clarifying that upon completion of a building, the developer is free to sell the building.

RESPONSE: P.L. 2025, c. 2 amends N.J.S.A. 34:1B-328 to include language permitting developers to sell one or more buildings during the eligibility period subject to rules and regulations adopted by the Authority. This statutory update has been incorporated into this rulemaking.

6. COMMENT: Commenters object to the community benefit agreement (CBA) and the redevelopment agreement (RDA) requirements and process set forth in the rules.

RESPONSE: The Authority is bound by statutory language at N.J.S.A. 34:1B-328, which requires redevelopment agreements to include provisions that meet or exceed the standards required under a community benefits agreement.

7. COMMENT: Commenters contend that an ongoing 60 percent occupancy rate is untenable for a construction “gap financing” program. Further, before sanctions are imposed for failure to reach or maintain the occupancy rate, a developer should be required to produce a corrective action plan and any sanctions should be proportional to percentage of the occupancy, and residential projects should be exempt from any such occupancy requirements, in as much as the net benefit test applies only to commercial projects.

RESPONSE: P.L. 2025, c.2 amends N.J.S.A. 34:1B-325 and requires a developer and co-applicant of a commercial project to forfeit all credits if the average occupancy rate of the commercial project is less than 60 percent during any applicable tax period from the fourth year of the eligibility period through the eligibility period’s conclusion. Moreover, the statutory language exempts residential projects from the occupancy requirements.

8. COMMENT: Commenters suggest that the exclusion of a parking component for transformative projects is inconsistent with statute and parking component should be included as an eligible project cost. Commenters further suggest that the parking component of a project should be included in calculating square footage requirements to determine if a project is transformative, as long as the parking component is constructed to meet local zoning, planning,

or similar requirements and consistent with the Residential Site Improvement Standards.

Commenters further suggest that any portion of a parking component in excess of local parking requirements and Residential Site Improvement Standards should not be included in the square footage calculation; however, any project located in a Government Restricted Municipality may include the entire parking component square footage in the calculation.

RESPONSE: The parking component does not count towards square footage. However, the cost of parking that is eligible as a parking component is an eligible project cost. For a phased transformative project, the cost of the parking structure or lot proportionate to the number of parking spaces required by the municipality or other applicable government entity and the cost proportionate to any non-parking space in the parking structure are an eligible project cost. But, the cost of the parking structure or lot proportionate to the number of parking spaces in excess of what is required is not an eligible project cost.

9. COMMENT: Commenters welcome the proposed reduction in the requisite control standard to less than 50 percent of ownership to confirm affiliate status, but request that the Authority permit developers to provide an opinion of counsel showing that it has maintained requisite control at less than 50 percent ownership.

RESPONSE: The Authority considers the type of documentation provided to demonstrate affiliate status to be beyond the scope of the Program rules.

10. COMMENT: Commenters suggest that the Program fees are too high.

RESPONSE: The Authority has determined that the fees outlined in the rules are appropriate to offset the cost to the Authority to administer the Program.

11. COMMENT: Commenters suggest that the rules should more clearly state that the scoring system only impacts project eligibility or award amount when there are limited tax credits.

RESPONSE: The Authority has determined that the rules at N.J.A.C. 19:31V-1.7 already clearly state whether the scoring system impacts project eligibility or award amount when there are limited tax credits.

12. COMMENT: Commenter seeks clarification as to whether (a)(6) of N.J.A.C. 19:31V-1.11, regarding eligibility for transformative projects, only applies to residential transformative projects.

The Authority agrees with the commenter that the rules as previously written were unclear as to whether N.J.A.C. 19:31V-1.11(a)(6) only applies to residential projects. The Authority has clarified in this rulemaking that the requirement applies to all transformative projects.

13. COMMENT: Commenters suggest that when applying the 20 percent soft cap cost to multi-phased transformative projects or any phased project it is not practical or necessary to enforce the cap on each phase because soft costs are not necessarily spread evenly and are often skewed towards the early phase(s) in connection with pre-construction costs. As such, the 20 percent cap should be applied only on an overall project cost basis.

RESPONSE: The previous rules and current rulemaking allow a developer to have soft costs in a phase that exceeds 20 percent of the eligible project cost for that phase. At the end of the final phase, if the aggregate amount of soft costs exceeds 20 percent of the aggregate eligible project cost of all phases, the Authority shall reduce the amount of allowable soft costs, shall resize the

amount of the incremental tax credit for the final phase, and may recapture any excess tax credits.

14. COMMENT: Commenters suggest that the 45-year affordability control for rental units at N.J.A.C. 19:31V-1.18 is overly burdensome and unfair.

RESPONSE: The 45-year affordability control is generally consistent with the New Jersey Housing and Mortgage Finance Agency (HMFA) requirements. This means that affordability restrictions will remain on the properties for the long term, benefiting future low- and moderate-income households.

15. COMMENT: Commenters note that the special adoption/concurrent rule proposal provides that “any modification” requires review and approval by the Authority and suggests that the Authority’s Board should only review and approve modifications to the project costs or square footage of greater than 25 percent.

RESPONSE: The definition of “Authority”, as defined in N.J.S.A. 34:1B-323 and N.J.A.C. 19:31V-1.2, does not refer specifically to the Authority’s Board and thus, the Board is not required to review and approve every modification.

16. COMMENT: Commenters suggest that the provisions in N.J.A.C. 19:31V-1.9, which require that a list of tenant information for all residential units be provided in the Program Annual Report, conflict with tenant privacy and obligates developers to collect and provide the Authority with information they cannot obtain.

RESPONSE: The information is necessary to confirm and verify affordable housing requirements.

The following summarizes the contents of each section of the specially adopted new rules with specially adopted substantial changes and concurrently proposed implementing the Aspire Program:

N.J.A.C. 19:31V-1.1 Applicability and Scope

This section of the specially adopted new rules with specially adopted substantial changes and concurrently proposed rules provides that this subchapter is promulgated by the NJEDA to implement the provisions of the New Jersey Economic Recovery Act of 2020 establishing the New Jersey Aspire Program Act (Act), sections 54 through 67 at P.L. 2020, c. 156, as amended at P.L. 2021, c. 160, P.L. 2023, c. 98, and P.L. 2025, c. 2 (N.J.S.A. 34:1B-322 through -335).

N.J.A.C. 19:31V-1.2 Definitions

This section sets forth the definitions used throughout the Program rules, including new and updated definitions for “commercial project”; “community benefits agreement”; “compliance period”; “eligible warehouse project”; “incentive area”; “mixed-use residential project”; “project cost” or “eligible project cost”; “residential project”; “special mission non-profit project”; and “total project cost”. Moreover, consistent with the statutory changes in Chapter 2, this rulemaking proposes that the terms “project cost” and “eligible project cost” shall have the same meaning. It further proposes that the terms “total project cost”, “total development

cost”, and “total redevelopment cost” shall have the same meaning. Amendments are proposed throughout this rulemaking to reflect these changes to the defined terms.

N.J.A.C. 19:31V-1.3 Eligibility Criteria

This section sets forth that a developer and co-applicant, if applicable, shall be eligible to receive an incentive award for a redevelopment project if the developer demonstrates that, without the incentive award, the redevelopment project is not economically feasible, with the incentive award the redevelopment project will be economically and commercially viable for the duration of the eligibility period and, if applicable, the compliance period; that a project financing gap exists; the redevelopment project, except for a commercial project that is predominately for film production uses or a special mission non-profit project, is located in the incentive area; except for demolition and site remediation activities, the developer has not commenced any construction at the site of the redevelopment project prior to submitting an application; during the eligibility period and, if applicable, the compliance period, each worker employed to work at the redevelopment project, shall be paid not less than the prevailing wage rate; and the developer shall be issued a temporary certificate of occupancy for the redevelopment project facilities, except that the Authority may grant an extension for certain emergency situations. Only certain costs may be incurred prior to application. This section additionally sets forth the requirement to include the cost of acquiring a building or buildings, or land in government-restricted municipalities, as a project cost.

Certain additional requirements apply based on project type. A redevelopment project with a project cost in excess of \$50 million may compete the redevelopment project in phases and have the temporary certificate of occupancy issued no more than six years from the date on

which the incentive area agreement is executed, provided that certain requirements are met. Additionally, special mission non-profit projects are required to have a social services coordinator dedicated to the project for at least 20 hours per week and a social services plan that addresses the needs of the identified population of individuals with special needs.

In addition, the developer must comply with all requirements for filing and paying required State taxes and fees; the developer, all principals of the developer, and any affiliate of the developer, cannot be more than 24 months in arrears of any financing obligation for the redevelopment project at the time of application. Except for certain exceptions, the overall public assistance will result in a net positive economic benefit to the State. If the application includes a co-applicant, the developer and co-applicant demonstrate the following: the co-applicant's organizational purpose encompasses the proposed participation; the co-applicant has the financial and operational capability to provide the proposed contribution or services; the co-applicant's proposed capital, real property, or services will materially affect and serve the anticipated residents, tenants, or customers of the tenants of the redevelopment project; and the co-applicant's receipt and sale of the tax credits is necessary to finance the redevelopment project.

This rulemaking also proposes amendments to be consistent with the statutory changes in Chapter 2. These changes include, but are not limited to, clarification that the Program's building services requirements are inapplicable to work performed by residential tenants or subtenants and that land acquisition costs are an eligible project cost for certain projects. This rulemaking further proposes additional eligibility criteria for special mission non-profit projects, consistent with Chapter 2. These requirements include, but are not limited to, that the project meets the criteria for a special mission non-profit, that the project has a social services coordinator

dedicated to the project for at least 20 hours per week, a social services plan addressing the needs of the individuals with special needs, as well as additional requirements if the special mission non-profit is not the developer. Amendments for grammar and syntax are also proposed.

N.J.A.C. 19:31V-1.4. Application Submission Requirements

This section sets forth the information that each applicant and, if applicable, co-applicant must provide to the Authority, which includes but is not limited to: financial statements for the last three years; a description of the project, including a breakdown of uses and related square footage and costs, and the developer's experience with similar project(s); a copy of a market and/or feasibility study for the proposed use of the project site by an independent third party; financial information for the project, which shall include all phases; a certification that any contractors or subcontractors that will perform work at the redevelopment project are registered as required by the Public Works Registration Act, N.J.S.A. 34:11-56.48, et seq, have not been debarred by the Department of Labor and Workforce Development, and possess a tax clearance certificate issued by the Division of Taxation; except for certain residential projects, for a redevelopment project whose total project cost equals or exceeds \$10 million a community benefits agreement, redevelopment agreement, or resolution pursuant to N.J.S.A. 34:1B-328f, and a letter of support from the chief executive of the municipality or county, if applicable. Furthermore, to be consistent with the statutory changes in Chapter 2, this rulemaking proposes that for applications approved on or after January 23, 2025, developers shall be required to additionally certify that no contractor or subcontractor performing work on the redevelopment project have been suspended or disqualified by a federal agency from engaging in federally-funded construction projects or bidding on federal contracting opportunities.

This rulemaking proposes additional application requirements for special mission non-profit projects, which requirements include, but are not limited to, providing a narrative description about the social services plan for the project; a description of the activities to be undertaken by the project's social services coordinator; and documentation demonstrating that the proposed special mission non-profit has the required special mission.

19:31V-1.5 Fees

This section establishes the fees required for the Program. The fee amounts depend on the type of project. If the Authority deems review by a third party necessary, the developer is responsible for payment.

19:31V:1.6 Financing Gap and Fiscal Impact Analysis

This section provides that the Authority shall review the proposed total development cost, evaluate and validate the project financing gap estimate, and conduct a fiscal impact analysis to ensure that the overall public assistance provided to the redevelopment project will result in a net positive benefit to the State. The net positive economic benefit analysis shall not apply to a residential project, a component that is a food delivery source or health care or health services center, or a special mission non-profit project.

In determining whether the redevelopment project yields the net positive economic benefit, the Authority's consideration shall include, but not be limited to, the direct, indirect, and induced benefits to the State, including local taxes that may benefit the State, and may include induced benefits derived from construction, provided that such determination shall be limited to

the net positive economic benefit derived from the capital investment commenced after the submission of an application to the Authority.

This rulemaking proposes permitting projects with a 5-year eligibility period that are required to show a net positive economic benefit to elect to have the net benefit evaluated for ten years, subject to a 5-year compliance period immediately following the eligibility period. This rule making further proposes amendments for grammar and syntax.

19:31V-1.7 Approval of Completed Application; Tax Credit Amount

This section provides that the Authority shall make awards based on the order in which complete, qualifying applications are received. If interest in the Program so warrants, at the Authority's discretion, and upon notice, the Authority may institute a competitive application process.

Before the Board may consider an application, the Authority shall confirm with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Division of Taxation that the applicant, any co-applicant, special mission non-profit, and the lead development entity are in substantial good standing or entered into an agreement with the respective department.

If a developer intends to apply to both the Authority and the Housing and Mortgage Financing Agency (HMFA) for subsidies, the developer shall notify HMFA simultaneously with any application made to the Authority.

The maximum amount of tax credits available to an applicant annually shall be equal to the total credit amount divided by the duration of eligibility period in years. This rulemaking

proposes changes to the maximum amount of tax credit available to an applicant to be consistent with the statutory changes enacted in Chapter 2. Projects located in municipalities that qualified as government-restricted municipalities (GRM) prior to January 23, 2025 may receive a tax credit of no more than 85 percent of eligible project cost, an increase from the previous ceiling of 80 percent. Projects located in municipalities that newly qualified as GRMs on or after January 23, 2025 may receive a tax credit of no more than 80 percent of eligible project cost. Nonetheless, the amount of tax credit shall not exceed \$120 million per redevelopment project or phase of a redevelopment project. This rule making further proposes amendments for grammar and syntax.

19:31V-1.8 Approval letter; incentive award agreement

This section provides that an approval letter setting forth the conditions will be sent to the approved applicant and any co-applicant and shall provide the requirements necessary for the Authority to execute the incentive award agreement.

Following satisfaction of the requirements for the execution of an incentive award agreement, the Authority shall enter into an incentive award agreement with the approved applicant and any co-applicant. The awarding of tax credits shall be conditioned on the applicant's and any co-applicant's compliance with the requirements of the agreement.

The approved applicant shall submit, prior to the issuance of tax credits pursuant to the incentive award agreement, but no later than six months following project completion, satisfactory evidence of the completion of the redevelopment project and satisfaction of the Program eligibility requirements.

Certain types of projects require additional documentation to be submitted to Authority. These projects include eligible warehouse projects, transformative environmental remediation projects, and special mission non-profit projects.

Approved applicants will submit additional documentation depending on their project. Projects that require additional documentation include, eligible warehouse projects, transformative environmental remediation projects, and special mission non-profit projects.

This rulemaking sets forth the timing of the evaluation of the approved applicant's actual return on investment for projects with a five-year eligibility period. While all projects will have the actual return on investment evaluated at project certification, projects with a five-year eligibility period without a compliance period will have an additional evaluation at the end of the third year, while projects with a compliance period will have an additional evaluation at the end of the third and fifth years. This rulemaking additionally sets forth the timing of payment for any payments required in excess of the maximum return on investment for projects with a five-year eligibility period.

19:31V-1.9 Reporting requirements and annual report

This section requires that an approved developer that enters into an incentive award agreement shall submit an annual report with supporting documentation on the status and continued eligibility compliance of the approved project.

The report is due 120 days after the end of the tax privilege period. Failure to timely submit the report, absent extenuating circumstances and the written approval of the Authority, shall result in a forfeiture of the tax credits for that privilege period. During the eligibility period, within 120 days after the Authority preliminarily determines that an annual report is complete, the Authority shall either approve the annual report or request more information from the

developer. If approved, the Authority shall provide a certificate of compliance to the developer. The certificate of compliance shall indicate the amount of tax credits that the developer may apply against the developer's tax liability.

An approved applicant or co-applicant may carry forward an unused tax credit for use in the seven privilege periods next following the privilege period for which the credits are applied.

19:31V-1.10 Reduction, forfeiture, and recapture of tax credits

This section provides that the approved applicant and any co-applicant may have their tax credit reduced, forfeited in whole or part, or recaptured for certain violations including, but not limited to: project changes, absent prior written approval of a modification by the Authority; a labor harmony agreement requirement is not satisfied during a relevant tax period; a worker employed to perform construction work at the redevelopment project is paid less than the prevailing wage rate pursuant to N.J.A.C. 19:31V-1.3(a)8 during the relevant tax period; a commercial tenant, commercial subtenant, or other commercial occupant violates the requirement to pay the prevailing wage rate for building services work set forth at N.J.S.A. 34:1B-325a(7)(b) and N.J.A.C. 19:31V-1.3(a)9; or the approved applicant or co-applicant, if a party to the community benefits agreement or redevelopment agreement, is not in compliance with the community benefits agreement or redevelopment agreement.

This rulemaking provides that approved special mission non-profit applicants may have their tax credit reduced, forfeited in whole or part, or recaptured if the project is changed such that it no longer qualifies. The Authority may recapture all, or part of, a tax credit awarded, if a

project fails to comply with any Program requirements during any compliance period, based on the net positive economic benefits attributed to the compliance period. Furthermore, consistent with Chapter 2, an applicant may be subject to reduction, forfeiture, or recapture for failure to meet the 60 percent average occupancy rate for commercial projects during any applicable tax period beginning the fourth year, rather than the third year.

19:31V-1.11 Transformative projects

This section sets forth the transformative project eligibility requirements, which include but are not limited to, the redevelopment project: has a project financing gap; for projects approved before January 23, 2025, has a total project cost of at least \$150,000,000 or projects approved on or after January 23, 2025, has a total development cost of at least \$150,000,000; leverages the competitive economic development advantages of the State's economic development assets; and meets certain square footage requirements.

In addition, the section includes specific criteria and requirements for commercial projects of special economic importance and certain residential projects for the construction of 700 or more newly constructed residential units; or a mixed-use residential project with construction of 30,000 square feet or more of commercial space, which may include retail space. For transformative projects completed in phases, the approved applicant shall be issued temporary certificates of occupancy for all phases of the transformative project. Each phase of a transformative project completed shall have a separate eligibility period. After completing each phase, the approved applicant shall submit a certification that the phase is completed with the documents required. If the Authority approves the certification, the tax credit allowed to the approved applicant or co-applicant shall be increased by the tax credit amount corresponding to that phase, which shall include only the infrastructure attributable to that phase. If upon review

of the certification of completion of each phase, the Authority adjusts the incremental tax credit for that phase solely due to the certification demonstrating a lesser total project cost than projected at Board approval, the amount of tax credits not included in the incremental tax credit shall be available to the approved applicant and any co-applicant in any subsequent phase, provided that the incremental tax credit has not been resized due to the project financing gap and the State fiscal impact analysis.

A review of the project financing gap shall be performed at the certification of completion of each phase, and the Authority may resize the incremental tax credit for that phase or subsequent phases.

19:31V-1.12 Application for tax credit transfer certificate

This section details the documentation that must be submitted evidencing the value of the tax credits and provides that an approved applicant or co-applicant may apply for a tax credit transfer certificate, covering one or more years, in lieu of the being allowed any amount of the credit against the tax liability of the approved applicant. The tax credit transfer certificate may be sold or assigned, in full or in part, in an amount not less than \$25,000, in the privilege period during which the approved applicant or co-applicant receives the tax credit transfer certificate, to another person, who may apply the credit against a tax liability on or after the date of issuance of the tax credit transfer certificate.

The approved applicant or co-applicant shall not sell, pledge, transfer, or assign, including a collateral assignment, a tax credit transfer certificate allowed pursuant to this section for consideration of less than 85 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall not make any subsequent transfers,

assignments, or sales of the tax credit transfer certificate. The Authority shall publish, on its Internet website, information concerning each tax credit transfer certificate approved by the Authority and the Director pursuant to this section.

19:31V-1.13 Assignment of rights of incentive award agreement

This section outlines the process for an approved applicant or co-applicant to pledge, assign, transfer, or sell any or all of its rights, title, and interest in, and to, the incentive award agreement and in the incentive awards payable, along with the rights and remedies. Any assignment will be absolute for all purposes, including the Federal bankruptcy code.

Any pledge of an incentive award made by the approved applicant shall be valid and binding from the time the pledge is made and filed in the records of the Authority. The incentive award pledged and thereafter received by the approved applicant shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding against all parties having claims of any kind. The Authority shall publish certain information on its Internet website concerning each pledge, assignment, transfer, or sale approved by the Authority pursuant to this section

19:31V-1.14 Sale of Buildings

This section provides that a developer who has entered an incentive award agreement may sell one or more buildings or portions of a buildings during the eligibility period or any compliance period. The developer shall submit the application prior to the sale of any building or portion of building. To be eligible for such sale, the project cost must be included in documents evidencing completion of the project or of a phase, and the Authority must approve the proposed purchaser.

To apply for the sale of a building or a portion of it, the developer must include information in the sale of building application including but not limited to, the proposed purchase price and terms; the valuation of the property; whether there are proposed changes; a completed legal questionnaire disclosing all relevant legal matters; any other necessary and relevant information.

For every year in which a developer is approved to sell building(s) or portion(s) of building(s), the developer shall include in the annual report an updated project pro forma and other relevant information, including, but not limited to, an updated market and/or feasibility study for the redevelopment project by an independent third party. The developer shall remain responsible and liable for all terms and conditions of the Program and the incentive award agreement.

19:31V-1.15 Affirmative action and prevailing wage

This section provides that the Authority's affirmative action requirements at N.J.S.A. 34:1B-5.4 and N.J.A.C. 19:30-3, as well as those within this subchapter shall apply to the redevelopment project, including, but not limited to, construction contracts for certain work performed before the application. The affirmative action requirements shall apply for two years after the first certificate of compliance is issued. During the eligibility period and any compliance period, prevailing wage shall apply to building services at the site of the redevelopment project pursuant to N.J.A.C. 19:31-23A.3(a)9.

N.J.A.C. 19:31V-1.16 Affordability Controls: Documentation and Monitoring

This section provides that developers and any subsequent owner of the affordable development shall retain all documentation and evidence necessary to demonstrate compliance with the affordability controls for the duration of the deed restriction and shall provide such

documentation and evidence as set forth in this subchapter or at the request of the Agency or the Authority. The Agency may serve as a monitoring entity acting to report to the Authority compliance with the affordability controls.

N.J.A.C. 19:31V-1.17 Affordability Controls: Affordability Average; Bedroom Distribution

This section provides that in each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units and the remainder may be moderate-income units, provided that at least 10 percent of the restricted units shall be very low-income units. Further, this section proscribes the bedroom distribution for restricted units, the affordability average in determining initial rents; and that restricted units shall utilize the same type of heating source as market units within the affordable development.

N.J.A.C. 19:31V-1.18 Affordability Controls: Occupancy Standards

This section proscribes standards for how the initial rents for restricted units shall be determined.

N.J.A.C. 19:31V-1.19 Affordability Controls: Control Periods for Rental Units

This section provides that each restricted rental unit shall remain subject to the requirements of the affordability controls for a period of 45 years. Deeds of all real property that include restricted rental units shall contain deed restriction language as prescribed by the Authority. The deed restriction shall have priority over all mortgages on the property. A restricted unit shall remain subject to the affordability controls despite the occurrence of any of the following events: A sale or other voluntary transfer of the ownership of the affordable development or the restricted unit; or the entry and enforcement of any judgment of foreclosure on the affordable development or the restricted unit.

N.J.A.C. 19:31V-1.20 Affordability Controls: Restrictions on Rents

This section provides that rent shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size, however, that the rent shall be subject to the affordability average requirement at N.J.A.C. 19:31-23A.18. A written lease is required for all restricted rental units. Those tenant-paid utilities that are included in the utility allowance shall be so stated in the lease.

N.J.A.C. 19:31V-1.21 Affordability Controls: Tenant Income Eligibility

This section provides that the initial rent proposed for a restricted unit shall not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined, however, this limit may be exceeded pursuant to certain circumstances exists. Developers and subsequent owners of affordable development shall establish at least one rent for each type of unit based on the number of bedrooms for very low-income, low-income, and moderate-income units.

N.J.A.C. 19:31V-1.22 Affordability Controls: Affirmative Marketing

This section prescribes the affirmative marketing plan and strategy designed to attract renters regardless of race, religious principles, color, national origin, ancestry, marital or familial status, liability for service in the Armed Forces of the United States, nationality, sex, gender identity or expression, disability, age (except age-restricted units), source of lawful income, or number of children the developer or subsequent owner of an affordable development shall utilize.

N.J.A.C. 19:31V-1.23 Affordability Controls: Household Selection; Related Project Information

This section provides that the developer or subsequent owner of the affordable development shall obtain all information from applicant households necessary and appropriate to determine that restricted units are occupied by properly sized households with appropriate low- or moderate- income levels. When reviewing an applicant household's income to determine eligibility, the developer or subsequent owner of the affordable development shall compare the applicant household's total gross annual income to the household limits then in effect.

The developer or subsequent owner of the affordable development and shall maintain certain information and provide it to the Agency or the Authority upon request. The developer or subsequent owner of the affordable development shall employ a random selection process when selecting prospective tenants for restricted units.

N.J.A.C. 19:31V-1.24 Appeals

This section provides that an applicant may appeal the Board's action by submitting, in writing, to the Authority, within 20 calendar days from the effective date of the Board's action, an explanation as to how the applicant has met the Program criteria. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq.; and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. This rulemaking additionally proposes corrections for grammar and syntax to this section.

N.J.A.C. 19:31V-1.25 Reports by the Authority to the Governor and Legislature on Implementation of the Program

This section sets forth certain reporting requirements by the Authority to the Governor and the Legislature, which are statutorily required.

N.J.A.C. 19:31V-1.26 Severability

This section provides that if any section, subsection, provision, clause, or portion of this subchapter is adjudged to be unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.

The NJEDA has provided a 60-day comment period on this notice of concurrent proposal, therefore, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes for the Aspire Program encourage real estate development and private investment into communities across New Jersey, with a focus on low-income and under-resourced communities, and are intended to have a positive social impact.

The Aspire Program is a key component of the State's broader economic development plan, which balances economic impact, for example, stimulating community development, with a focus on increasing equity and opportunity for all. This strategy is clearly demonstrated in the Economic Recovery Act of 2020's overall approach, which establishes or amends 15 different programs with varying development objectives. The Aspire Program is primarily focused on community development. Other programs are primarily focused on areas such as job creation and retention, small and micro business support, and other critical social issues, such as food security.

Catalyzing redevelopment projects and attracting long-term private investment into the State helps bolster long-term tax revenues and revitalizes cities and downtowns into more vibrant magnets for people and investment-rich with cultural amenities and safe, vibrant, walkable, mixed-use neighborhoods.

Economic Impact

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes are intended to bolster the State's economy by stimulating new high-quality economic development. The Aspire Program, the primary community development tool in the New Jersey Economic Recovery Act of 2020, P.L. 2020, c. 156, encourages smart, targeted investments in communities in the form of private capital investment that is, by definition, a durable and sustainable investment in the State's economic infrastructure. The resulting investments will support long-term economic benefits after tax credits have been fully utilized, in the form of job creation opportunities, transit-oriented development, and affordable and workforce housing, even if a given project does not meet its full potential. The fact that capital investment must be completed before tax credits are provided to approved projects, along with robust recapture and repayment provisions if the projects fail to meet their long-term obligations, ensures substantial economic protections within the Program.

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.

Jobs Impact

With the core focus of encouraging private investment in redevelopment projects, the Aspire Program also creates jobs needed to support approved projects. This includes the creation of union jobs needed to perform construction services on the redevelopment project, as well as permanent full-time jobs tied to the completed project, particularly for commercial and mixed-use projects. It is not possible to accurately forecast the number of jobs that will be supported by

the Aspire Program; however, the Act and the rules provide a series of transparency measures, including biannual Program evaluation reports, to ensure regular reporting of the number of jobs created.

Agriculture Industry Impact

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes may have a positive impact on the agricultural industry, which includes aquaculture and fisheries, through the targeted industry inclusion of the non-retail food and beverages industry. Specifically, a transformative project may be within the agricultural industry through involvement with research and development activities that advance agricultural food innovation technologies. As a result, new or advanced technologies may benefit the State's agricultural industry operations for the production, processing, preservation, and distribution of raw agricultural goods into consumer food products.

Regulatory Flexibility Analysis

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes are unlikely to impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Any requirements are discussed in the Summary above; however, any costs will be minimal and fully offset by the amount of financial assistance received. The fees for the Program are intended to ensure a source of necessary administrative fee revenue for NJEDA to more fully cover the costs of the Program and are discussed in the Summary above.

Housing Affordability Impact Analysis

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes are likely to have a positive impact on the

affordability of housing in the State by helping to catalyze the development of market-rate housing in distressed communities and, where appropriate, mixed-income and affordable housing; however, the new rules should not impact the average costs of housing in the State. Pursuant to the Act, a project may qualify for a percent of the total project cost for the new construction of a residential project that receives an allocation from the Federal Low-Income Housing Tax Credit Program administered by the New Jersey Housing and Mortgage Finance Agency. These residential projects supported through the Aspire Program are expected to impact the amount or cost of housing units, primarily including multi-family rental housing in the State.

Smart Growth Development Impact Analysis

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes, which authorize tax credit awards for certain residential projects, may result in an indeterminate increase in the number of housing units or result in an increase or decrease in the average cost of housing in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State. Accordingly, no further analysis is required.

SUBCHAPTER 23A. ASPIRE

19:31V-1.1 Applicability and scope

(a) The rules in this subchapter are promulgated by the New Jersey Economic Development Authority (“NJEDA” or “Authority”) to implement the provisions of the New Jersey Economic Recovery Act of 2020 establishing the New Jersey Aspire Program Act (Act), sections 54 through 67 at P.L. 2020, c. 156, as amended at P.L. 2021, c. 160, [and] P.L. 2023, c. 98, **and P.L. 2025, c. 2** (N.J.S.A. 34:1B-322 through 34:1B-335) and shall apply to all Program applications completed after the effective date of P.L. 2023, c. 98 (July 6, 2023); except that in accordance with section 14(b) of P.L. 2023, c. 98, a developer that has submitted a completed application for a residential project and obtains all applicable approvals pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., for the project prior to November 4, 2023, and submits written notice to the Authority before the Authority’s decision on the application, may proceed pursuant to the reasonable and appropriate return on investment definition as amended by section 1 at P.L. 2023, c. 98 (N.J.S.A. 34:1B-323), the tax credit award limits as amended by subsection b of section 7 of P.L. 2023, c. 98 (N.J.S.A. 34:1B-329) and subsection g of Section 9 of P.L. 2023, c. 98 (N.J.S.A. 34:1B-333), and the rules and statute in effect prior to July 6, 2023.

(b) Pursuant to the Act, the Authority shall administer the Program, including the establishment and administration of affordability controls that apply to the residential units constructed for occupancy by low- and moderate-income households pursuant to the Program, to encourage redevelopment projects through the provision of tax credit awards to reimburse developers for certain project financing gap costs. The requirement to reserve certain units for low- and moderate-income households and the affordability controls for all restricted units in redevelopment projects set forth in this subchapter apply solely as a requirement of this Program and do not replace or supersede any obligation pursuant to any other rule, regulation, law, or

legal requirement. The Authority Board may approve the award of a tax credit award to a developer upon application to the Authority pursuant to N.J.S.A. 34:1B-326 and 327. The value of all tax credits approved by the Authority pursuant to the Act shall be subject to the limitations set forth at N.J.S.A. 34:1B-362.

19:31V-1.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Act" means the New Jersey Aspire Program Act, sections 54 through 67 at P.L. 2020, c. 156, as amended at P.L. 2021, c. 160, [and] P.L. 2023, c. 98, **and P.L. 2025, c. 2** (N.J.S.A. 34:1B-322 through 34:1B-335).

"Affiliate" means an entity that directly or indirectly controls, is under common control with, or is controlled by, the developer. Control exists in all cases in which the entity is a member of a controlled group of corporations, as defined pursuant to section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563), or the entity is an organization in a group of organizations under common control, as defined pursuant to subsection (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). For a phased transformative project, a developer may establish, by clear and convincing evidence, as determined by the Authority, that control exists in situations involving lesser percentages of ownership if the developer shall have control, at a minimum, of all aspects of compliance with the Program. An affiliate of a developer may contribute to the project cost and may satisfy the requirement for site control

during construction [and], the eligibility period **and any compliance period**, but in no event shall the tax credit certificate be issued to any affiliate.

“Affordability average” means the mean average of the percentage of median gross household income at which restricted units in an affordable development are affordable to households. For example, if the rents for the five restricted rental units in an affordable development are affordable at 46, 48, 50, 54, and 62 percent of median gross household income, respectively, the average affordability for those units would be 52 percent of median gross household income. The amount shall be rounded up to the nearest whole number (first decimal of five is rounded up).

“Affordability controls” means the controls established at N.J.A.C. 19:31V-1.1[5]6 through 2[2]3 on restricted units.

“Affordable” means, in the case of a rental unit, that the rent for the unit conforms to the standards set forth at N.J.A.C. 19:31V-1.[19]20 and 1.[20]21.

“Affordable development” means a redevelopment project with restricted units.

"Agency" means the New Jersey Housing and Mortgage Finance Agency established pursuant to N.J.S.A. 55:14K-1 et seq.

“Age-restricted unit” means “housing for older persons” as defined at 42 U.S.C. § 3607.

"Authority" means the New Jersey Economic Development Authority established at N.J.S.A. 34:1B-4.

"Aviation district" means all areas within the boundaries of the Atlantic City International Airport, established pursuant to N.J.S.A. 27:25A-24, and the Federal Aviation Administration William J. Hughes Technical Center and the area within a one-mile radius of the outermost boundary of the Atlantic City International Airport and the Federal Aviation Administration

William J. Hughes Technical Center and the Trenton-Mercer Airport, established pursuant to N.J.S.A 40:8-2, and the area within a one-mile radius of the outermost boundary of the Trenton-Mercer Airport.

"Board" means the Board of the New Jersey Economic Development Authority established at N.J.S.A. 34:1B-4.

"Building services" means any cleaning or routine building maintenance work, including, but not limited to, sweeping, vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse or trash, window cleaning, securing, patrolling, or other work in connection with the care or securing of an existing building, including services typically provided by a door-attendant or concierge. Building services shall not include any skilled maintenance work, professional services, or other public work for which a contractor is required to pay the prevailing wage as defined at N.J.S.A. 34:11-56.26.

"Cash flow" means the profit or loss that an investment property earns from rent, deposits, and other fees after financial obligations, such as debt, maintenance, government payments, and other expenses, have been paid. Cash flow shall include costs for benefits and services provided pursuant to the community benefits agreement during the eligibility period and any compliance period, subject to the limitations at N.J.A.C. 19:31V-1.8(e)8. For purposes of cash flow, government payments shall not include, among other things, payments that are the result of a violation or a settlement of a violation or any payment that is not reasonable and customary, as determined by the Authority.

"Co-applicant" means an entity that:

1. Is non-profit for taxation purposes pursuant to the provisions of section 501(c)3 of the Internal Revenue Code;

2. Contributes capital, real property, or services related to the project that directly affect and serve the anticipated residents, tenants, or customers of the tenants of the redevelopment project; and
3. Enters into a participation agreement with the developer that specifies the co-applicant's participation in the redevelopment project.

"Commercial project" means a redevelopment project that is predominantly commercial and, if located in a government-restricted municipality, contains 25,000 or more square feet, or if located in any other municipality, contains 50,000 or more square feet of office and retail space, industrial space, or film production uses, Office space shall include laboratory and research and development space. The term "commercial project" includes a redevelopment project comprised solely of a health care or health services center. A commercial project may include a parking component, provided that the square footage for the parking component shall not count toward the required minimum square feet and when determining if a project is a commercial or residential project, a parking component shall not constitute either a residential or commercial use. **The term "commercial project" also includes an eligible warehouse project but [** The term "commercial project"] shall not **otherwise** include premises or space used predominately for warehousing, distribution, or fulfillment center.

"Community benefits agreement" means the agreement between the developer; a co-applicant, if applicable; the municipality or county; and the Authority, pursuant to N.J.S.A. 34:1B-328.f and N.J.A.C. 19:31V-1.8(e).

"Compliance period" means the period of 5 years immediately following the eligibility period for projects with a 5-year eligibility period for which the net positive economic benefit is evaluated for 10 years.

“Contamination” or “contaminant” means any discharged hazardous substances as defined pursuant to N.J.S.A. 58:10-23.11b, hazardous waste as defined pursuant to N.J.S.A. 13:1E-38, or pollutant as defined pursuant to N.J.S.A. 58:10A-3.

"Developer" or "applicant" means a person who enters, or proposes to enter, into an incentive award agreement or pursuant to the provisions at N.J.S.A. 34:1B-328, including, but not limited to, a lender that completes a redevelopment project, operates a redevelopment project, or completes and operates a redevelopment project.

"Developer contributed capital" means equity contributed by the developer.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

“Discharge” means an action or omission defined as such pursuant to the Technical Requirements for Site Remediation rules at N.J.A.C. 7:26E-1.8.

"Distressed municipality" means a municipality that is qualified to receive assistance pursuant to N.J.S.A. 52:27D-178 et seq., a municipality pursuant to the supervision of the Local Finance Board pursuant to the provisions of the Local Government Supervision Act, N.J.S.A. 52:27BB-1 et seq., a municipality identified by the Director of the Division of Local Government Services in the Department of Community Affairs to be facing serious fiscal distress, an SDA municipality, or a municipality in which a major rail station is located.

"Economic development incentive" means a financial incentive, awarded by the Authority, or agreed to between the Authority and a business or person, for the purpose of stimulating economic development or redevelopment in New Jersey, including, but not limited to, a bond, grant, loan, loan guarantee, matching fund, tax credit, or other tax expenditure.

“Eligible warehouse project” means industrial space that is predominantly used for warehouse distribution or fulfillment centers if the eligible project cost includes at least

\$10,000,000 in environmental remediation costs. “Eligible warehouse project” shall not include a project by a developer that has discharged a contaminant at the site of the proposed redevelopment project or by a developer that is a corporate successor to the discharger.

"Eligibility period" means the period of 10 years for an incentive award agreement or incentive phase agreement during which a developer, **any special mission non-profit**, or a co-applicant, if applicable, may claim a tax credit pursuant to the Program, **provided that a developer may elect before approval a period of 5 years for a project located in a government-restricted municipality or for a special mission non-profit project.**

"Enhanced area" means a municipality that contains an urban transit hub, as defined at N.J.S.A. 34:1B-208; the five municipalities with the highest poverty rates according to the 2017 Municipal Revitalization Index; and the three municipalities with the highest percentage of SNAP recipients according to the 2017 Municipal Revitalization Index.

"Equity" means developer-contributed capital that may consist of cash, costs for project feasibility incurred within the 12 months prior to application, property value less any mortgages when the developer owns the project site, and any other investment by the developer in the project deemed acceptable by the Authority. Property value shall be valued at the lesser of: the purchase price, provided the property was purchased pursuant to an arm's length transaction within 12 months of application; or the value as determined by a current appraisal acceptable to the Authority. Equity shall include Federal or local grants and proceeds from the sale of Federal or local tax credits, including, but not limited to, the Historic Rehabilitation Tax Credit, 26 U.S.C. § 47, Low-Income Housing Credit, 26 U.S.C. § 42, and New Market Tax Credit, 26 U.S.C. § 45D. Equity shall not include State grants or tax credits or proceeds from

redevelopment area bonds. For a residential project utilizing Low-Income Housing Tax Credits awarded by the New Jersey Housing and Mortgage Financing Agency, equity also includes the portion of the developer's fee that is deferred for a minimum of five years.

“Environmental remediation costs” means any costs incurred by a developer **before the submission of the documents required pursuant to N.J.A.C. 19:31V-1.8(f)** in the completion of any actions necessary to investigate, clean up, or respond to a known, suspected, or threatened discharge of contaminants, including, as necessary, the preliminary assessment, site investigation, remedial investigation, and remedial action, pursuant to N.J.S.A. 58:10B-1 et seq. **“Environmental remediation costs” must be for an area of concern included in a remedial action workplan and shall not include the payment of compensation for damage to or loss of natural resources.**

"Film production uses" means a film studio, professional stage, sound stage, television studio, recording studio, screening room, or other production support space or infrastructure used for film production, including, but not limited to, production offices, mill space, or backlots, provided that the predominant use shall not be administrative or back office use.

"Fiscal impact analysis" means the analysis to be undertaken by the Authority to determine if the project meets the requirement of providing a net positive economic benefit to the State.

"Food delivery source" means access to nutritious foods, such as fresh fruits and vegetables, through grocery operators, including, but not limited to, a full-service supermarket or grocery store, and other healthy food retailers of at least 16,000 square feet, including, but not limited to, a prepared food establishment selling primarily nutritious ready-to-serve meals.

"Full-time employee at the redevelopment project" means a full-time employee whose primary office is at the redevelopment project and who spends at least 60 percent of their time at the redevelopment project, or who spends any other period of time generally accepted by custom or practice as full-time employment at the redevelopment project, as determined by the Authority.

"Government-restricted municipality" means a municipality in this State with a municipal revitalization index distress score of at least 75, that met the criteria for designation as an urban aid municipality in the 2019 State fiscal year, and that, on the effective date at N.J.S.A. 34:1B-269 et seq. (January 7, 2021), is subject to financial restrictions imposed pursuant to the Municipal Stabilization and Recovery Act, N.J.S.A. 52:27BBBB-1 et seq., or is restricted in its ability to levy property taxes on property in that municipality as a result of the State of New Jersey owning or controlling property representing at least 25 percent of the total land area of the municipality or as a result of the Federal government of the United States owning or controlling at least 50 acres of the total land area of the municipality, which is dedicated as a national natural landmark. **The term "government-restricted municipality" also includes any municipality that has a population greater than 50,000 and less than 60,000 according to the latest federal decennial census, is designated as the county seat of a county of the second class with a population greater than 800,000 according to the latest federal decennial census, and has an 2023 MRI distress score of 62.1; has a population greater than 70,000 and less than 100,000 according to the latest federal decennial census, is designated as the county seat of a county of the second class with a population greater than 515,000 and less than 525,000 according to the latest federal decennial census, and has an 2023 MRI distress score of 100; or contains the intersection of Interstate 280 and the Garden State Parkway, and**

corresponding land areas occupied by such highways under the ownership or control of the federal government of the United States or of this State within its municipal boundary, and has an 2023 MRI distress score of 55.5.

"Health care or health services center" means an establishment that consists of not less than 10,000 square feet devoted to health care or health services where patients are admitted for or seek examination and treatment by one or more physicians, dentists, psychologists, or other medical practitioners, and which is located in a municipality with a **2023** Municipal Revitalization Index distress score of at least 50, a distressed municipality, or a qualified incentive tract.

"Hospitality establishment" means a hotel, motel, or any business, however organized, that sells food, beverages, or both, with seating for consumption by patrons on the premises.

"Incentive area" means an aviation district; a port district; area designated pursuant to the State Planning Act, N.J.S.A. 52:18A-196 et seq., as Planning Area 1 (Metropolitan), Planning Area 2 (Suburban), or a Designated Center[, provided an area designated as Planning Area 2 (Suburban) or a Designated Center shall be located within a one-half mile radius of the mid-point, with bicycle and pedestrian connectivity, of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations, or a high frequency bus stop, as certified by the New Jersey Transit Corporation;] **under the State Development and Redevelopment Plan**; an area designated as a brownfield site pursuant to the Brownfield and Contaminated Site Remediation Act, N.J.S.A. 58:10B-1 et seq.; and an area of not less than 100 acres for which a licensed site remediation professional has certified environmental remediation costs in accordance with the Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq., in an amount not less than

\$10,000,000, provided that any portion of such area is located in an area that otherwise qualifies as an incentive area.

"Incentive award" means an award of tax credits to a developer, **any special mission non-profit**, or a co-applicant, if applicable, to reimburse a developer for all or a portion of the project financing gap of a redevelopment project pursuant to the provisions at N.J.S.A. 34:1B-322 through 34:1B-335.

"Incentive award agreement" means the contract executed between a developer, **any special mission non-profit**, any co-applicant, if applicable, and the Authority pursuant to N.J.S.A. 34:1B-328, which sets forth the terms and conditions pursuant to which the developer, **any special mission non-profit**, and any co-applicant may receive the incentive awards authorized pursuant to the provisions at N.J.S.A. 34:1B-322 through 34:1B-335.

"Incentive phase agreement" means, for a phased project, the capital investment requirements, and the time periods in which each phase of the project shall be commenced and completed. The incentive phase agreement may be incorporated in the incentive award agreement.

"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 or developed in consultation with other State agencies.

"Labor harmony agreement" means an agreement between a business that serves as the owner or operator of a retail establishment, hospitality establishment, or distribution center and one or more labor organizations, which requires, for the duration of the agreement: that any

participating labor organization and its members agree to refrain from picketing, work stoppages, boycotts, or other economic interference against the business; and that the business agrees to maintain a neutral posture with respect to efforts of any participating labor organization to represent employees at an establishment or other unit in the retail establishment, hospitality establishment, or distribution center, agrees to permit the labor organization to have access to the employees, and agrees to guarantee to the labor organization the right to obtain recognition as the exclusive collective bargaining representatives of the employees in an establishment or unit at the retail establishment, hospitality establishment, or distribution center by demonstrating to the New Jersey State Board of Mediation, Division of Private Employment Dispute Settlement, or a mutually agreed-upon, neutral, third [-] party that a majority of workers in the unit have shown their preference for the labor organization to be their representative by signing authorization cards indicating that preference. The labor organization or organizations shall be from a list of labor organizations which have requested to be on the list and which the Commissioner of Labor and Workforce Development has determined represent substantial numbers of retail establishment, hospitality establishment, or distribution center employees in the State.

“Lead [D]development [E]entity” means the entity that is responsible for overseeing the redevelopment project and is relied upon by the Authority to demonstrate operational capability, expertise, and experience to complete the project. The Authority shall determine which entity is the lead development entity by considering the role an entity has in the coordination of activities related to the redevelopment project, including, but not limited to, project design, project financing, permitting and local approvals, construction oversight and contracting, and property management.

“Licensed site remediation professional” or “LSRP” shall have the same meaning as defined in N.J.S.A. 58:10-23.11b.

"Low-income household" means a household with a gross household income equal to 50 percent or less of the median gross household income.

"Low-income housing" or “low-income unit” means a housing unit affordable to and occupied or reserved for occupancy by low-income households.

"Major cultural institution" means a public or non-profit institution, not including an institution of higher education, within this State that engages in the cultural, intellectual, scientific, environmental, educational, or artistic enrichment of the people of this State, and which institution is designated by the board as a major cultural institution. To be designated, a major cultural institution shall demonstrate at approval either an average of at least \$2,000,000 in gross revenue in the most recent three consecutive tax years or that it has raised at least \$5,000,000 in contributions and grants for a redevelopment project. Additionally, if the major cultural institution was established less than three years prior to the application, it shall provide an independent analysis that it has the ability and likelihood to remain operational for the duration of the eligibility period **and any compliance period.**

"Major rail station" means a railroad station that is located within a qualified incentive area and that provides to the public access to a minimum of six rail passenger service lines operated by the New Jersey Transit Corporation.

“Maximum return” means the reasonable and appropriate return on investment for a redevelopment project as established by the Board at the time of the approval of the redevelopment project.

“Median gross household income” means the median income for households of the same size within the county in which the housing unit is located according to the Federal Department of Housing and Urban Development standard as utilized by the Agency for Federal low-income housing tax credits.

"Minimum environmental and sustainability standards" means the standards established by the Authority, in accordance with the green building manual prepared by the Commissioner of the Department of Community Affairs pursuant to N.J.S.A. 52:27D-130.6, regarding the use of renewable energy, energy-efficient technology, and non-renewable resources to reduce environmental degradation and encourage long-term cost reduction. The Authority shall publish these standards on its website.

"Mixed-use residential project" means a residential project with less than 700 units that qualifies as a transformative project.

“Moderate-income household” means a household with a total gross annual household income in excess of 50 percent but equal to or less than 80 percent of the median gross household income.

"Moderate-income housing" or “moderate-income unit” means a housing unit affordable to and occupied or reserved for occupancy by moderate-income households.

"Municipal Revitalization Index" or “**MRI distress score**” means the index created by the Department of Community Affairs ranking New Jersey's municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality.

“Newly constructed residential unit” means a residential unit that was not previously occupied as a residential unit with the same room configuration, including, but not limited to,

bedroom distribution, unit square footage, and floor plan. Any change that combines existing rooms that does not otherwise change the room configuration, such as combining separate kitchen and living rooms into a single kitchen and living room space, shall not be considered the construction of a newly constructed residential unit.

“Parking component” means any part of a redevelopment project used for parking and ancillary uses. For a redevelopment project that is not a phased transformative project, the parking and ancillary uses shall not be the sole use of any building or structure and any other use shall have at least 2,500 square feet. For a phased transformative project, the size of the parking component shall be based on the number of parking spaces required by the municipality or other applicable government entity that is applicable to the redevelopment project.

"Port district" means the portions of a qualified incentive area that are located within: the Port of New York District of the Port Authority of New York and New Jersey, as defined at Article II of the Compact Between the States of New York and New Jersey of 1921; or a 15-mile radius of the outermost boundary of each marine terminal facility established, acquired, constructed, rehabilitated, or improved in the South Jersey Port District established pursuant to the South Jersey Port Corporation Act, N.J.S.A. 12:11A-1 et seq.

"Program" means the New Jersey Aspire Program established by sections 54 through 67 at P.L. 2020, c. 156[, as amended at P.L. 2021, c. 160, and P.L. 2023, c. 98] (N.J.S.A. 34:1B-322 through 34:1B-335).

"Project cost" or "[total] **eligible** project cost" means the sum of the costs incurred in connection with a redevelopment project by a developer until the earlier of the issuance of a permanent certificate of occupancy and the certification of costs pursuant to N.J.A.C. 19:31V-1.8(f), or until such other time specified by the Authority, based upon such other documentation

evidencing project completion as set forth in the incentive award agreement, for a specific investment or improvement, including the costs relating to lands, buildings, improvements, real or personal property, or any interest therein, including leases discounted to present value, including lands under water, riparian rights, space rights, and air rights acquired, owned, developed or redeveloped, constructed, reconstructed, rehabilitated, or improved, any environmental remediation costs, plus soft costs of an amount not to exceed 20 percent of the [total] **eligible** project cost[s], and the cost of infrastructure improvements, including ancillary infrastructure projects. Project cost shall not include the cost of acquiring land, **except for a redevelopment project located in a government-restricted municipality, which shall include land costs in an amount not to exceed 20 percent of the eligible project cost.** Project cost shall include otherwise qualifying costs incurred by an affiliate of the developer. The fees paid by the developer, **any special mission non-profit**, or any co-applicant to the Authority associated with the application or administration of an incentive award pursuant to N.J.S.A. 34:1B-322 through 335 shall not constitute a project cost. When 100 percent of the residential units constructed in a residential project are reserved for occupancy by low- and moderate-income households, the term “project cost” shall also include the total amount of developer fees paid before acquiring permanent financing, as well as the deferred developer fees approved pursuant to the rules established by the Agency.

"Project financing gap" means the part of the total development cost, including reasonable and appropriate return on investment, that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, developer-contributed capital, which shall not be less than 20 percent of the total development cost, and investor or financial entity capital or loans for which the developer, after making all good faith efforts to

raise additional capital, certifies that additional capital cannot be raised from other sources on a non-recourse basis; provided, however, that for a redevelopment project located in a government-restricted municipality, the developer-contributed capital shall not be less than 10 percent of the total development cost.

"Qualified incentive tract" means a population census tract having a poverty rate of 20 percent or more; or a census tract in which the median family income for the census tract does not exceed 80 percent of the greater of the Statewide median family income or the median family income of the metropolitan statistical area in which the census tract is situated.

"Redevelopment agreement" means a properly executed agreement between a municipality and a developer that pertains to a property being redeveloped and includes the redevelopment project, pursuant to the Local Redevelopment and Housing law, N.J.S.A. 40A:12A-1 et seq.

"Redevelopment project" means a specific construction project or improvement or phase of a project or improvement undertaken by a developer, owner, or tenant, or both, and any ancillary infrastructure project. A redevelopment project may involve construction or improvement upon lands, buildings, improvements, or real and personal property, or any interest therein, including lands under water, riparian rights, space rights, and air rights, acquired, owned, developed or redeveloped, constructed, reconstructed, rehabilitated, or improved.

"Rent" means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances utilized by the Agency for Federal low-income housing tax credits.

"Residential project" means a redevelopment project that is predominantly residential, intended for multi-family residency, and may include a parking component. When determining if

a project is a residential or commercial project, a parking component shall not constitute either a residential or commercial use.

“Restricted unit” means a dwelling unit that is subject to the affordability controls.

"SDA district" means an SDA district as defined at N.J.S.A. 18A:7G-3.

"SDA municipality" means a municipality in which an SDA district is situated.

"Soft costs" means costs not directly related to construction, including capitalized interest paid to third parties, real estate taxes, utility connection fees, accounting, title/bond insurance, fixtures/equipment with a useful life of five years or less, affordable housing fees, and all costs associated with financing, design, engineering, legal, or real estate commissions, including, but not limited to, architect fees, permit fees, loan origination and closing costs, construction management, and freight and shipping delivery. The term does not include early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing and advertising, temporary signage, incentive consultant fees, Authority fees, loan interest payments on permanent financing, escrows, reserves, pre-opening costs, commissions and fees to the developer not included in the definition of project cost, project management, or other similar costs. Soft costs shall include costs for benefits and services provided pursuant to the community benefits agreement that are not directly related to construction of the project, subject to the limitations at N.J.A.C. 19:31V-1.8(e)8.

“Special mission non-profit” means a non-profit that is a developer or is affiliated with a special mission non-profit project with a special mission to operate the special mission non-profit project and to service the identified individuals with special needs.

"Special mission non-profit project" means a redevelopment project located in a government-restricted municipality or in an enhanced area that serves a special mission to

accomplish the public purpose of a special mission non-profit and consists of 100 percent supportive housing units but not more than 100 such units. A “special mission non-profit project” may include no more than 25,000 square feet of commercial space for the provision of on-site social service programs that require a license from the Department of Children and Families as a licensed child care center. “Special mission non-profit projects” shall not include long-term care facilities, adult medical day care facilities, or dormitories. Redevelopment projects that are food delivery sources, health care or health services centers or other similar facilities anywhere in the State, or residential projects shall not be considered “special mission non-profit projects”.

"Square feet" means the sum of all areas on all floors of a building included within the outside faces of its exterior walls, including all vertical penetration areas for circulation and shaft areas that connect one floor to another, but disregarding cornices, pilasters, buttresses, and similar structures that extend beyond the wall faces.

“Supportive housing units” means the space that is rented to and/or occupied by an individual with special needs, or related individuals that includes an individual with special needs, who is a tenant or occupant requiring special needs or social services.

“Total project cost” or “[T]otal development cost” or “total redevelopment cost” means any and all costs incurred for and in connection with the redevelopment project by the developer and any affiliate of the developer until the issuance of a permanent certificate of occupancy, or upon such other event evidencing project completion as set forth in the incentive grant agreement, which shall include, but is not limited, to project costs, soft costs, and cost of acquisition of land and buildings.

“Transformative environmental remediation project” means a transformative project located entirely on land designated by the New Jersey Department of Environmental Protection as a Brownfield Development Area pursuant to N.J.S.A. 58:10B-25.1, and that will include at least \$15 million in environmental remediation costs as eligible project cost.

"Transit hub" means an urban transit hub, as defined at N.J.S.A. 34:1B-208, that is located within an eligible municipality, as defined at N.J.S.A. 34:1B-208 and also located within a qualified incentive area.

"Vacant commercial building" means any commercial building or complex of commercial buildings having over 400,000 square feet of office, laboratory, or industrial space that is more than 70 percent unleased and unoccupied for a period of over one year at the time of application to the Authority, except that the amount of square feet in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties shall be 200,000.

“Very low-income household” means a household with a total gross annual household income equal to 35 percent or less of the median gross household income.

"Very low-income housing" or “very low-income unit” means a housing unit affordable and occupied or reserved for occupancy by very low-income households.

"Workforce housing" means housing that is affordable according to the Federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs, and occupied or reserved for occupancy by households with a gross household income of more than 80 percent, but less than 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located.

19:31V-1.3 Eligibility criteria

(a) Prior to March 1, 2029, a developer, **any special mission non-profit**, and co-applicant, if applicable, shall be eligible to receive an incentive award for a redevelopment project only if the developer demonstrates to the Authority at the time of application that:

1. Without the incentive award, the redevelopment project is not economically feasible;
2. With the incentive award, the redevelopment project will be economically and commercially viable for the duration of the eligibility period **and any compliance period**;
3. A project financing gap, which includes consideration of the project's reasonable and appropriate return on investment, exists, or the Authority determines that the redevelopment project's reasonable and appropriate return on investment is below the market rate of return and supports an incentive award of all or a portion of the project financing gap;
4. The redevelopment project, except a commercial project that is predominantly film production uses **or a special mission non-profit project**, is located in the incentive area;
5. Except for demolition and site remediation activities, the developer has not commenced any construction at the site of the redevelopment project prior to submitting an application. However, the Authority may determine that the redevelopment project would not be completed without the award or, in the event the redevelopment project is to be undertaken in phases, the requested incentive award is limited to only phases for which construction has not yet commenced;
6. The redevelopment project shall comply with minimum environmental and sustainability standards;

7. The redevelopment project shall comply with the Authority's affirmative action requirements, adopted pursuant to N.J.S.A. 34:1B-5.4, as provided at N.J.A.C. 19:31V-1.1[4]5(a);

8. During the eligibility period **and any compliance period**, each worker employed to perform construction work at the redevelopment project shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of the Department of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25 et seq., and 34:11-56.58 et seq. For construction work, prevailing wage shall apply to all work done by tenants at the redevelopment project;

9. During the eligibility period **and any compliance period**, each worker employed to perform building services work at the redevelopment project, whether pursuant to contract by the developer or a commercial tenant, commercial subtenant, or other commercial occupant, shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25 et seq., and 34:11-56.58 et seq., **subject to the following:**

i. [except that this] **This** requirement shall not apply to workers employed to perform building services work by a commercial tenant, commercial subtenant, or other commercial occupant that has a leasehold interest or other occupancy right in a redevelopment project, which leasehold interest or other occupancy right encompasses less than 5,000 square feet of space within the project. For purposes of this paragraph, square feet shall mean the rentable area of the building or structure in the lease but does not include the tenant's *pro rata* portion of common areas.

ii. This paragraph does not apply to residential tenants or residential subtenants at the redevelopment project.

iii. In the event a **redevelopment project, or a portion of a redevelopment project**, is undertaken by a tenant **pursuant to a contract** and the tenant has a leasehold of more than 55 percent of space in the building owned or controlled by the developer, the requirement that each worker employed to perform building service work at the building be paid not less than the prevailing wage shall apply to the entire redevelopment project and all tenants therein **except as provided in i. and ii. above.** [The requirement in this paragraph shall not apply to residential tenants or residential subtenants];

10. The redevelopment project shall be completed, and the developer shall be issued a temporary certificate of occupancy for the redevelopment project facilities by the applicable enforcing agency within four years of executing the incentive award agreement corresponding to the redevelopment project. Except that if the Governor declares an emergency, the Chief Executive Officer of the Authority may grant an extension for the duration of the emergency and the Board of the Authority, upon recommendation of the Chief Executive Officer, may grant two additional six-month extensions; provided that on an ongoing basis:

- i. The extensions are due to the economic disruption caused by the emergency;
- ii. The project is delayed due to unforeseeable acts related to the project beyond the developer's control and not due to the developer's fault or negligence;
- iii. The developer is using best efforts, with all due diligence, to proceed with the completion of the project and the issuance of the temporary certificate of occupancy; and
- iv. The developer has made and continues to make all reasonable efforts to prevent, avoid, mitigate, and overcome the delay;

11. A redevelopment project with a project cost in excess of \$50,000,000 may complete the redevelopment project in phases and have the temporary certificate of occupancy issued no more than six years from the date on which the incentive award agreement is executed, provided that:

- i. Each phase shall be \$50,000,000 or more, except for the last phase;
- ii. The developer shall obtain a temporary certificate of occupancy for each phase;

and

iii. The first temporary certificate of occupancy shall be obtained within four years of executing the incentive award agreement;

12. The developer has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees by submitting, as a part of the application, a tax clearance certificate, as described at N.J.S.A. 54:50-39;

13. The developer, all principals of the developer, and any affiliate of the developer, is not more than 24 months in arrears of any financing obligation for the redevelopment project at the time of application, in accordance with N.J.S.A. 34:1B-325.a;

14. Except for a residential project, **special mission non-profit project, or a component of a redevelopment project that is a food delivery source or a health care or health services center, the fiscal impact analysis set forth in N.J.A.C. 19:31V-1.6(b) of the overall public assistance provided to the project will result in a net positive economic benefit to the State;**

15. For a special mission non-profit project:

i. The special mission non-profit meets the definition of special mission non-profit and the proposed project satisfies the definition of special mission non-profit project;

ii. The proposed project shall have a social services coordinator dedicated to the project for at least 20 hours per week and a social services plan that addresses the needs of the identified individuals with special needs, which scope of social services may include licensed social workers;

iii. The special mission non-profit has the financial and operational capability to provide the special services;

iv. If the special mission non-profit is not the developer:

(1) The special mission non-profit has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees by submitting, as a part of the application, a tax clearance certificate, as described in N.J.S.A. 54:50-39; and

(2) The developer will enter into an agreement with the special mission non-profit that provides for the special mission non-profit's required participation in the redevelopment project during the eligibility period; and

[15] **16.** If the application includes a co-applicant, the developer and co-applicant demonstrate the following:

i. The co-applicant has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees by submitting, as a part of the application, a tax clearance certificate, as described in [Section 1 at P.L. 2007, c. 101 (N.J.S.A. 54:50-39)].

ii. The co-applicant's organizational purpose encompasses the proposed participation;

iii. The co-applicant has the financial and operational capability to provide the proposed contribution or services;

iv. The co-applicant's proposed capital, real property, or services will materially affect and serve the anticipated residents, tenants, or customers of the tenants of the redevelopment project; and

v. The co-applicant's receipt and sale of the tax credits is necessary to finance the redevelopment project.

(b) The following are the only costs incurred prior to application that may be included as project costs:

1. For applications submitted on or after January 23, 2025, demolition, site remediation, soft costs for project feasibility, and acquisition of buildings or other site improvements not including land acquisition costs, unless such land acquisition costs are otherwise eligible as project cost, are project costs if incurred within two years prior to the date of the application;

2. For applications submitted on or after January 1, 2024, and prior to January 23, 2025, demolition, site remediation, soft costs for project feasibility, and acquisition of buildings or other site improvements not including any land acquisition costs are project costs if incurred within two years prior to the date of the application; and

[2] **3. For applications submitted on or after January 1, 2023, and prior to January 1, 2024, demolition, site remediation, soft costs for project feasibility, and acquisition of buildings or other site improvements not including any land acquisition costs are project costs if incurred within three years prior to the date of the application.**

(c) To determine that the project has a project financing gap, the developer shall demonstrate that the redevelopment project has developer-contributed capital of at least 20 percent of the total development cost, except that if a redevelopment project is located in a government-restricted municipality, the developer-contributed capital shall be at least 10 percent of the total development cost.

(d) [For a] **A residential project or a commercial project comprised solely of a health care or health care service center shall have the following** to qualify for an incentive award [, the residential project shall]:

1. [Have a total project cost of at least \$17,500,000, if the] **A project [is] located in a municipality with a population greater than 200,000 according to the latest Federal decennial census shall have an eligible project cost of at least \$17,500,000 for applications approved before January 23, 2025, or a total development cost of at least \$17,500,000 for applications approved on or after January 23, 2025;**

2. [Have a total project cost of at least \$10,000,000, if the] **A project [is] located in a municipality with a population less than 200,000 according to the latest Federal decennial census shall have an eligible project cost of at least \$10,000,000 for applications approved before January 23, 2025, or a total development cost of at least \$10,000,000 for applications approved on or after January 23, 2025; or**

3. [Have a total project cost of at least \$5,000,000, if the] **A project [is] in a qualified incentive tract or government-restricted municipality shall have an eligible project cost of at least \$5,000,000 for applications approved before January 23, 2025, or a total development cost of at least \$5,000,000 for applications approved before January 23, 2025.**

(e) For a residential project or a redevelopment project consisting of, or containing any, newly constructed residential units to qualify for an incentive award, the developer shall reserve at least 20 percent of the residential units constructed for occupancy by low- and moderate-income households with affordability controls set forth in this subchapter, except that a residential project receiving a Federal historic rehabilitation tax credit pursuant to Section 47 of the Federal Internal Revenue Code of 1986, 26 U.S.C. § 47, **a special mission non-profit project**, or a tax credit pursuant to the Historic Property Reinvestment Act, N.J.S.A. 34:1B-270 through 34:1B-276, shall be exempt from the affordability controls related to bedroom distribution.

(f) For all redevelopment projects, in order to include the cost of acquiring a building or buildings, **or land in government-restricted municipalities**, in the project cost of a redevelopment project involving the rehabilitation or improvement of the building or buildings, **or land in government-restricted municipalities**, all other components of the project cost must equal or exceed the cost of acquiring the building or buildings, **or land in government-restricted municipalities**, provided the cost of acquiring a building or buildings, **or land in government-restricted municipalities**, may be **up to** 60 percent of the [total] **eligible** project cost for a project utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consists solely of units reserved for occupancy by low- and moderate-income households.

19:31V-1.4 Application submission requirements

(a) Each application to the Authority made by a developer shall include the following information in an application format prescribed by the Authority:

1. The name of the developer and lead development entity;

2. The contact information of the person identified as the primary contact for the developer and lead development entity;
3. The type of the business of the developer and lead development entity;
4. The New Jersey tax identification number of the developer and lead development entity;
5. The Federal tax identification number of the developer and lead development entity;
6. Financial statements for the last three years of the lead development entity;
7. A description of the project, including a breakdown of uses and related square footage and costs, and the developer's experience with similar project(s);
8. A copy of a market and/or feasibility study for the proposed use of the project site by an independent third party, which must include the firm's position regarding the marketability and underwriting of the revenue and expense components of the proposed project for the duration of the eligibility period **and any compliance period, unless the project is a special mission non-profit project.**
9. An anticipated construction schedule;
10. Financial information of the project, which shall include all phases, including, but not limited to, estimated project costs and total development costs, any State or local financial assistance for the project, proposed terms of financing, projected reasonable and appropriate return on investment on developer's contributed capital, net margin, and cash on cash yield, and a certification from the chief executive officer, or equivalent officer of the developer, that additional capital cannot be raised from other sources on a non-recourse basis after making all good faith efforts to raise additional capital, and any other documentation demonstrating economic and commercial viability pursuant to N.J.A.C. 19:31V-1.3(a)2;

11. As applicable, a certification that the project meets the requirements to reserve residential units as set forth at N.J.A.C. 19:31V-1.3(e) and/or 1.11(e) and the affordability controls for such reserved units;

12. A list of all of the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury permits and approvals or obligations and responsibilities, with which the developer and the lead development entity is associated with, or has an interest in. The list shall identify the entity that applied for or received such permits and approvals or have such obligations and responsibilities, such as by Program interest numbers or licensing numbers. The developer and the lead development entity shall also submit a written certification by the chief executive officer, or equivalent officer of the developer, stating that the developer applying for the Program and the lead development entity satisfy the criteria at N.J.A.C. 19:31V-1.7(b)1 to be in substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury and the criteria at N.J.A.C. 19:31V-1.7(b)2 to be in substantial good standing with the Agency;

13. For redevelopment projects approved before January 23, 2025, [A] a certification that any contractors or subcontractors that will perform work at the redevelopment project are registered as required by the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., have not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury. **For redevelopment projects approved on or after January 23, 2025, the developer shall additionally certify that no such contractor or subcontractor has been suspended or**

disqualified by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State or been debarred, suspended, or disqualified by a federal agency from engaging in federally-funded construction projects or bidding on federal contracting opportunities;

14. A certification by the chief executive officer, or equivalent officer of the developer, that the officer has reviewed the application information submitted and that the representations contained therein are accurate;

15. A completed legal questionnaire disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

16. Submission of a tax clearance certificate of the developer and the lead development entity;

17. A list of all the development subsidies, as defined at N.J.S.A. 52:39-1 et seq., that the developer is requesting or receiving, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received;

18. The status of control of the entire redevelopment project site, shown for each block and lot of the site as indicated on the local tax map;

19. A list and status of all required local, State, and Federal government permits and local planning and zoning board approvals that have been issued for the redevelopment project, or will be required to be issued, pending resolution of financing issues;

20. A description of how the minimum environmental and sustainability standards are to be incorporated into the proposed redevelopment project, including use of renewable energy,

energy-efficient technology, and non-renewable resources in order to reduce environmental degradation and encourage long-term cost reduction;

21. [Except for a residential project that is located in a government-restricted municipality, and in which 100 percent of the residential units constructed in the residential project are reserved for occupancy by low- and moderate-income households, for a redevelopment project whose total project cost equals or exceeds \$10 million and f] **For redevelopment projects for** which a community benefits agreement, a redevelopment agreement, or a resolution is required pursuant to N.J.S.A. 34:1B-328.f and N.J.A.C. 19:31V-1.8(e), a letter of support from the chief executive of the municipality or county, if applicable, acknowledging the requirement and that the requirement must be met within the time required at N.J.A.C. 19:31V-1.8(e)4.

22. Information required by the Authority to evaluate and determine the application's score pursuant to N.J.A.C. 19:31V-1.7(c);

23. For a redevelopment project located in a government-restricted municipality, or a special mission non-profit project, a preliminary election of a 5-year or a 10-year eligibility period;

24. For a special mission non-profit project:

i. A narrative description identifying the individuals with special needs and the social services that will be included in the social services plan and will be provided to address the special needs of such individuals;

ii. A narrative description of the activities that will be undertaken by the special mission non-profit project's social services coordinator;

iii. Evidence that the proposed special mission non-profit is non-profit for taxation purposes pursuant to the provisions of the Internal Revenue Code;

iv. The special mission non-profit's bylaws or other governing documents demonstrating the proposed special mission non-profit has the required special mission;

v. A floor plan, or site plan, identifying the proposed uses and square footage thereof;

vi. If the special mission non-profit intends on contracting with a third party to provide social services and/or the social services coordinator, a letter of intent evidencing a proposed contractual relationship between the special mission non-profit and the third party services provider; and

vii. If the special mission non-profit is not the developer, a letter of intent evidencing a proposed agreement between the special mission non-profit and the developer.

[23] **25.** If a developer is applying as a major cultural institution, or to undertake a redevelopment project in which the proposed major cultural institution has an ownership interest:

i. Either:

(1) Form 990s or other forms filed with the Internal Revenue Service for the most recent three consecutive tax years showing the proposed major cultural institution's gross revenue; or

(2) Executed agreements or letters of intent demonstrating current contribution or grant commitments to the proposed major cultural institution;

ii. An independent analysis demonstrating that the proposed major cultural institution has the ability and likelihood to remain operational for the duration of the eligibility period **and any compliance period; and**

iii. If applicable, documentation evidencing the ownership interest by the proposed major cultural institution;

26. For an eligible warehouse project or transformative environmental remediation project, a certification from a licensed site remediation professional of the estimated environmental remediation costs and budget, and that the licensed site remediation professional is not aware that the developer is a discharger of a contaminant at the site of the proposed redevelopment project or a corporate successor to a discharger; and

[24] **27.** Any other necessary and relevant information as determined by the Authority for a specific application, including, but not limited to, information needed to complete project financial review and developer capacity.

(b) For a special mission non-profit project, if the special mission non-profit is not the developer, the application shall also include the following information of the special mission non-profit:

- 1. The name of the business;**
- 2. The contact information of the person identified as the primary contact for the business;**
- 3. The type of the business;**
- 4. The New Jersey tax identification number;**
- 5. The Federal tax identification number;**
- 6. A list of all of the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury permits and approvals or obligations and responsibilities, with which the special mission non-profit**

is associated with, or has an interest in. The list shall identify the entity that applied for or received such permits and approvals or have such obligations and responsibilities, such as by program interest numbers or licensing numbers. The special mission non-profit shall also submit a written certification by the chief executive officer, or equivalent officer of the special mission non-profit, stating that the special mission non-profit applying for the Program satisfies the criteria at N.J.A.C. 19:31V-1.7(b)1 to be in substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury;

7. A certification by the chief executive officer, or equivalent officer of the special mission non-profit, that the officer has reviewed the application information submitted and that the representations contained therein are accurate;

8. A completed legal questionnaire disclosing all relevant legal matters, in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

9. Submission of a tax clearance certificate, pursuant to N.J.S.A. 54:50-39;

10. A list of all the development subsidies, as defined at N.J.S.A. 52:39-1 et seq., that the special mission non-profit is requesting or receiving for the redevelopment project, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received;

11. A description of the agreement between the special mission non-profit and the developer; and

12. Any other necessary and relevant information as determined by the Authority for a specific application.

[(b)] (c) If the developer is applying with a co-applicant, the application shall also include the following information of the co-applicant:

1. The name of the business;
2. The contact information of the person identified as the primary contact for the business;
3. The type of the business;
4. The New Jersey tax identification number;
5. The Federal tax identification number;
6. A list of all of the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury permits and approvals or obligations and responsibilities, with which the co-applicant is associated with, or has an interest in. The list shall identify the entity that applied for or received such permits and approvals or have such obligations and responsibilities, such as by Program interest numbers or licensing numbers. The co-applicant shall also submit a written certification by the chief executive officer, or equivalent officer of the eligible co-applicant, stating that the co-applicant applying for the Program satisfies the criteria at N.J.A.C. 19:31V-1.7(b)1 to be in substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury;
7. A certification by the chief executive officer, or equivalent officer of the co-applicant, that the officer has reviewed the application information submitted and that the representations contained therein are accurate;
8. A completed legal questionnaire disclosing all relevant legal matters, in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

9. Submission of a tax clearance certificate, pursuant to N.J.S.A. 54:50-39;

10. A list of all the development subsidies, as defined at N.J.S.A. 52:39-1 et seq., that the co-applicant is requesting or receiving for the redevelopment project, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received;

11. Organizing documents of the co-applicant and a narrative regarding the activity of the co-applicant generally, and in the State and municipality;

12. A description of the long-term participation agreement between the co-applicant and the developer, including a description of how the co-applicant will take an active role in the redevelopment project, including a description of the capital, real property, or services related to the project that the co-applicant will provide that directly affect and serve the anticipated residents, tenants, or customers of the tenants of the project;

13. An explanation of the need for a co-applicant to receive and sell the tax credits to finance the redevelopment project and how the co-applicant satisfies the eligibility criteria set forth at N.J.A.C. 19:31V-1.3(a)15; and

14. Any other necessary and relevant information as determined by the Authority for a specific application, including, but not limited to, information needed to complete review of project financial review and developer capacity.

[(c)] **(d)** The Authority shall not consider an application for a redevelopment project, unless the developer submits with the application a letter evidencing support for the redevelopment project from the governing body of the municipality or municipalities in which the redevelopment project is located.

[(d)] (e) The Authority may, in its sole discretion, consider two or more applications as one application for one redevelopment project based on factors including, but not limited to, the location of the redevelopment projects, the types of uses proposed, and the developer's financing and operational plans.

[(e)] (f) If circumstances require a developer to amend its application to the Authority, then the developer, or chief executive officer or equivalent officer of the developer, shall certify to the Authority that the information provided in its amended application is true pursuant to the penalty of perjury.

19:31V-1.5 Fees

(a) A developer applying for benefits pursuant to the Program shall submit a one-time non-refundable application fee. The application fee shall be as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$10,000;

2. For projects not subject to (a)1 above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$30,000. For other projects not subject to (a)1 above, the fee shall be \$50,000 without phases and \$75,000 with phases; and

3. For transformative projects, the fee shall be \$100,000 for each phase included in the proposed project.

(b) A developer shall pay to the Authority the full amount of direct costs of due diligence, including, but not limited to, debarment/disqualification reviews or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

(c) The developer shall pay to the Authority a non-refundable fee prior to the approval of the tax credit by the Authority as follows, except that the fee shall be refunded if the Authority does not approve the tax credit:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$75,000;

2. For projects that do not have any residential units with [total] **eligible** project cost of \$50 million or less, the fee shall be \$50,000. For other projects that do not have residential units, the fee shall be \$60,000 without phases and \$250,000 with phases;

3. For projects not subject to (c)1 or 2, above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$75,000. For other projects not subject to (c)1 or 2, above, the fee shall be \$85,000 without phases and \$275,000 with phases; and

4. For transformative projects, the fee shall be \$500,000 for each phase included in the proposed project.

(d) For all redevelopment projects, including transformative projects, a developer shall pay, to the Authority, a non-refundable fee prior to the receipt of the tax credit certificate. For a phased transformative redevelopment project, the developer shall pay an additional non-refundable fee prior to the approval of the project cost certification for the second phase and each subsequent phase. The fee shall be as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$75,000;

2. For projects that do not have any residential units with [total] **eligible** project cost of \$50 million or less, the fee shall be \$50,000. For other projects that do not have residential units, the fee shall be \$60,000 without phases and \$250,000 with phases;

3. For projects not subject to (d)1 or 2, above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$75,000. For other projects not subject to (d)1 or 2, above, the fee shall be \$85,000 without phases and \$275,000 with phases; and

4. For transformative projects, the fee shall be \$500,000 for each phase included in the approved project.

(e) A developer shall pay, to the Authority, an annual servicing fee, beginning with the tax accounting or privilege period in which the Authority accepts the certification that the developer has met the eligibility requirements of the Program for the respective redevelopment project, or the first phase for a phased transformative project, and for the duration of the eligibility period **and any compliance period** pursuant to N.J.A.C. 19:31V-1.2. The annual servicing fee shall be paid to the Authority by the developer at the time the developer submits its annual report, as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$37,500;

2. For projects that do not have any residential units with [total] **eligible** project cost of \$50 million or less, the fee shall be \$30,000. For other projects that do not have residential units, the fee shall be \$40,000 without phases and \$100,000 with phases;

3. For projects not subject to (e)1 or 2, above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$42,500. For other projects not subject to (e)1 or 2 above, the fee shall be \$52,500 without phases and \$112,500 with phases; and

4. For transformative projects, the fee shall be \$200,000 for each phase included in the approved project.

(f) A developer applying for a tax credit transfer certificate pursuant to N.J.A.C. 19:31V-1.12, including use of the tax credit transfer certificate as collateral, or to pledge, assign, transfer, or sell any or all of its right, title, and interest in and to an incentive award agreement and in the incentive awards payable thereunder, shall pay to the Authority a fee, as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$10,000, and \$5,000 for each additional request made annually;

2. For projects not subject to (f)1 above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$10,000, and \$5,000 for each additional request made annually. For other projects not subject to (f)1 above, the fee shall be \$10,000 without phases and \$5,000 for each additional request made annually, and \$20,000 with phases, and \$10,000 for each additional request made annually; and

3. For transformative projects, the fee shall be \$20,000 and \$10,000 for each additional request made annually, for each phase included in the approved project.

(g) A developer shall pay to the Authority a non-refundable fee for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee

shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval, as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, a non-refundable fee of \$10,000 shall be paid for each request for any administrative change, addition, or modification to the tax credit; and a non-refundable fee of \$30,000 shall be paid for any major change, addition, or modification to the tax credit, such as those requiring extensive staff time and Board approval;

2. For projects not subject to (g)1 above, with [total] **eligible** project cost of \$50 million or less, a non-refundable fee of \$10,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$30,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval. For other projects not subject to (g)1 above, a non-refundable fee of \$20,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$30,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval without phases and \$150,000 with phases; and

3. For transformative projects, a non-refundable fee of \$30,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$300,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval.

(h) A non-refundable fee shall be paid for the first six-month extension to the date by which the developer shall provide project financing and planning documentation required in the approval

letter pursuant to N.J.A.C. 19:31V-1.8(a); and a non-refundable fee shall be paid for each subsequent extension, as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$7,500;

2. For projects not subject to (h)1 above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$7,500. For other projects not subject to (h)1, above, the fee shall be \$10,000 without phases and \$15,000 with phases; and

3. For transformative projects, the fee shall be \$20,000 for each phase included in the approved project.

(i) A non-refundable fee shall be paid for the first six-month extension to the date by which the developer shall submit the satisfactory evidence with respect to the eligibility requirements of the Program pursuant to N.J.A.C. 19:31V-1.8(f) for the respective redevelopment project, or the respective phase of a phased transformative project pursuant to N.J.A.C. 19:31V-1.11(d); and a non-refundable fee shall be paid for each subsequent extension, as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$7,500 for each extension;

2. For projects not subject to (i)1 above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$7,500 for each extension. For other projects not subject to (i)1 above, the fee shall be \$10,000 without phases and for each subsequent extension shall be \$15,000 and \$15,000 with phases and for each subsequent extension shall be \$30,000; and

3. For transformative projects, the fee shall be \$20,000 for each phase included in the approved project and for each subsequent extension shall be \$40,000 for each phase included in the approved project.

(j) A developer seeking to terminate an existing incentive agreement in order to participate in an incentive award agreement authorized pursuant to the Aspire Program shall pay to the Authority a non-refundable fee, as follows:

1. For projects utilizing tax credits pursuant to the Federal Low-Income Housing Tax Credit Program and that consist solely of units that are reserved for low- and moderate-income households, **or for special mission non-profit projects**, the fee shall be \$25,000;

2. For projects not subject to (j)1 above, with [total] **eligible** project cost of \$50 million or less, the fee shall be \$25,000. For other projects not subject to (j)1 above, the fee shall be \$50,000; and

3. For transformative projects, the fee shall be \$100,000 for each phase included in the approved project.

(k) The fees paid to the Authority pursuant to this section shall not affect or reduce any fees due to the Agency.

19:31V-1.6 Financing gap and fiscal impact analysis

(a) The Authority shall review the proposed total development cost and evaluate and validate the project financing gap estimated by each developer applying for an incentive award, as follows:

1. The Authority shall evaluate the proposed total redevelopment costs to develop, and the components of, the redevelopment project against reasonable market costs and components of comparable projects;

2. The Authority shall determine if the developer's submitted financial information for the project and, if applicable, all phases, is satisfactory. If satisfactory, the Authority shall incorporate the financial information in the project financing gap, including the reasonable and appropriate return on investment; and

3. The project financing gap analysis shall include, but not be limited to, an evaluation of the total development cost, amount of capital sufficient to complete the project, proposed rental rates, vacancy rates, reasonable and appropriate return on investment **over a hold period generally accepted in the market or industry as determined by the Authority**, and, in the Authority's sole discretion, a comparison to alternative financing structures for a comparable project available to the developer or its tenants.

(b) Except for redevelopment projects, or components of redevelopment projects, for which no fiscal analysis is required pursuant to N.J.A.C. 19:31V-1.3(a)14, [T]he Authority shall conduct a State fiscal impact analysis to ensure that the overall public assistance provided to the redevelopment project will result in a net positive economic benefit to the State[, provided that the net positive economic benefit analysis shall not apply to a residential project, to a component that is a food delivery source, or to a component that is a health care or health services center]. In determining whether a project will result in a net positive economic benefit to the State, the Authority shall not consider the value of any taxes exempted, abated, rebated, or retained pursuant to the Five-Year Exemption and Abatement Law, N.J.S.A. 40A:21-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., or any other law that has the effect of lowering or eliminating the developer's State or local tax liability. The determination made pursuant to this subsection shall be based on the potential tax liability of the developer without regard for potential tax

losses if the developer were to locate in another state. The Authority shall evaluate the net positive economic benefits on a present value basis pursuant to which the requested tax credit allocation amount is discounted to present value at the same discount rate as the projected benefits from the implementation of the proposed redevelopment project for which an award of tax credits is being sought.

(c) For a redevelopment project subject to the requirement at (b), above, to be eligible for any tax credits pursuant to the Program, a developer shall demonstrate to the Authority that the award of tax credits will yield a net positive economic benefit to the State not less than 160 percent of the award. The net positive economic benefit shall be evaluated for the duration of the eligibility period **and, if elected by a developer of a redevelopment project with a 5-year eligibility, a compliance period. If a developer elects to include a compliance period, the redevelopment project will continue to be subject during the compliance period to the terms and conditions of the Program, including those set forth in this subchapter and in the agreement.** The chief executive officer or equivalent officer of the developer shall certify, under the penalty of perjury, that all documents submitted and factual assertions made to the Authority to demonstrate that the award of tax credits will yield a net positive economic benefit to the State in accordance with this subsection are true and accurate at the time of submission.

Notwithstanding this provision, the following redevelopment projects shall demonstrate to the Authority that the award of tax credit shall yield a net positive economic benefit to the State not less than 125 percent:

1. A redevelopment project located in a government-restricted municipality;
2. A commercial project that contains 50,000 or more square feet of space devoted to an incubator and conferencing facilities that are predominantly focused on research or technology

that are used or managed by one or more institutions of higher education or non-profit organizations, and which has an [total] **eligible** project cost of not less than \$50 million **for projects approved before January 23, 2025, or has a total development cost of not less than \$50 million for projects approved on or after January 23, 2025;**

3. A commercial project that receives a Federal historic rehabilitation tax credit pursuant to section 47 of 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 34:1B-276;

4. A commercial project that is located on land owned by the Federal government on or before December 31, 2005; and

5. A redevelopment project that is undertaken by a major cultural institution, or undertaken by a developer in which the major cultural institution has an ownership interest, to renovate existing space or expand services into additional space, including, but not limited, new construction.

(d) In determining whether the redevelopment project yields the net positive economic benefit pursuant to (b) above and as certified by the chief executive officer or equivalent officer of the developer pursuant to (c) above, the Authority's consideration shall include, but not be limited to, the direct, indirect, and induced benefits to the State, including local taxes that may benefit the State, and may include induced benefits derived from construction, provided that such determination shall be limited to the net positive economic benefit derived from the capital investment commenced after the submission of an application to the Authority. For the purposes of calculating employee wages at the redevelopment project site to be included in the evaluation of the net positive economic benefit, the Authority shall rely upon the average wages in the region in which the respective redevelopment project is located.

(e) If, during the administration of the Program, the methodology used by the Authority in evaluating the net positive economic benefit of redevelopment projects is modified, the Authority shall apply such modification to the methodology prospectively. Prospective application means using the modified methodology to pending applications and to redevelopment projects that have been previously approved if the developer requests a modification, or this subchapter or the incentive award agreement requires, or authorizes, the Authority to conduct a reevaluation of the net positive economic benefit.

(f) In determining net positive economic benefits for any business or person considering locating in a redevelopment project and applying to receive from the Authority any other economic development incentive subsequent to the award of tax credits pursuant to the Act and this subchapter, the Authority shall not credit the business or person with any benefit that was previously credited to the redevelopment project.

19:31V-1.7 Approval of completed application; tax credit amounts

(a) Prior to March 1, 2029, for redevelopment projects eligible pursuant to N.J.S.A. 34:1B-325 and this subchapter, the Authority shall award incentive awards based on the order in which complete, qualifying applications are received by the Authority. If interest in the Program so warrants, at the Authority's discretion, and upon notice, the Authority may institute a competitive application process whereby all completed applications submitted by a date certain will be evaluated as if submitted on that date. The review will determine whether the applicant:

1. Complies with the eligibility criteria;
2. Satisfies the submission requirements; and
3. Provides adequate information for the subject application.

(b) Before the Board may consider a developer's application for tax credits:

1. The Authority shall confirm with the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury that the developer, **any special mission non-profit**, any co-applicant, and the lead development entity are in compliance by being in substantial good standing with the statutes, rules, and other enforceable standards of the respective department, or, if a compliance issue exists, the developer, **any special mission non-profit**, any co-applicant, as applicable, or the lead development entity has entered into an agreement with the respective department [and any co-applicant], which may include a practical corrective action plan, as applicable.

i. Substantial good standing shall be determined by each department and mean, at a minimum, that the developer, the lead development entity, **any special mission non-profit**, and any co-applicant:

(1) As to the Department of Labor and Workforce Development and the Department of Environmental Protection:

(A) Is in substantial compliance with all material statutes, rules, and other enforceable standards of the respective department that apply to the developer, **the lead development entity, any special mission non-profit**, and any co-applicant; and

(B) Has no material violations of those statutes, rules, or other enforceable standards that remain substantially unresolved through entry into a corrective action plan, or other agreement with the department, with respect thereto; and

(2) As to all other departments, has no unpaid liability in excess of any threshold dollar amount(s) that may be established by each respective department.

ii. If the Department of Labor and Workforce Development, the Department of Environmental Protection, or the Department of the Treasury promulgates or issues its own more stringent rule or standard defining the term "substantial good standing," the respective department shall use such rule or standard to determine whether an entity is in substantial good standing.

2. The Authority shall confirm with the Agency that the applicant and the lead development entity are in compliance by being in substantial good standing with regard to the Agency's low-income housing tax credit.

3. The Authority may contract with an independent third party to perform a background check on the developer, the lead development entity, **any special mission non-profit**, and any co-applicant.

4. Any contractors or subcontractors [that will perform work at the redevelopment project shall be registered as required by the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., shall not have been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and shall possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury] **shall satisfy the requirements set forth in N.J.A.C. 19:31V-1.4(a)13.**

(c) Provided that the requirements at (b) above[,] are satisfied, the Authority shall allocate incentive awards to redevelopment projects according to the redevelopment project's score and until either the available incentive awards are exhausted or all redevelopment projects obtaining

the minimum score receive an incentive award, whichever occurs first. The scoring shall be based on factors including, but not limited to, consistency of proposed use with applicable land use requirements or redevelopment plans; whether the redevelopment project adheres to smart growth, equitable development, and transit-oriented development principles; whether the redevelopment project has environmental or public health stressors and is located in an overburdened community pursuant to N.J.S.A. 13:1D-157 et seq.; whether the redevelopment project design anticipates long-term risks of climate change to the redevelopment project; and inclusion of workforce housing in a residential project not located in a distressed municipality. If insufficient funding exists to fully fund all eligible projects, a project may be offered partial funding.

(d) If a developer intends to apply to both the Authority and the Agency for tax credits, subsidies, or other financing, the developer shall notify the Agency simultaneously with any application made to the Authority. The Authority shall transmit its grant determination for such residential projects to the Agency, along with any information developed by the Authority and confirmation of the Authority's intent to provide an incentive award or award to the project. Approval of an application by the Agency, subject to the Agency's rules and guidelines for the applicable Agency Program, shall be the final determination required for an incentive award for a residential project pursuant to this section.

(e) Up to the limits established at (f) below, and in accordance with an incentive award agreement, beginning upon completion of the capital investment and the receipt of the temporary certificate of occupancy for the redevelopment project or the first phase of an approved phased project, or upon any other event evidencing project completion as set forth in the incentive award agreement, a developer shall be allowed a total tax credit pursuant to the Program that shall not

exceed the percentages in this subsection. For purposes of the calculation of tax credits, project cost shall be reduced by the amount of State and local grants and tax credits other than those awarded pursuant to the Program.

1. [80] **85 percent of the [total] eligible project cost for a redevelopment project that is located in a government-restricted municipality, which municipality qualified as a government-restricted municipality prior to January 23, 2025, or is a special mission non-profit project, not to exceed \$120 million per redevelopment project or phase for a redevelopment project;**

2. 80 percent of the eligible project cost for a redevelopment project that is located in a government-restricted municipality, which municipality did not qualify as a government-restricted municipality prior to January 23, 2025, not to exceed \$120 million per redevelopment project or phase for a redevelopment project;

[2] **3. 60 percent of the [total] eligible project cost for a residential project that receives a four-percent allocation pursuant to the Federal Low-Income Housing Tax Credit Program or a redevelopment project that is located in a qualified incentive tract, enhanced area, or a municipality with a Municipal Revitalization Index score of at least 50, not to exceed \$90 million per redevelopment project or phase [of] for a redevelopment project; or**

[3] **4. 50 percent of the [total] eligible project cost for any other redevelopment project, not to exceed \$60 million per redevelopment project or phase for a redevelopment project.**

(f) Notwithstanding the provisions at (e) above, for projects with tax credits pursuant to the Federal Low-Income Housing Tax Credit Program in which not all the residential units are reserved for occupancy by low- and moderate-income households, in no event shall the sum of all tax credits awarded pursuant to any Program administered by the Authority and the Federal Low-Income

Housing Tax Credit Program exceed 90 percent of the project cost. For all other projects, in no event shall the sum of all tax credits awarded pursuant to any Program administered by the Authority exceed 90 percent of the project cost.

(g) The maximum amount of tax credits available to a developer to apply annually shall be equal to the total credit amount divided by the duration of eligibility period in years, fractions of a dollar rounded down.

19:31V-1.8 Approval letter; incentive award agreement

(a) Upon receipt of a recommendation from the Authority staff on the redevelopment project, the Board shall determine whether or not to approve the application, the maximum amount of tax credits and the maximum percentage amount of allowed tax credits for its capital investment in a redevelopment project, and promptly notify the applicant, **any special mission non-profit**, any co-applicant, and the Director of the Division of Taxation of the determination.

1. The Board's award of the credits will be subject to conditions subsequent that must be met in order to retain the credits. An approval letter setting forth the conditions subsequent will be sent to the applicant, **any special mission non-profit**, and any co-applicant. Such conditions shall include, but not be limited to, the requirement that the project complies with the Authority's prevailing wage requirements, [P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1)] and affirmative action requirements, [P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4)], that the project does not violate any environmental law requirements, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13, and the requirement that the minimum environmental and sustainability standards are incorporated into the proposed project. The approval letter shall also provide the requirements necessary for the Authority to execute the incentive award agreement.

2. The approval letter shall require documentation evidencing project financing and planning approvals, including the submittal of executed financing commitments, documents that evidence site control by the developer or an affiliate of the developer, a copy of the site plan approval, and a copy of all required permits and planning and zoning approvals and permits. [If a developer is applying as a major cultural institution or to undertake a redevelopment project in which the proposed major cultural institution has an ownership interest, and the developer applied on the basis of contributions and grants, the approval letter shall also require submittal of executed grant and contribution agreements. If the Authority approval included a co-applicant, the required documents shall also include the executed participation agreement between the co-applicant and the developer with a term that extends for the duration of the eligibility period.] Absent extenuating circumstances or the Authority's determination, in its sole discretion, the Authority's approval of the tax credits shall expire if the developer or co-applicant, as applicable, does not submit the documentation required in this paragraph within a year after approval of the application.

i. For an eligible warehouse or transformative environmental remediation project, the approval letter shall also require a copy of the remedial action workplan(s) submitted to the Department of Environmental Protection that includes the environmental remediation costs.

ii. For a special mission non-profit project, the approval letter shall also require a copy of the social services plan for the project; a job description for the social services coordinator; and if the special mission non-profit is contracting with a third party to provide social services and/or the social services coordinator, a copy of the executed contract between the special mission non-profit and the third party services provider. If the

developer is not the special mission non-profit, the required documents shall also include the executed agreement between the special mission non-profit and the developer with a term that extends for the duration of the eligibility period.

iii. If a developer is applying as a major cultural institution or to undertake a redevelopment project in which the proposed major cultural institution has an ownership interest, and the developer applied on the basis of contributions and grants, the approval letter shall also require submittal of executed grant and contribution agreements.

iv. If the Authority approval included a co-applicant, the required documents shall also include the executed participation agreement between the co-applicant and the developer with a term that extends for the duration of the eligibility period and any compliance period.

3. [If the terms of the financial commitment contained in the evidence required by the approval letter are materially different from the projected terms in the application, the Authority may re-evaluate the project financing gap and reduce the size of the incentive award, accordingly] **The Authority shall not resize or reduce the tax credit based on the executed financing commitments or the updated projected cash flow, but the Authority shall use the commitments and cash flow to calculate the return on investment required pursuant to subsection (c) below.**

4. The approval letter shall provide an estimated date of completion and include a requirement for periodic progress reports. If the Authority does not receive a progress report when required, or if the progress report demonstrates unsatisfactory progress, then the Authority, upon consultation with the Agency, and if the Agency has provided financial assistance or awarded tax credits to the redevelopment project, may rescind the incentive award. If the

Authority rescinds an incentive award in the same calendar year in which the Authority approved the incentive award, then the Authority may allocate the unused tax credits to another applicant.

(b) Following satisfaction of the requirements for the execution of an incentive award agreement, the Authority shall enter into an incentive award agreement with the developer, **any special mission non-profit**, and any co-applicant. The Chief Executive Officer of the Authority shall negotiate the terms and conditions of the incentive award agreement on behalf of the State. The awarding of tax credits shall be conditioned on the developer's, **any special mission non-profit's**, and any co-applicant's compliance with the requirements of the agreement.

(c) The incentive award agreement shall specify and include:

1. A detailed description of the proposed redevelopment project. For a phased project, the incentive award agreement may include an incentive phase agreement for each phase, which shall contain a description of the phase, the expected project cost and total development cost, and the commencement and completion for the respective phase;

2. The maximum amount of project cost and the maximum percentage of the project cost that will be used to calculate the amount of tax credits. If the actual project costs are less than the project cost set forth in the application, the tax credit shall be calculated based on the actual project cost;

3. The duration of the eligibility period **and any compliance period**;

4. A description of the occupancy permit or other event evidencing project completion that begins the eligibility period;

5. An ongoing requirement to provide the Authority with current personnel information that will enable the Authority to administer the Program;

6. A requirement that the developer shall not cease to operate **or cease to cause to operate** the redevelopment project, **or any portion or building of the redevelopment project**, during the eligibility period **and any compliance period**;

7. A method for the developer to certify that it has met the project cost and other eligibility requirements of the Program;

8. A requirement for the developer to provide annual financial statements, as certified by a certified public accountant and accompanied by an unqualified opinion, reporting the project's financial performance;

9. Representations that the developer will comply with the minimum environmental and sustainability standards;

10. Representations that the developer, **any special mission non-profit**, and any co-applicant[s] are in substantial good standing and that the redevelopment project will comply with all applicable laws, including, but not limited to, prevailing wage requirements pursuant to N.J.A.C. 19:31V-1.1[4]**5(b)** and (c), affirmative action requirements pursuant to N.J.A.C. 19:31V-1.1[4]**5(a)**, and environmental laws, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13;

11. A provision permitting an audit of evidence and documentation[,] of the developer, **any special mission non-profit**, and any co-applicant[,] supporting the certifications pursuant to (f) below[,] and the annual reports pursuant to N.J.A.C. 19:31V-1.9, as the Authority deems necessary;

12. Reporting requirements pursuant to N.J.A.C. 19:31V-1.9;

13. A provision permitting the Authority to amend the agreement;

14. A provision establishing the conditions pursuant to which the Authority, the developer, **any special mission non-profit**, and any co-applicant, or all parties, may terminate the agreement;

15. Milestones for the redevelopment project, which shall include the estimated date of commencement and completion of the project, and a provision that the Authority, upon consultation with the Agency, if the Agency has provided financial assistance or awarded tax credits to the redevelopment project, may rescind the award of tax credits if a project fails to advance in accordance with milestones in the incentive award agreement or fails to provide progress reports required pursuant to the approval letter;

16. A provision to verify [the financing gap and] the developer's updated projected cash flow at the time the developer submits the evidence of the completion of the project pursuant to (f) below[, which shall include, but is not limited to, any executed permanent financing commitments. To ensure the protection of taxpayer money, if the Authority determines at project certification that the actual capital financing approach utilized by the project or the updated projected cash flow has resulted in a financing gap that is smaller than the financing gap determined at Board approval, the Authority shall reduce the amount of the tax credit or accept payment from the developer on a pro rata basis. If there is no project financing gap due to the actual capital financing approach utilized by the project or the updated projected cash flow, then the developer shall forfeit the incentive award];

17. **To ensure the protection of taxpayer money, [A] a provision requiring the re-evaluation of the developer's actual return on investment as follows:**

i. [that at] At project certification and at the end of the seventh year [of the] for a redevelopment project with a 10-year eligibility period, the end of the third year for a

redevelopment project with a 5-year eligibility period without a compliance period, or the end of the third and fifth year for a redevelopment project with a compliance period, the Authority shall evaluate the developer's actual reasonable and appropriate rate of return on investment and compare that actual reasonable and appropriate rate of return on investment to the **maximum** [reasonable and appropriate rate of] return [at the time of Board approval]. If the actual rate of return on investment exceeds the **maximum** [reasonable and appropriate rate of] return [on investment at the time of Board approval] by more than 15 percent, the Authority shall require the developer to pay 20 percent of the amount in excess of the **maximum** [reasonable and appropriate rate of] return [on investment at time of Board approval].

ii. The Authority shall require an escrow account to be held by the Authority **for any payment received pursuant to this subsection** until the end of the eligibility period **and any compliance period. For any payment amount calculated at project certification, the developer shall make equal annual payments, which in aggregate shall equal the calculated payment amount, with each annual report for the first seven years for a redevelopment project with a 10-year eligibility period or for the first three years for a redevelopment project with a 5-year eligibility period. At the end of the seventh year for a redevelopment project with a 10-year eligibility period or the end of the third year for a redevelopment project with a 5-year eligibility period, the developer shall pay the Authority any additional amount required. The Authority shall not reduce or recapture any tax credits at project certification or at the end of the seventh year for a redevelopment project with a 10-year eligibility period, or the end of the third year for a redevelopment project with a 5-year eligibility period, solely due to an increase to the return on investment.**

iii. Following the final year of the eligibility period **and any compliance period**, the Authority shall determine if the developer's actual rate of return exceeded the **maximum** [reasonable and appropriate rate of] return [determined at Board approval] **by more than 15 percent**. If the final actual rate of return does not exceed the **maximum** [reasonable and appropriate rate of] return [determined at Board approval] **by more than 15 percent**, the Authority shall release to the developer the escrowed funds. If the actual project final rate of return exceeds the **maximum** [reasonable and appropriate rate of] return [determined at Board approval] **by more than 15 percent**, the Authority shall require the developer to pay 20 percent of the amount of the excess, which shall include the funds held in escrow, and such funds shall be deposited in the State General Fund.

iv. For any year during the eligibility period in which the director purchases a tax credit certificate or tax credit transfer certificate issued for a redevelopment project pursuant to N.J.S.A. 52:18A-263, if the actual rate of return on investment exceeds the **maximum return by more than 10 percent**, the Authority shall require the developer to pay 20 percent of the amount in excess of more than 10 percent over the maximum return, except as otherwise provided in N.J.S.A. 52:18A-263.

18. A provision acknowledging the Authority's right to confirm with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury, as set forth at N.J.A.C. 19:31V-1.7(b)1, that the developer, **any special mission non-profit**, and any co-applicant, is in substantial good standing or has entered into an agreement with the respective department that includes a practical corrective action plan, as applicable;

19. A provision providing that if the developer, **any special mission non-profit**, and any co-applicant, is not in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury and has not entered into an agreement with the respective department, as set forth at N.J.A.C. 19:31V-1.7(b)1, and after being given written notice thereof and an opportunity to be heard or to contest the determination by the respective department, then the developer, **any special mission non-profit**, and any co-applicant shall forfeit the tax credits in any year in which the developer, **any special mission non-profit**, and any co-applicant is neither in substantial good standing with each department nor has entered into a practical corrective action;

20. A requirement that the developer shall include in all commercial leases or other commercial occupancy agreements and shall require that all subleases or other commercial occupancy agreements applicable to the redevelopment project include, a provision setting forth the requirements at N.J.A.C. 19:31V-1.3(a)9, which provision shall be in a form acceptable to the Authority. A provision that if a commercial tenant, commercial subtenant, or other commercial occupant fails to pay the required prevailing wage rate as set forth at N.J.A.C. 19:31V-1.3(a)9, then the issuance of tax credits to the developer, **any special mission non-profit**, and any co-applicant shall be delayed until such time as documentation demonstrating compliance has been provided to the Commissioner of Labor and Workforce Development, subsequently reviewed and approved by the Commissioner of Labor and Workforce Development, and verified by the Authority.

21. A requirement that the developer shall confirm that each contractor or subcontractor performing work at the redevelopment project [is registered as required by the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq.; has not been debarred 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] **satisfies the requirements set forth in N.J.A.C. 19:31V-1.4(a)13;**

22. A requirement for the developer to engage in on-site consultations prior to commencement of construction with the Division of Workplace Safety and Health in the Department of Health;

23. A requirement for the developer of a redevelopment project with newly constructed residential units to comply with the affordability controls.

24. A provision allowing the Authority to extend, in individual cases, the deadline for any annual reporting or project completion certification requirement;

25. Indemnification and insurance requirements from the developer, **any special mission non-profit**, and any co-applicant;

26. Events that would trigger forfeiture, reduction, or recapture of the tax credits, including, but not limited to, provisions in this subchapter; and

27. Default and remedies, including, but not limited to, a default if a developer, **any special mission non-profit**, or any co-applicant made a material misrepresentation on its application, provided that the incentive award agreement shall not allow the authority to declare a cross-default when the developer of a redevelopment project, including any business affiliate of the developer or any other entity with common principals as the developer, is in default with any other assistance program administered by the Authority.

(d) The Authority shall not enter into an incentive award agreement for a redevelopment project that includes at least one retail establishment that will have more than 10 full-time employees, at

least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment that will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. A labor harmony agreement shall be required only if the State has a proprietary interest in the redevelopment project and shall remain in effect for as long as the State acts as a market participant in the redevelopment project. The Authority may enter into an incentive award agreement with a developer, **any special mission non-profit**, and any **co-applicant** [applicants] without the labor harmony agreement required pursuant to this subsection, if the Authority determines that the redevelopment project would not be able to go forward if a labor harmony agreement is required. The Authority shall support the determination by a written finding, which provides the specific basis for the determination.

(e) Except as set forth at (e)1 below, for a redevelopment project **approved before January 23, 2025** whose [total] **eligible** project cost equals or exceeds \$10 million, **or a redevelopment project approved on or after January 23, 2025 whose total development cost equals or exceeds \$10 million**, in addition to the incentive award agreement, the developer, and any co-applicant that is responsible or required to provide services pursuant to the community benefits agreement, shall execute a community benefits agreement in accordance with N.J.S.A. 34:1B-328.f, as prescribed below.

1. A developer shall not be required to enter into a community benefits agreement pursuant to this subsection if:

i. The developer submits to the Authority a copy of either the developer's approval letter from the Authority or a redevelopment agreement applicable to the redevelopment project, provided that the approval letter or redevelopment agreement is certified by the municipality in which the redevelopment project is located, and includes provisions that meet or exceed the standards required for a community benefits agreement in this subsection, as determined by the Chief Executive Officer **pursuant to this subchapter;**

ii. The developer submits to the Authority:

(1) A resolution adopted by the governing body of the municipality in which the redevelopment project is located, which states and explains the governing body's reasons and determined that the redevelopment project will provide economic and social benefits to the community that fulfill the purposes of N.J.S.A. 34:1B-328.f and this subsection and, thus, rendering a separate community benefit agreement unnecessary; and

(2) Documentation that the resolution was adopted after at least one **previously advertised** public hearing at which the governing body provided an opportunity for residents, community groups, and other stakeholders to testify, **including, but not limited to, the meeting minutes from such public hearing(s);** or

iii. the project is a **special mission non-profit project in any eligible location,** **or a** residential project that is located in a government-restricted municipality[,] and in which 100 percent of the residential units constructed in the residential project are reserved for occupancy by low- and moderate-income households.

2. The developer shall enter into a community benefits agreement with the Authority and the chief executive of the municipality or, if requested by the chief executive of the municipality, the chief executive of the county, in which the redevelopment project is located. If the

municipality requests the county to enter into the agreement, the chief executive of the municipality must submit to the Authority a signed letter notifying the Authority that the municipality has made the request. The Authority shall not participate in negotiations between the developer and the municipality or county; however, the Authority shall review the agreement prior to the execution of the agreement to determine compliance with the requirements of this subsection including, but not limited to, a provision for mediation as required pursuant to (e)7ii below. The agreement may include, but shall not be limited to, requirements for training, employment, and youth development and free services to underserved communities in and around the community in which the redevelopment project is located, as well as any other Program element, on the project site or in the host community, intended to improve community health, safety, access to opportunity, recreational opportunity, environmental resilience and environmental quality, quality of life, or other locally-prioritized community benefit.

3. The community benefits agreement or redevelopment agreement shall include a list of contributions by the developer; the monetary equivalent for any non-monetary contribution; an event of default, if the developer forfeits tax credits pursuant to N.J.A.C. 19:31V-1.10(e)2 in two successive years; and the date by which the community advisory committee must submit its annual report pursuant to (e)7 below.

4. [The developer and the municipality or county shall have six months, with two three-month extensions, after Authority Board approval of the developer's application, to enter into a community benefits agreement, the redevelopment agreement, or approve the resolution and submit such agreement or resolution to the Authority. Submission of such community benefits agreement, redevelopment agreement, or resolution is a condition to entering into an incentive award agreement.] **The developer and the municipality or county shall submit the executed**

community benefits agreement, redevelopment agreement, or approved resolution to the Authority within the same time as all other conditions subsequent required in the approval letter.

5. Prior to entering a community benefits agreement or a redevelopment agreement, the [governing body of the] municipality or, if the county is executing the agreement, the [governing body of the] county, in which the redevelopment project is located shall hold at least one **previously advertised** public hearing [subject to the Senator Byron M. Baer Open Public Meetings Act, N.J.S.A. 10:4-6 et seq.,] at which the chief executive, or designee from the chief executive's department or office shall hear testimony from residents, community groups, and other stakeholders **who shall have an opportunity to be heard** on the needs of the community that the agreement should address. The chief executive shall provide a record, including **public** hearing minutes, satisfactory to the Authority, which **public hearing meeting minutes** shall be an exhibit to the **resolution of the governing body of the municipality or county adopting the** community benefits agreement.

6. The community benefits agreement or redevelopment agreement shall provide for the creation of a community advisory committee to oversee the implementation of the agreement, monitor successes, and ensure compliance with the terms of the agreement, as follows:

i. The community advisory committee created pursuant to this paragraph shall be comprised of representatives from diverse community groups and residents of the municipality or, if the county is executing the agreement, community groups and residents of the county in which the redevelopment project is located.

ii. The chief executive of the municipality or, if the county is executing the agreement, the chief executive of the county shall appoint the members of the community advisory committee, which shall consist of not less than three members.

iii. For new construction or substantial rehabilitation projects, the community advisory committee shall have at least one representative from the business community in the zip code in which the redevelopment project is located, at least one representative from a community group, and at least one resident from the zip code in which the redevelopment project is located. There shall be no more than one municipal or county employee on the community advisory committee.

iv. For all other projects, the community advisory committee shall be determined by the chief executive of the municipality, or if the county is executing the agreement, the chief executive of the county, without regard to the criteria listed at (e)6iii above.

v. Community advisory committee members shall be required to sign a letter certifying that they have no financial or other interested relationship with the developer and any co-applicant. The certifications shall be submitted to the Authority by the developer or the municipality, or if the county is executing the agreement, the county.

vi. Any report or action shall be approved by a majority of the members of the community advisory committee.

7. The community advisory committee shall produce an annual report, including an evaluation of whether the developer is in compliance with the terms of the community benefits agreement or the redevelopment agreement:

i. If the report from the community advisory committee and the certification from the developer pursuant to N.J.A.C. 19:31V-1.9(b)1 both indicate that the developer is in

compliance with the community benefits agreement, then the developer shall be in compliance with the community benefits agreement. Absent extenuating circumstances, and the written approval of the Authority, if the community advisory committee does not timely submit the annual report, then the determination of compliance of the developer shall be based on the certification from the developer pursuant to N.J.A.C. 19:31V-1.9(b)1.

ii. If the report from the community advisory committee indicates that the developer is not in compliance with the terms of the community benefits agreement, the Authority shall serve as, or identify, a mediator. The community advisory committee, municipality or county, as applicable, and the developer shall enter into non-binding mediation to seek resolution or mutually agreeable amendments to the community benefits agreement within 60 days of the notice from the Authority of the person who will serve as a mediator. Thereafter, the results of the mediation shall be reported to the Authority.

iii. If a resolution is not able to be achieved through mediation, a hearing officer will be assigned by the Authority. The hearing officer shall perform a review of the written record and may require an in-person hearing. The hearing officer has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. Following completion of the record review and in-person hearing, as applicable, the hearing officer shall issue a written report to the Chief Executive Officer **of the Authority** containing his or her finding(s) and recommendation(s). The hearing officer's report shall be advisory in nature. The developer, municipality or county, and the community advisory committee shall receive a copy of the written report of the hearing officer and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report. The Chief Executive Officer **of the Authority** shall consider the hearing officer's

report and any timely submitted written comments and exceptions. Based on that review, the Chief Executive Officer **of the Authority** shall make a determination of compliance or non-compliance. The process described in this subsection is not a contested case subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

8. The sum of costs for benefits and services provided pursuant to the community benefits agreement or the redevelopment agreement included as soft costs or to determine cash flow shall not exceed five percent of project cost. [For purposes of this paragraph, costs for benefits and services incurred during the eligibility period shall be discounted to present value.]

(f) A developer shall submit, prior to the issuance of tax credits pursuant to the incentive award agreement, but no later than six months following project completion, satisfactory evidence of the completion of the redevelopment project and satisfaction of the Program eligibility requirements, which shall include, but not be limited to, the documents in this subsection. The Authority may provide any information contained in the annual report to the Agency for any redevelopment project if the Agency has provided financial assistance or awarded tax credits to the redevelopment project.

1. Evidence of a temporary certificate of occupancy or other event evidencing project completion that begins the eligibility period indicated in the incentive award agreement;

2. A certification by a qualified independent certified public accountant of the actual project costs. The certification shall be made pursuant to an "agreed upon procedures" letter acceptable to the Authority. If the project cost is reduced below the relevant minimum project cost for eligibility, the redevelopment project shall no longer be eligible. If the project cost in the certification is less than the project cost in the approval of the application, the Authority may re-

evaluate the net positive economic benefit and reduce the size of the tax credits accordingly. The Authority shall qualify certified public accountants and provide to the developer the list of qualified certified public accountants; provided, however, the developer may select a certified public accountant that is independent to the developer, **any special mission non-profit**, and any co-applicant and not on the Authority's list of qualified certified public accountants for purposes of the project cost certification if the developer demonstrates an extenuating circumstance prohibiting the developer from retaining a qualified certified public accountant. Such circumstances include, but are not limited to, the unavailability of any of the qualified certified public accountants to timely complete the certification or none of the qualified certified public accountants are independent to the developer;

3. A floor plan identifying the actual and proposed uses and square foot of gross leasable area for each such use and, if the redevelopment project comprises multiple buildings, a site plan. For a redevelopment project with eligibility requirements on size or uses, including, but not limited to, predominance of commercial, residential, or film production uses, evidence that the project satisfies all such requirements. For a redevelopment project in which any commercial tenant, commercial subtenant, or other commercial occupant is the party to the contract to perform building services work as set forth at N.J.A.C. 19:31V-1.3(a)9, the floor plan, or site plan, shall identify all such tenants, the premise occupied by each such tenant, and the size of the space occupied by such tenant;

4. A certification indicating whether or not the developer is aware of any condition, event, or act that would cause the developer, **any special mission non-profit**, or any co-applicant not to be in compliance with the approval, the Act, or this subchapter;

5. A letter from the Agency to the developer with copy to the Authority confirming compliance with the affordability controls;

6. A certification from a licensed engineer that the redevelopment project has adhered in all material respects to the plan submitted by the developer describing how the developer would satisfy the minimum environmental and sustainability standards;

7. Any permanent financing commitments executed as of the date of the submission of the documents in this subsection and an updated project pro forma;

8. For an eligible warehouse project or transformative environmental remediation project, a response action outcome for the site of the redevelopment project by a licensed site remediation professional and a certification from a licensed site remediation professional of a schedule of the actual environmental remediation costs;

9. For a special mission non-profit project:

i. A certification from the special mission non-profit that the social services plan remains in effect and is being implemented;

ii. If the special mission non-profit has contracted with a third party to provide social services and/or the social services coordinator, a certification from the special mission non-profit that the contract remains in effect and is not in default; and

iii. If the developer is not the special mission non-profit, a certification that the agreement between the developer and the special mission non-profit remains in effect and is not in default;

[8]10. A certification by the chief executive officer or equivalent officer of the developer that the information provided pursuant to this subsection is true pursuant to the penalty of

perjury. Claims, records, or statements submitted by a developer to the Authority in order to receive tax credits shall not be considered claims, records, or statements made in connection with State tax laws; and

[9]11. If the Authority approval included a co-applicant, a certification that the participation agreement between the developer and the co-applicant remains in effect and is not in default.

(g) A developer shall forfeit the credit amount for any tax period for which the developer's documentation remains uncertified by the Authority as of the date for certification indicated in the incentive award agreement, although credit amounts for the remainder of the years of the eligibility period shall remain available to the developer.

(h) Once the Authority accepts the documentation required at (f) above and the Authority determines that all eligibility requirements and other required conditions have been met, within 90 days of the Authority's acceptance of the documentation and evidence satisfactory to the Authority, the Authority shall notify the developer and notify the Director. The developer shall receive its tax credit certificate that will be based on the information submitted in the certification pursuant to (f) above, provided it shall not exceed the maximum amount determined by the Board pursuant to N.J.A.C. 19:31V-1.7(e), (f), and (g). The use of the tax credit certificate shall be subject to the receipt of an annual certificate of compliance issued by the Authority.

(i) At, or before, the date of certification, any modification to the redevelopment project as approved by the Board, including, but not limited to, a reduction in the amount of the project cost, or square feet, shall require review and approval by the Authority to determine that the redevelopment project as modified does not undermine the basis for the tax credit award approved.

19:31V-1.9 Reporting requirements and annual report

(a) A developer approved for an incentive award and that enters an incentive award agreement shall submit annually, commencing in the year in which the incentive award is issued and for the remainder of the eligibility period **and any compliance period**, a report indicating whether the developer is aware of any condition, event, or act that would cause the developer, **any special mission non-profit**, or any co-applicant not to be in compliance with the incentive award agreement or the provisions of this subchapter and the Act and any additional reporting requirements contained in the incentive award agreement or tax credit certificate. The developer, or an authorized agent of the developer, shall certify that the information provided pursuant to this subsection is true under the penalty of perjury. The Authority may provide any information contained in the annual report to the Agency for any redevelopment project if the Agency has provided financial assistance or awarded tax credits to the redevelopment project.

(b) The annual report shall consist of:

1. A certification indicating whether or not the developer is aware of any condition, event, or act that would cause the developer, **any special mission non-profit**, or any co-applicant not to be in compliance with the approval, the Act, the incentive award agreement, community benefits agreement pursuant to N.J.S.A 34:1B-328.f and N.J.A.C. 19:31V-1.8(e), or this subchapter;

2. A certification indicating that the project does not violate any environmental law requirements, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13;

3. For the two years after the first certificate of compliance is issued, evidence that the redevelopment project remains in compliance with the Authority's affirmative action requirements pursuant to N.J.A.C. 19:31V-1.1[4]**5(a)**;

4. Evidence that the redevelopment project remains in compliance with the Authority's prevailing wage requirements pursuant to N.J.A.C. 19:31V-1.1[4]**5(b)** and (c);

5. A tax clearance certificate as described at N.J.S.A. 54:50-39 for the developer, **any special mission non-profit**, and any co-applicant;

6. A certification from the developer that the project is still operating and that the redevelopment project continues to meet the eligibility requirements on site control, size, and uses, including, but not limited to, predominance of commercial, residential, or film production uses, and a floor plan identifying the actual uses and square foot of gross leasable area for each such use and, if the redevelopment project comprises multiple buildings, a site plan. For a redevelopment project with eligibility requirements on size or uses, including, but not limited to, predominance of commercial, residential, or film production uses, evidence that the project satisfies all such requirements. For a redevelopment project in which any commercial tenant, commercial subtenant, or other commercial occupant is the party to the contract to perform building services work as set forth at N.J.A.C. 19:31V-1.3(a)9, the floor plan, or site plan, shall identify all such tenants, the premise occupied by each such tenant, and the size of the space occupied by such tenant;

7. For a commercial project, a list of all tenants, the gross leasable area leased by each tenant, and whether the tenant is operating its business at the premises leased by the tenant;

8. For a project with residential units, a letter from the Agency to the developer with copy to the Authority confirming compliance with the affordability controls;

9. A list of tenant information for all residential units;

10. Annual financial statement, as certified by a certified public accountant and accompanied by an unqualified opinion, reporting the project's financial performance, and, for the annual report for the [seventh and last] year **in which the Authority will re-evaluate the developer's actual return on investment pursuant to N.J.A.C. 19:31V-1.8(c)17 or N.J.A.C. 19:31V-1.14(d)** the updated project pro forma and all other information required by the Authority to evaluate the actual reasonable and appropriate rate of return on investment;

11. If applicable, a certification indicating compliance with the community benefits agreement or redevelopment agreement provisions required pursuant to N.J.S.A. 34:1B-328.f and N.J.A.C. 19:31V-1.8(e);

12. If applicable, satisfactory evidence that the developer complies with the labor harmony agreement requirement pursuant to N.J.A.C. 19:31V-1.8(d);

13. Confirmation that the developer and the lead development entity satisfy the criteria as set forth at N.J.A.C. 19:31V-1.4(a)(12);

14. The developer shall confirm that each contractor or subcontractor performing work at the qualified business facility satisfies the requirements as set forth in N.J.A.C. 19:31V-1.4(a)(13);

[13] **15.** For the first annual report **subsequent to its receipt**, the permanent certificate of occupancy covering the entire redevelopment project;

[14] **16.** If the Authority approval included a co-applicant, a certification that the participation agreement between the developer and the co-applicant remains in effect and is not in default and that the co-applicant is making the contribution(s) required pursuant to the participation agreement;

17. For a special mission non-profit project:

- i. A certification from the special mission non-profit that the social services plan remains in effect and is being implemented;**
- ii. Proof of hire or continued employment of the social services coordinator;**
- iii. A site plan identifying the uses and square footage of the components of the special mission non-profit project;**
- iv. If the special mission non-profit has contracted with a third party to provide social services and/or the social services coordinator, a certification from the special mission non-profit that the contractual relationship remains in effect and is not in default; and**
- v. If the developer is not the special mission non-profit, a certification that the agreement between the developer and the special mission non-profit remains in effect and is not in default; and**

[15] **18.** In conducting its annual review, the Authority may require a developer to submit any information determined by the Authority to be necessary and relevant to its review.

(c) The report required at (a) above is due 120 days after the end of the developer's tax privilege period. Failure to timely submit the report, absent extenuating circumstances and the written approval of the Authority, shall result in a forfeiture of the tax credits for that privilege period. The Authority reserves the right to audit any of the representations made and documents submitted in the annual report.

(d) [Upon receipt, review, and acceptance of each report submitted during] **During** the eligibility period, **subject to forfeiture, reduction, or other action for failure to comply with a program requirement, within 120 days after the Authority preliminarily determines that an annual**

report is complete, the Authority shall either: (a) approve the annual report or determine the appropriate action with regard to the tax credit for that year, notify the developer and the Director of the Authority's decision, and, if approved, provide the certificate of compliance to developer with notice to any co-applicant, any special mission non-profit, and notify the Director to issue the tax credit certificate; or (b) request more information from the developer to finalize the decision whether to approve. [the Authority shall provide to the developer and the Director a] **The certificate of compliance [indicating] shall indicate the amount of tax credits that the developer may apply against the developer's tax liability.** [If the Authority approval included a co-applicant, the Authority shall provide the certificate of compliance to the co-applicant with a notice to the developer.] The Authority shall not prorate the tax credit for the first year. No tax credit certificate will be valid without the certificate of compliance issued for the relevant tax privilege period.

(e) If the Authority fails to take one of the actions in (d) above within 120 days from its preliminary determination that the annual report is complete, the annual report shall be deemed approved by the Authority, and the developer shall be entitled to receive its tax credit certificate. Such deemed approval shall not waive the Authority's right to audit and determine compliance.

[(e)] **(f)** Upon receipt by the Director of the certificate of compliance, the Director shall allow the developer, **any special mission non-profit**, or co-applicant a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5. A developer, **any special mission non-profit**, or co-applicant, shall apply the credit awarded against the developer's liability pursuant to N.J.S.A. 17:32-15, 17B:23-5, 54:10A-5, or 54:18A-2 and 3 [for the tax period during which the Director allows the developer or co-applicant a tax credit pursuant to this subsection] **in the tax period in which it**

was issued, or in any tax period during the eligibility period, without the need to amend the tax return for the tax period for which the credit was issued, subject to the carry-forward provision in (g) below. Notwithstanding the foregoing, no more than the amount of tax credits equal to the total credit amount divided by the duration of the tax credit term, in years, may be taken in any tax period.

(g) A developer, **any special mission non-profit**, or co-applicant may carry forward an unused credit for use in the seven privilege periods next following the privilege period for which the credits are [awarded] **applied**. Credits granted to a partnership shall be passed through to the corporate partners, corporate members, or corporate owners, respectively, pro rata, or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method provided to the Director accompanied by any additional information as the Director may prescribe consistent with any rule, guidance, or other publication issued by the Division of Taxation.

[(f)] (h) The Director shall prescribe the order of priority of the application of the credit allowed pursuant to this section and any other credits allowed by law against the tax imposed pursuant to N.J.S.A. 54:10A-5. The amount of the credit applied pursuant to this section against the tax imposed pursuant to N.J.S.A. 54:10A-5 for a tax privilege period, together with any other credits allowed by law, shall not reduce the tax liability to an amount less than the statutory minimum provided at N.J.S.A. 54:10A-5.

19:31V-1.10 Reduction, forfeiture, and recapture of tax credits

(a) The developer, **any special mission non-profit**, and any co-applicant shall forfeit all credit for the tax period in which the change occurs and each subsequent tax period and may be subject to recapture, if:

1. The developer changes a project that has been approved based on certain eligibility requirements on size and uses, including, but not limited to, the predominance of commercial, residential, or film productions uses, and the redevelopment project changes such that the eligibility requirements are no longer met;

2. Absent prior written approval of a modification by the Authority, the developer changes any characteristic of the redevelopment project, including, but not limited to, uses, that were utilized to determine the net positive economic benefit pursuant to N.J.A.C. 19:31V-1.6(b) and 1.11(l) or of a transformative project that was utilized to determine the anticipated employee occupancy pursuant to N.J.A.C. 19:31V-1.11(a)4i(1);

3. The developer changes the project, so that the project would score less than the minimum score pursuant to N.J.A.C. 19:31V-1.7(c); [or]

4. If, upon review of the certification and documentation for any phase of a transformative project, the project has been modified such that it no longer qualifies as a transformative project; **or**

5. The developer changes a special mission non-profit project such that it no longer qualifies as a special mission non-profit project.

(b) If a project fails to comply with any requirements of the Program during any compliance period, including, but not limited to, the occupancy requirement in (d) below or the affordability controls in (o) below, the Authority may recapture all, or part of, a tax credit awarded, based on the net positive economic benefits attributed to the compliance period.

[(b)] **(c) If any labor harmony agreement requirement pursuant to N.J.A.C. 19:31V-1.8(d) is not satisfied during the relevant tax period, then the developer, any special mission non-profit, and**

any co-applicant shall forfeit all credit for the tax period in which the labor harmony agreement requirements are not satisfied and each subsequent tax period until the first tax period for which documentation demonstrating compliance has been reviewed and approved by the Authority, for which tax period and each subsequent period the full amount of the credit shall be allowed.

[(c)] **(d)** If, on or after the [third] **fourth** year of the eligibility period **for a commercial project, and through the conclusion of the eligibility period, if the average occupancy rate is**[, the occupancy of commercial space of a redevelopment project, or component of a redevelopment project, for which a net positive economic benefit analysis is required pursuant to N.J.A.C.

19:31V-1.6(b) is reduced to] less than 60 percent **during any applicable tax period**, the developer and any co-applicant shall forfeit all credit for the tax period in which the change occurs and each subsequent tax period until the first tax period for which documentation demonstrating the restoration of occupancy to the threshold level required by this subsection has been reviewed and approved by the Authority, for which tax period and each subsequent period the full amount of the credit shall be allowed. For the purposes of this subsection, commercial space shall be considered occupied if the space is leased and the tenant is operating its business in the leased space. Occupancy for the tax period shall be determined as the average of the monthly occupancy for the period. If the Authority determines there are extenuating circumstances beyond the developer and any co-applicant's control based on the Governor declaring an emergency, the Authority may waive the 60 percent occupancy requirement for the tax year. **The occupancy requirement in this subsection shall not apply to residential projects or special mission non-profit projects.**

[(d)] **(e)** As of the date of the annual report pursuant to N.J.A.C. 19:31V-1.9:

1. If any worker employed to perform construction work at the redevelopment project is paid less than the prevailing wage rate for the worker's craft or trade pursuant to N.J.A.C. 19:31V-1.3(a)8 during the relevant tax period, then the developer, **any special mission non-profit**, and any co-applicant shall forfeit all credit for the tax period in which the prevailing wage is not paid and each subsequent tax period until the first tax period for which documentation demonstrating compliance has been reviewed and approved by the Authority, for which tax period and each subsequent period the full amount of the credit shall be allowed.

2. Notwithstanding any provisions of law to the contrary, if a commercial tenant, commercial subtenant, or other commercial occupant violates the requirement to pay the prevailing wage rate for building services work set forth in N.J.S.A. 34:1B-325a(7)(b) and N.J.A.C. 19:31V-1.3(a)9, then the issuance of all certificates of compliance for the tax credits to the developer, **any special mission non-profit**, and any co-applicant shall be delayed until such time as documentation demonstrating compliance has been provided to the Commissioner of Labor and Workforce Development, subsequently reviewed and approved by the Commissioner of Labor and Workforce Development, and verified by the Authority. If a violation is not cured, or is not capable of being cured, within one year of receipt of notice of the violation, then the developer, **any special mission non-profit**, and any co-applicant shall forfeit 50 percent of the tax credits otherwise authorized for the tax period in which the notice of violation was issued. If the violation is not cured on or before the conclusion of that tax period in which the one year to cure has expired, the developer, **any special mission non-profit**, and any co-applicant shall forfeit up to 100 percent of the tax credits otherwise authorized, as determined by the Authority, in each subsequent tax period until the first tax period for which documentation demonstrating compliance has been provided to the Commissioner of Labor and Workforce Development,

subsequently reviewed and approved by the Commissioner of Labor and Workforce Development, and verified by the Authority. In this event, the developer, **any special mission non-profit**, and any co-applicant shall be allowed the full tax credit amount beginning in the tax period in which documentation of compliance was reviewed and approved by Commissioner of Labor and Workforce Development and verified by the Authority, and including each subsequent tax period in which the tax credits are otherwise authorized. **The requirement of this subparagraph shall not apply to the residential tenants or residential subtenants of a redevelopment project.**

3. If the developer is not in compliance with the requirements set forth in N.J.A.C. 19:31V-1.4(a)13, the Authority may suspend the tax credits for the relevant tax period if the developer, and if the suspension continues for two years, then, at the Authority's sole option, the developer, **any special mission non-profit**, and any co-applicant may forfeit the tax credits for those years.

[(e)] **(f)** Unless an exception applies, if the developer or co-applicant, if a party to the community benefits agreement or redevelopment **agreement**, is not in compliance with the community benefits agreement or redevelopment agreement pursuant to N.J.A.C. 19:31V-1.8(e), the following shall apply:

1. The amount of tax credits that the developer or any co-applicant may apply in the relevant tax period shall be reduced by 120 percent of the sum of the monetary values of the contributions for which the developer is not in compliance, if the Authority determines that:

i. Compliance with the specific contribution is delayed due to unforeseeable acts related to the project beyond the eligible developer's control and without its fault or negligence;

ii. The developer is using best efforts, with all due diligence, to proceed with the completion of the contribution; and

iii. The developer has made all reasonable efforts to prevent, avoid, mitigate, and overcome the noncompliance; and

2. For any other noncompliance, the developer and any co-applicant shall forfeit its credit amount for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating compliance has been reviewed and approved by the Authority. The full amount of the credit shall be allowed for the first tax period in which the Authority has approved compliance and each subsequent tax credit for which the Authority approves compliance.

[(f)] (g) If the redevelopment project was eligible by demonstrating a lower net positive economic benefit pursuant to N.J.A.C. 19:31V-1.6(c), and the redevelopment project ceases to meet the respective eligibility, then the Authority shall re-evaluate the net positive economic benefit and either reduce the size of the tax credits accordingly or recapture any excess tax credits.

[(g)] (h) If, based on new information, the Authority determines that a reduction, forfeiture, or recapture should have been applicable pursuant to any of the provisions in this section, the Authority shall recapture the tax credits for the relevant tax period(s).

[(h)] (i) If, at any time, the Authority determines that the developer, **any special mission non-profit**, or co-applicant made a material misrepresentation on the developer's application, project completion certification, annual report, or any related submissions, the developer, **any special mission non-profit**, and any co-applicant shall forfeit, and the Authority may recapture any or all of, the incentive award and all tax credits awarded pursuant to the Program, which shall be in

addition to any other remedies in the incentive award agreement and any criminal or civil penalties to which the developer, **any special mission non-profit**, co-applicant, and the respective officer may be subject.

[(i)] **(j)** The developer shall provide an updated project pro forma and other relevant financial documentation to the Authority when the incentive award agreement is to be terminated. The Authority shall evaluate the reasonable and appropriate return on investment as of the date of termination in the same manner as at the end of the eligibility period **and any compliance period** pursuant to N.J.A.C. 19:31V-1.8(c)17.

[(j)] **(k)** If the developer fails to provide the financial documentation required for the Authority to evaluate the reasonable and appropriate return on investment pursuant to [(i)]**j** above or N.J.A.C. 19:31V-1.8(c)17, the Authority shall recapture all of the tax credits awarded.

[(k)] **(l)** Any recapture amount pursuant to this section may include interest on the recapture amount, at a rate equal to the statutory rate for tax deficiencies, plus any statutory penalties, and all costs incurred by the Authority and the Division of Taxation in the Department of the Treasury in connection with the pursuit of the recapture, including, but not limited to, counsel fees, court costs, and other costs of collection. The Authority shall confer with the Division of Taxation to determine the recapture amount.

[(l)] **(m)** The Authority shall notify the Agency of any reduction, forfeiture, or recapture of tax credit if the Agency has provided financial assistance or awarded tax credits to the redevelopment project.

[(m)] **(n)** If all or part of a tax credit sold or assigned pursuant to N.J.S.A. 34:1B-331 and N.J.A.C. 19:31V-1.12(a) is subject to recapture, then the Authority shall pursue recapture from the developer and to the extent the co-applicant **or any special mission non-profit** is involved

with the basis for the recapture, any co-applicant **or special mission non-profit**, and not from the purchaser or assignee of the tax credit transfer certificate.

[(n)] **(o)** If, during the eligibility period the letter from the Agency pursuant to N.J.A.C. 19:31V-1.8(f)5 or 1.9(b)8 indicates that the developer is not in compliance with the affordability controls, the Authority shall not issue the certificate of compliance for any tax credits until the developer obtains a letter from the Agency demonstrating compliance.

[(o)] **(p)** If, after the eligibility period **or any compliance period**, the Agency determines that the developer is not in compliance with the deed restriction pursuant to N.J.A.C. 19:31V-1.1[8]9(c), the developer, the lead development entity, and the owner shall be ineligible for any Authority financial assistance for the construction or development of a real estate project. The Authority shall have the right to enforce specific performance of the affordability controls. The developer and lead development entity shall no longer be subject to this provision if the Authority provides written approval of the sale or transfer of the project.

[(p)] **(q)** Any funds recaptured pursuant to this section, including penalties and interest, shall be deposited into the General Fund of the State.

19:31V-1.11 Transformative projects

(a) To be eligible as a transformative project, the redevelopment project must satisfy the following criteria:

1. Has a project financing gap;
2. **For projects approved before January 23, 2025, [H]has an [total] eligible project cost of at least \$150,000,000, or for projects approved on or after January 23, 2025, has a total development cost of at least \$150,000,000;**

3. Leverages the competitive economic development advantages of the State's mass transit assets, higher education assets, and other economic development assets, in attracting or retaining both employers and skilled workers generally or in targeted industries by providing employment or housing; and

[3] 4. Includes:

i. Two hundred thousand or more square feet of new or substantially renovated industrial, commercial, or residential space for a project located in a government-restricted municipality, exclusive of any parking component;

ii. Two hundred fifty thousand or more square feet of film production uses, exclusive of any parking component;

iii. Three hundred thousand or more square feet of new or substantially renovated industrial, commercial, or residential space for a project located in an enhanced area, exclusive of any parking component; or

iv. Five hundred thousand or more square feet of new or substantially renovated industrial, commercial, or residential space for any other project, exclusive of any parking component;

[4] 5. A commercial project is of special economic importance and creates modern facilities that enhance the State's competitiveness in attracting targeted industries by meeting the following criteria:

i. Except for a redevelopment project with [250,000] **two hundred fifty thousand** or more square feet of film production uses:

(1) Creates 500 new full-time jobs, which shall be demonstrated by determining the anticipated employee occupancy based on the regional averages for employment density for the type of use or uses at the redevelopment project;

(2) Involves the substantial renovation of a vacant commercial building; or

(3) The project is [located entirely on land designated by the New Jersey Department of Environmental Protection as a Brownfield Development Area pursuant to N.J.S.A. 58:10B-25.1, and the project costs of the redevelopment project includes or will include at least \$ 15 million in environmental remediation costs] **a transformative environmental remediation project**; and

ii. Provides opportunities to leverage leadership in a high-priority targeted industry as demonstrated by factors including, but not limited to, being undertaken by a developer that is making an industry leading investment in a new technology or high-growth sub-industry or catalyzing a new sub-industry or industry-cluster within the State; **and**

[5] **6.** For residential projects includes one of the following:

i. The construction of 700 or more newly constructed residential units;

ii. Is a mixed-use residential project with construction of [50,000] **thirty thousand** square feet or more of commercial space, **which may include retail space**, exclusive of any parking component, and includes one of the following:

(1) If the project is located in a government-restricted municipality, includes the construction of 200 or more newly constructed residential units;

(2) If the project is located in an enhanced area, includes the construction of 300 or more newly constructed residential units; or

(3) If the project is not located in a government-restricted municipality or enhanced area, and includes the construction of 400 or more newly constructed residential units [; and

6. Leverages the competitive economic development advantages of the State's mass transit assets, higher education assets, and other economic development assets, in attracting or retaining both employers and skilled workers generally or in targeted industries by providing employment or housing].

(b) A transformative project shall not include a redevelopment project at which more than 50 percent of the premises is occupied by one or more businesses engaged in final point of sale retail, including, but not limited to, hotels.

(c) A transformative project, other than a project that includes 250,000 or more square feet of film production uses, shall be located in an incentive area, a distressed municipality, a government-restricted municipality, or an enhanced area. A transformative project receiving an incentive award pursuant to this section that includes [250,000] **two hundred fifty thousand** or more square feet of film production uses may be located anywhere in the State. The Authority shall not consider an application for a transformative project unless the applicant submits with its application a letter evidencing support for the transformative project from the governing body of the municipality in which the transformative project is located.

(d) A transformative project may be completed in phases, which phases may be determined by the Authority based on factors, such as written architectural plans and specifications completed before or during the physical work, certificates of occupancy, or financial and operational plans.

(e) In accordance with N.J.A.C. 19:31V-1.3(e), all transformative projects that include any newly constructed residential units shall reserve at least 20 percent of the newly constructed residential

units and all other residential units for occupancy by low- and moderate-income households with affordability controls.

(f) The Authority shall review and determine whether to approve an incentive award to a transformative project in accordance with the provisions applicable to any redevelopment project, unless otherwise provided in this section.

(g) For transformative projects completed in phases, the developer and any co-applicant shall enter into a transformative phase agreement with the Authority. As used in this subsection, "transformative phase agreement" shall mean a sub-agreement of the incentive award agreement that governs the timing, capital investment, and other applicable details of the respective phase of a phased project. The transformative phase agreement may be incorporated in the incentive award agreement.

(h) Notwithstanding the provisions at N.J.S.A. 34:1B-325 and 34:1B-269 et seq., or other sections in this subchapter to the contrary a transformative project shall be completed, and the developer shall be issued a certificate of occupancy for the transformative project facilities by the applicable enforcing agency, within five years of executing the incentive award agreement, except that the Authority may, in its discretion, extend this deadline by up to one additional year. For transformative projects completed in phases, the transformative project shall be completed, and the developer shall be issued temporary certificates of occupancy for all phases of the transformative project by the applicable enforcing agency within 10 years of executing either the incentive award agreement or the first transformative phase agreement corresponding to the transformative project. For a project component to be allowed as a phase, a developer shall obtain a temporary certificate of occupancy for the entirety of the component and the component shall be \$50,000,000 or more except for the last component.

(i) Notwithstanding the provisions of N.J.S.A. 34:1B-323, 328, and 269 et seq., or other sections in this subchapter to the contrary, each phase of a transformative project completed shall have a separate eligibility period **or any compliance period**. After completing each phase, the developer shall submit a certification that the phase is completed with the documents required pursuant to N.J.A.C. 19:31V-1.8(f). In the certification for the project cost for that phase, any infrastructure work completed at the same time shall be included in the certification for that phase. The amount of soft costs for a phase may exceed 20 percent of the [total] **eligible** project cost in the certification for the respective phase. If the aggregate amount of soft costs at the completion of the final phase exceeds 20 percent of the aggregate [total] **eligible** project cost in all phase certifications, the Authority shall reduce the amount of allowable soft costs and shall resize the incremental tax credit for the final phase and recapture other excess tax credits. If the Authority approves the certification, the tax credit allowed to the developer or co-applicant shall be increased by the tax credit amount corresponding to that phase, which shall include only the infrastructure attributable to that phase. If upon review of the certification of completion of each phase, the Authority adjusts the incremental tax credit for that phase solely due to the certification demonstrating a lesser [total] **eligible** project cost than projected at Board approval, the amount of tax credits not included in the incremental tax credit shall be available to the developer and any co-applicant in any subsequent phase, provided that the incremental tax credit has not been resized due to the project financing gap and the State fiscal impact analysis. Notwithstanding the different eligibility periods **or any compliance periods** for each phase, all conditions and requirements applicable during an eligibility period **or any compliance period**, pursuant to N.J.S.A. 34:1B-322 through 335 and all other sections in this subchapter shall apply

to the entire transformative project until the end of the eligibility period **or any compliance period** for the last phase.

(j) Notwithstanding the provisions at N.J.S.A. 34:1B-328 and 269 et seq., or other sections in this subchapter to the contrary, for a transformative project completed in phases, [a review of the project financing gap shall be performed at the certification of completion of each phase, and the Authority may resize the incremental tax credit for that phase or subsequent phases. The] **the** Authority shall re-evaluate the developer's reasonable and appropriate return on investment as set forth at N.J.A.C. 19:31V-1.8(c)¹⁷ [in the seventh year and at the end of the eligibility period] for the last phase, provided that the Authority may also re-evaluate the developer's reasonable and appropriate return on investment during the fifth year of any earlier phase **for redevelopment projects with a 10-year eligibility period or projects with a compliance period, or during the third year of any earlier phase for redevelopment projects with a 5-year eligibility period without a compliance period.**

(k) The Authority shall review the transformative project cost and evaluate and validate the project financing gap estimated by the developer. The Authority shall perform a single project financing gap analysis for a transformative project.

(l) **Except for redevelopment projects, or components of redevelopment projects, for which no fiscal analysis is required pursuant to N.J.A.C. 19:31V-1.3(a)¹⁴,** [T]he Authority shall conduct a State fiscal impact analysis to ensure that the overall public assistance provided to the transformative project will result in a net positive economic benefit to the State in accordance with the percentages pursuant to N.J.A.C. 19:31V-1.6(c). The Authority shall determine a single net positive economic benefit for a transformative project, including a phased transformative project, and the net positive economic benefit evaluation shall be conducted for the period

beginning with the first eligibility period and ending with the last eligibility period **and, if elected by a developer of a redevelopment project with a 5-year eligibility, any last compliance period. If a developer elects to include a compliance period, the redevelopment project will continue to be subject during the compliance period to the terms and conditions of the Program, including those set forth in this subchapter and in the agreement.** In determining whether a transformative project will result in a net positive economic benefit to the State, the Authority shall not consider the value of any taxes exempted, abated, rebated, or retained pursuant to the Five-Year Exemption and Abatement Law, N.J.S.A. 40A:21-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., or any other law that has the effect of lowering or eliminating the developer's State or local tax liability. The determination made pursuant to this subsection shall be based upon the potential tax liability of the developer without regard for potential tax losses if the developer were to locate in another state. The Authority shall evaluate the net positive economic benefits on a present value basis pursuant to which the requested tax credit allocation amount is discounted to present value at the same discount rate as the projected benefits from the implementation of the proposed transformative project for which an award of tax credits is being sought. [Projects that are predominantly residential shall be excluded from the calculation of the net positive economic benefit test required pursuant to this subsection.]

(m) In determining net positive economic benefits for any business or person considering locating in a transformative project and applying to receive from the Authority any other economic development incentive subsequent to the award of transformative project tax credits pursuant to N.J.S.A. 34:1B-333 and this section, the Authority shall not credit the business or

person with any benefit that was previously credited to the transformative project pursuant to N.J.S.A. 34:1B-333 and this section.

(n) The Authority shall administer the credits awarded pursuant to this section, in accordance with the provisions of N.J.S.A. 34:1B-330 and 331; and N.J.A.C. 19:31V-1.9, 1.10, 1.12, and 1.13.

(o) Prior to allocating an incentive award to a developer, the Authority shall confirm that the developer, lead development entity, and any co-applicant for the transformative project satisfies the requirements at N.J.A.C. 19:31V-1.7(b)1 for substantial good standing or agreement with the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, the Department of the Treasury, N.J.A.C. 19:31V-1.7(b)2 for substantial good standing with the Agency, and N.J.A.C. 19:31V-1.7(b)4 regarding contractors and subcontractors.

(p) Notwithstanding the limitation on incentive awards set forth at N.J.S.A. 34:1B-329 and 362 and any other sections in this subchapter to the contrary, the Authority may allow a developer of a transformative project a tax credit in an amount not to exceed the lesser of the amounts below. For purposes of the calculation of tax credits, project cost shall be reduced by the amount of State and local grants and tax credits other than those awarded pursuant to the Program.

1. **[80] 85** percent of the [total] **eligible** project cost for a transformative project that is located in a government-restricted municipality, **which municipality qualified as a government-restricted municipality prior to January 23, 2025**, which percentage shall apply to the [total] **eligible** project cost of each phase of a phased transformative project;

(ii) 80 percent of the **eligible** project cost for a transformative project that is located in a government-restricted municipality, **which municipality did not qualify as a**

government-restricted municipality prior to January 23, 2025, which percentage shall apply to the eligible project cost of each phase of a phased transformative project;

2. [Sixty] **60** percent of the [total] **eligible project** cost for a residential transformative project that receives a four-percent allocation from the federal Low Income Housing Tax Credit Program administered by the Agency or a transformative project that is located in a qualified incentive tract, enhanced area, or a municipality with a Municipal Revitalization Index score of at least 50, which percentage shall apply to the [total] **eligible** project cost of each phase of a phased transformative project;

3. [Fifty] **50** percent of the [total] **eligible** project cost for any other transformative project, which percentage shall apply to the [total] **eligible** project cost of each phase of a phased transformative project;

4. The total value of the project financing gap; or

5. \$400,000,000, except that for a transformative project that is developed in phases, the \$400,000,000 limitation on incentive awards shall apply to the total aggregate award for all phases of the transformative project.

(q) For a transformative project, the approval letter shall contain conditions that must be satisfied and documents and certifications that must be submitted for each phase. Until the developer submits the certification for the last phase, the developer shall submit progress reports for each phase that has not yet been certified.

19:31V-1.12 Application for tax credit transfer certificate

(a) A developer, **any special mission non-profit**, or co-applicant may apply to the Director and the Chief Executive Officer of the Authority for a tax credit transfer certificate, covering one or

more years, in lieu of the developer, **any special mission non-profit**, or co-applicant being allowed any amount of the credit against the tax liability of the developer.

(b) Subject to forfeiture, reduction, or other action for failure to comply with a program requirement, within 120 days after the Authority preliminarily determines that an application under this section is complete, the Authority shall either: (a) approve the application and notify the developer and the Director of the Authority's decision and, if approved, that the Director is to issue the tax credit transfer certificate; or (b) request more information from the developer to finalize the approval. If the Authority fails to take one of the actions within 120 days from its preliminary determination that the application is complete, the application shall be deemed approved by the Authority, and the developer shall be entitled to receive its tax credit transfer certificate. Such deemed approval shall not waive the Authority's right to audit and determine compliance.

(c) The tax credit transfer certificate, upon receipt thereof by the developer, any special mission non-profit, or co-applicant from the Director and the Chief Executive Officer of the Authority, may be sold or assigned, in full or in part, in an amount not less than \$25,000, in the privilege period during which the developer, any special mission non-profit, or co-applicant receives the tax credit transfer certificate from the Director, to another person, who may apply the credit against a tax liability pursuant to N.J.S.A. 54:10A-5, 54:18A-2 and 3, 17:32-15, or 17B:23-5; provided, however, that the holder of a tax credit certificate may transfer all or part of the tax credit amount, on or after the date of issuance of the tax credit transfer certificate, for use by the transferee in the tax period for which it was issued, [and the transferee may carry forward all or part of the tax credit amount in any of the next five successive tax periods], in the tax period in which it was issued, or in any of the next three successive tax periods. The tax certificate

holder or transferee may first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in this subsection, without the need to amend the tax return for the tax period for which the credit was issued, subject to the provisions of this section. A transferee may carry forward an unused credit for use in any of the next five successive tax periods, and the unused credit shall expire thereafter.

Notwithstanding any provision of this section to the contrary, the amount of tax credits that may be claimed by the transferee in any tax period shall not exceed the total tax credit amount divided by the duration of the eligibility period in years. The certificate provided to the developer, **any special mission non-profit**, or co-applicant shall include a statement waiving the developer's, **special mission non-profit's**, or co-applicant's right to claim the amount of the credit that the developer has elected to sell or assign against the developer's tax liability.

[(b)] **(d)** The developer, **any special mission non-profit**, or co-applicant shall not sell, pledge, transfer, or assign, including a collateral assignment, a tax credit transfer certificate allowed pursuant to this section for consideration received by the developer, **any special mission non-profit**, or co-applicant of less than 85 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. The developer, **any special mission non-profit**, or co-applicant shall submit to the Authority documentation evidencing the value of the tax credits that may include, but not be limited to, the purchase agreement, except:

1. A developer or co-applicant of a residential project consisting of newly constructed residential units may assign a tax credit transfer certificate for consideration of less than 85 percent subject to the submission of a plan to the Authority and the agency to use the proceeds derived from the assignment of tax credits to complete the residential project, which plan must

demonstrate that the developer or co-applicant is receiving no less than 75 percent of the transfer credit amount before considering any discounting to present value; and

2. Notwithstanding the provisions at (b)1 above, a developer or co-applicant of a residential project consisting of newly constructed residential units that has received tax credits pursuant to the Federal Low-Income Housing Tax Credit Program, 26 U.S.C. § 42(b)(1)(B)(i) may assign a tax credit transfer certificate for consideration of no less than 65 percent of the transfer credit amount before discounting to present value subject to the submission of a plan to the Authority and the New Jersey Housing and Mortgage Finance Agency to use the proceeds derived from the assignment of tax credits to complete the residential project.

[(c)] **(e)** The tax credit transfer certificate issued to a developer, **any special mission non-profit**, or co-applicant by the Director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to N.J.S.A. 34:1B-322 through 335 and any other terms and conditions that the Director may prescribe including, but not limited to, any applicable statutes of limitations for claiming a refund or credit.

[(d)] **(f)** A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall not make any subsequent transfers, assignments, or sales of the tax credit transfer certificate. If a lender that holds a tax credit certificate as collateral on a redevelopment project forecloses on the project, the foreclosure and resulting transfer of the certificate shall not be considered a sale of the transfer certificate.

[(e)] **(g)** The Authority shall publish, on its internet website, the following information concerning each tax credit transfer certificate approved by the Authority and the Director pursuant to this section:

1. The name of the transferrer;

2. The name of the transferee;
3. The value of the tax credit transfer certificate;
4. The State tax against which the transferee may apply the tax credit; and
5. The consideration received by the transferrer.

19:31V-1.13 Assignment of rights of incentive award agreement

(a) A developer who has entered into an incentive award agreement pursuant to N.J.S.A. 34:1B-328 may, upon notice to and written consent of the Authority and State Treasurer, pledge, assign, transfer, or sell any or all of its right, title, and interest in, and to, the incentive award agreement and in the incentive awards payable pursuant to the incentive award agreement, and the right to receive the incentive awards, along with the rights and remedies provided to the developer pursuant to the incentive award agreement, provided that any sale, assignment, or transfer of the incentive award agreement shall be to the purchaser, assignee, or transferee of the redevelopment project. To decide whether to consent, the Authority and State Treasurer will consider the purchase price and terms of the pledge, assignment, transfer, or sale, the allocation of the purchase price to the tax credit in relation to the minimum required pursuant to N.J.A.C. 19:31V-1.12(b), and the impact of the transaction to the reasonable and appropriate return on investment for the seller(s) and the purchaser. Any assignment shall be an absolute assignment for all purposes, including the Federal bankruptcy code. If the Authority approval included a co-applicant **or special mission non-profit**, prior to requesting the consent of the Authority and State Treasurer, the developer shall obtain, in writing, the co-applicant's **or special mission non-profit's** consent, and the developer shall provide the co-applicant's **or special mission non-profit's** written consent to the Authority and State Treasurer with the developer's notice.

(b) A co-applicant **or special mission non-profit** who has entered into an incentive award agreement pursuant to N.J.S.A. 34:1B-328 may, upon notice to and written consent of the Authority and State Treasurer, assign, transfer, or sell any or all of its right, title, and interest in, and to, the incentive award agreement and in the incentive awards payable pursuant to the incentive award agreement, and the right to receive the incentive awards, along with the rights and remedies provided to the co-applicant **or special mission non-profit** pursuant to the incentive award agreement, provided that the purchaser shall [be a non-profit pursuant to section 501(c)3 of the Internal Revenue Code] **satisfy the definition of co-applicant or special mission non-profit, as applicable.** To decide whether to consent, the Authority and State Treasurer will consider the contributions of the co-applicant **or special mission non-profit**, the proposed contributions by the purchaser, the purchase price and terms of the assignment, transfer, or sale, and the allocation of the purchase price to the tax credit. The new purchaser shall be the co-applicant **or special mission non-profit, as applicable,** and shall be required to receive an assignment of the co-applicant's participation agreement **or special mission non-profit's agreement with the developer,** or to execute a new participation agreement **or special mission non-profit agreement** with the developer. Any assignment shall be an absolute assignment for all purposes, including the Federal bankruptcy code. Prior to requesting the consent of the Authority and State Treasurer, the co-applicant **or special mission non-profit** shall obtain, in writing, the developer's consent, and the co-applicant **or special mission non-profit** shall provide the developer's written consent to the Authority and State Treasurer with the co-applicant's **or special mission non-profit's** notice.

(c) Any pledge of an incentive award made by the developer shall be valid and binding from the time the pledge is made and filed in the records of the Authority. The incentive award pledged

and thereafter received by the developer shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding against all parties having claims of any kind, in tort, contract, or otherwise against the developer irrespective of whether the parties have notice thereof. As a condition of any incentive grant, the grantee, assignee, pledgee, or subsequent holder of the incentive grant shall immediately file notice of the same with the clerk of the county in which the project is located.

(d) The Authority shall publish, on its internet website, the following information concerning each pledge, assignment, transfer, or sale approved by the Authority pursuant to this section:

1. The name of the person or entity offering the pledge, assignment, transfer, or sale of a right, title, or interest in an incentive grant agreement or tax credit agreement;
2. The name of the person or entity receiving the pledge, assignment, transfer, or sale of a right, title, or interest in the incentive grant agreement or tax credit agreement;
3. The value of the right, title, or interest in the incentive grant agreement or tax credit agreement; and
4. The consideration received by the person or entity offering the pledge, assignment, transfer, or sale of the right, title, or interest in the incentive grant agreement or tax credit agreement.

19:31V-1.14 Sale of Buildings

(a) Notwithstanding any requirement of this subchapter to the contrary, a developer who has entered into an incentive award agreement pursuant to N.J.S.A. 34:1B-328 and N.J.A.C. 19:31V-1.8 may apply to the Authority to sell one or more buildings or portion or

portions of a building during the eligibility period or any compliance period. The developer shall submit the application prior to the sale of any building or portion of building.

(b) To be eligible for such sale:

1. The project cost of the building, or portion of building, to be sold was included in the documents evidencing completion of the project or, for phased transformative projects, of a phase; and

2. The Authority shall approve the proposed purchaser, which may include a review of the proposed purchaser pursuant to the Authority debarment and disqualification rules at N.J.A.C. 19:30-2.

(c) To apply for the sale of a building or a portion of a building, the developer shall include the following information in an application format prescribed by the Authority:

1. The proposed purchase price and terms of the contract for sale between the developer and the purchaser of the building(s);

2. The valuation of the building(s) or portions of a building(s) to be sold, which may include an appraisal;

3. Whether there are any proposed changes to the use of the building(s) or portions of building(s) being sold;

4. A legal questionnaire completed by the proposed purchaser disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2; and

5. Any other necessary and relevant information as determined by the Authority for a specific application.

(d) Except as provided in 1 below, for every year in which a developer is approved for and sells a building or portion of a building, the developer shall include in the annual report an updated project pro forma and other relevant financial information, including, but not limited to, an updated market and/or feasibility study for the redevelopment project by an independent third party, and the Authority shall review the project's actual return on investment based on the updated project pro forma. If the actual project return on investment exceeds the maximum return by any amount, the developer shall pay to the State 20 percent of the excess return, provided that the payment shall not exceed the net proceeds of the sale of the building or portion of a building. Such payment shall be final and not subject to escrow.

1. For a phased transformative project, if the developer uses all the net proceeds from the sale of building(s) or portions of building(s) as equity for the redevelopment project, no payment shall be required.

(e) Notwithstanding the sale of the building(s) or portions of building(s), the developer shall remain responsible and liable for all terms and conditions of the program and the incentive award agreement for the entire redevelopment project, including, but not limited to, any building or portion of building sold, for the duration of the eligibility period and any compliance period. These terms and conditions include, but are not limited to, reporting, indemnification, affordability control, prevailing wage, and affirmative action requirements.

19:31V-1.1[4]5 Affirmative action and prevailing wage

(a) The Authority's affirmative action requirements at N.J.S.A. 34:1B-5.4 and N.J.A.C. 19:30-3 and 19:31V-1.3(a)7 shall apply to the redevelopment project, including, but not limited to, construction contracts for work performed before the application and after November 15, 2021 (the effective date of this subchapter) and included in the project cost. The affirmative action requirements shall apply for two years after the first certificate of compliance is issued.

(b) The Authority's prevailing wage requirements at N.J.S.A. 34:1B-5.1 [and], N.J.A.C. 19:30-4 and 19:31V-1.3(a)8 shall apply to the redevelopment project, including, but not limited to, the following:

1. Construction contracts for work performed before the application and included in the project cost;

2. Construction contracts for work performed 24 months prior to the eligibility period pursuant to N.J.S.A. 34:1B-5.1(b); and

3. Construction contracts for work performed during the eligibility period **and any compliance period.**

(c) During the eligibility period **and any compliance period**, prevailing wage shall apply to building services at the site of the redevelopment project pursuant to N.J.A.C. 19:31V-1.3(a)9. 19:31V-1.1[5]6 Affordability controls: documentation and monitoring

(a) Developers and any subsequent owner of the affordable development shall retain all documentation and evidence necessary to demonstrate compliance with the affordability controls for the duration of the deed restriction set forth at N.J.A.C. 19:31V-1.1[8]9 and shall provide such documentation and evidence as set forth in this subchapter or at the request of the Agency or the Authority.

(b) As set forth in this subchapter, the Agency may serve as a monitoring entity acting to report to the Authority compliance with the affordability controls. Notwithstanding such monitoring by the Agency, enforcement of any and all requirements pursuant to this subchapter shall be the responsibility of the Authority.

19:31V-1.1[6]7 Affordability controls: affordability average; bedroom distribution

(a) In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units and the remainder may be moderate-income units, provided that at least 10 percent of the restricted units shall be very low-income units.

(b) The bedroom distribution for restricted units that are not age-restricted shall be as follows:

1. The combined number of studios and one-bedroom units is no greater than 20 percent of all restricted units;
2. At least 30 percent of all restricted units are two-bedroom units;
3. At least 20 percent of all restricted units are three-bedroom units; and
4. The remainder, if any, may be allocated at the discretion of the developer or subsequent owner of the affordable development.

(c) In determining the initial rents, the affordability average shall be no more than 52 percent.

(d) Restricted units that are age-restricted units may utilize a modified bedroom distribution. At a minimum, the number of bedrooms shall equal the number of restricted units that are age-restricted units within the affordable development. The standard may be met by creating all one-bedroom units or by creating a two-bedroom unit for each studio.

(e) Restricted units shall utilize the same type of heating source as market units within the affordable development.

19:31V-1.1[7]8 Affordability controls: occupancy standards

(a) In determining the initial rents for compliance with the affordability average requirements for restricted units, the following standards shall be used:

1. A studio shall be affordable to a one-person household;
2. A one-bedroom unit shall be affordable to a one and one-half person household;
3. A two-bedroom unit shall be affordable to a three-person household;
4. A three-bedroom unit shall be affordable to a four and one-half person household; and
5. A four-bedroom unit shall be affordable to a six-person household.

(b) In offering specific restricted units to low- and moderate-income households, to the extent feasible, and without causing an undue delay in occupying the unit, the developer or subsequent owner of the affordable development shall strive to:

1. Provide an occupant for each bedroom;
2. Provide children of different sex with separate bedrooms; and
3. Prevent more than two persons from occupying a single bedroom.

19:31V-1.1[8]9 Affordability controls: control periods for rental units

(a) Each restricted rental unit shall remain subject to the requirements of the affordability controls for a period of 45 years.

(b) The affordability control period for the restricted units shall commence on the first date that a low- or moderate-income household occupies a unit and shall terminate at the end of the period set forth at (a) above, except that the eviction or termination of tenancy (other than for good cause) of an existing tenant of any restricted unit or the increase in the gross rent with respect to

any restricted unit not otherwise authorized pursuant to this subchapter shall be prohibited for an additional three years.

(c) Deeds of all real property that include restricted rental units shall contain deed restriction language as prescribed by the Authority. The deed restriction shall for the period set forth at (a) above, require compliance with the affordability controls, prohibit the sale or transfer of individual restricted units unless without the prior written consent of the Authority, and shall grant the Authority the rights set forth at N.J.A.C. 19:31V-1.10. The deed restriction shall have priority over all mortgages on the property.

(d) A restricted unit shall remain subject to the affordability controls despite the occurrence of any of the following events:

1. A sale or other voluntary transfer of the ownership of the affordable development or the restricted unit; or
2. The entry and enforcement of any judgment of foreclosure on the affordable development or the restricted unit.

19:31V-1.1[19]20 Affordability controls: restrictions on rents

(a) Rent shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined pursuant to N.J.A.C. 19:31V-1.1[7]8; provided, however, that the rent shall be subject to the affordability average requirement at N.J.A.C. 19:31V-1.1[6]7.

(b) Mandatory fees or charges shall be included in the calculation of rent.

(c) Application fees (including the charge for any credit check) may not exceed five percent of the monthly rental of the applicable restricted unit.

(d) A written lease is required for all restricted rental units. Final lease agreements are the responsibility of the developer (or subsequent owner of the affordable development) and the prospective tenant. Tenants are responsible for security deposits and the full amount of the rent as stated on the lease. All lease provisions shall comply with applicable law.

(e) Those tenant-paid utilities that are included in the utility allowance shall be so stated in the lease. The allowance for utilities shall be consistent with the utility allowance as utilized by the Agency for federal low-income housing tax credits.

19:31V-1.2[0]1 Affordability controls: tenant income eligibility

(a) The initial rent proposed for a restricted unit shall not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C.

19:31V-1.2[2]3; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

1. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its eligible monthly income for rent and the proposed rent will reduce its housing costs;

2. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;

3. The household is currently in substandard or overcrowded living conditions;

4. The household documents the existence of assets, with which the household proposes to supplement the rent payments; or

5. The household documents proposed third [-] party assistance from an outside source, such as a family member.

(b) Developers and subsequent owners of affordable development shall establish at least one rent for each type of unit based on the number of bedrooms for very low-income, low-income, and moderate-income units.

19:31V-1.2[1]2 Affordability controls: affirmative marketing

(a) The developer or subsequent owner of an affordable development shall have an affirmative marketing plan that is a regional marketing strategy designed to attract renters regardless of race, religious principles, color, national origin, ancestry, marital or familial status, liability for service in the Armed Forces of the United States, nationality, sex, gender identity or expression, disability, age (except age-restricted units), source of lawful income, or number of children to housing units which are being marketed by a developer or sponsor of affordable housing. The affirmative marketing plan shall also target those potentially eligible persons who are least likely to apply for restricted units in that region. The affirmative marketing plan shall be continuing and cover the period of deed restriction.

(b) The developer or subsequent owner of an affordable development shall comply with the affirmative marketing plan for restricted units.

(c) The affirmative marketing plan shall provide the following information:

1. The name and address of the project;
2. The number of units, including the number of rental units;
3. The rent for rental units;
4. The name of the rental manager;

5. A description of the random selection process that will be used to select occupants of restricted units; and

6. Disclosure of required application fees.

(d) The affirmative marketing plan shall describe the media to be used in advertising and publicizing the availability of units, including restricted units. In developing the plan, the developer or subsequent owner of the affordable development shall consider the use of language translations. The plan shall include the following:

1. The names of specific newspapers of general circulation within the region;
2. The names of specific radio and television stations broadcasting throughout the region;
3. The names of other publications circulated within the region, such as neighborhood oriented weekly newspapers, religious publications and organizational newsletters;
4. The names of employers throughout the region that will be contacted to post advertisements and distribute flyers regarding the available restricted units;
5. The names of specific community and regional organizations that will aid in soliciting low- and moderate-income household applicants. Such organizations may include non-profit, religious, governmental, fraternal, civic, and other organizations; and
6. Other advertising and outreach efforts to groups that are least likely to be reached by commercial media efforts.

(e) The affirmative marketing process for available restricted units shall begin at least four months prior to expected occupancy. In implementing the affirmative marketing program, the developer or subsequent owner of the affordable development shall undertake all of the following strategies:

1. Publication of one advertisement in a newspaper listed pursuant to (d)1 above;

2. Broadcast of one advertisement by a radio or television station listed above pursuant to (d)2 above;

3. At least one additional regional marketing strategy using one of the sources listed above pursuant to (d)3, 4, 5, and 6 above; and

4. Addition of the affordable development to the Agency's New Jersey Housing Resource Center website.

(f) Such advertising and outreach shall take place during the first week of the affirmative marketing program and each month thereafter until all the restricted units have been leased. The advertisement shall include at least the following:

1. The location of the restricted units;
2. Directions to the restricted units;
3. The range of rents for the restricted units;
4. The size, as measured in bedrooms, of the restricted units;
5. The maximum income permitted to qualify for the restricted units;
6. The location of applications for the restricted units;
7. The business hours when interested households may obtain an application for a restricted unit; and

8. Application fees, if any.

(g) Applications for restricted units shall be available in several locations, including, at a minimum, the county administrative building and/or the county library for each county within the housing region; the municipal administrative building(s) and the municipal library in the municipality in which the restricted units are located; and the rental office of the developer or the

subsequent owner of the affordable development. Applications shall be mailed to prospective applicants upon request.

19:31V-1.2[2]3 Affordability controls: household selection; related project information

(a) The developer or subsequent owner of the affordable development shall obtain all information from applicant households necessary and appropriate to determine that restricted units are occupied by properly sized households with appropriate low- or moderate-income levels.

(b) When reviewing an applicant household's income to determine eligibility, the developer or subsequent owner of the affordable development shall compare the applicant household's total gross annual income to the household limits then in effect. For the purposes of this subchapter, income and assets, and verification of same, shall be defined and calculated as set forth by the Agency for Federal low-income housing tax credits.

(c) Households shall also be required to produce documentation of household composition for determining the correct unit size and applicable median income guide.

(d) The following information shall be maintained by the developer or subsequent owner of the affordable development and shall be provided to the Agency or the Authority upon request:

1. The total number of units in the redevelopment project, and number of restricted units, broken down by bedroom size, identifying which are moderate-, low-, and very low-income units, and including street addresses of restricted units;

2. Floor plans of all restricted units, including complete and accurate identification of uses and dimensions of all rooms;

3. A project map identifying the locations of restricted units and market units;

4. Proposed rent for all units;

5. Any maintenance or other fees;
6. Sewer, trash disposal, and any other utility assessments;
7. A description of all HVAC systems;
8. Location of any common areas and elevators;
9. Proposed form of lease; and
10. The name of the person who is responsible for compliance with the affordability controls.

(l) The developer or subsequent owner of the affordable development shall employ a random selection process when selecting prospective tenants for restricted units.

19:31V-1.2[3]4 Appeals

(a) The Board's action shall be effective 10 business days after the Governor's receipt of the minutes, provided neither an early approval nor veto has been issued.

(b) A[n applicant] **developer** may appeal the [Board's] **Authority's** action by submitting in writing to the Authority, within 20 calendar days from the effective date of [the Board's] **such** action, an explanation [as to how the applicant has met the Program criteria] **of the grounds for such appeal**. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq.; and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(c) Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer **of the Authority, or delegatee**, shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record, **which includes but is not limited to the written appeal, any**

documentation provided in support of the appeal, and any written staff response to the appeal. The hearing officer may require an in-person hearing [. The hearing officer] **and** has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. The Authority may consider new evidence or information [that would demonstrate that the applicant meets all of the application criteria].

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing [his or her] **the hearing officer's** finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. After reviewing the report, the Chief Executive Officer of the Authority may also include a recommendation to the written report of the hearing officer. The [applicant] **developer** shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report. **Any such comments will be incorporated into the final report presented to the Board.**

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer **of the Authority**, if any, and any written comments and exceptions timely submitted by the [applicant] **developer**. Based on that review, the Board shall issue a final decision on the appeal.

4. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

19:31V-1.2[4]5 Reports by the Authority to the Governor and Legislature on implementation of the Program

(a) Beginning in 2022, and every two years thereafter, a State college or university established pursuant to Chapter 64 of Title 18A of the New Jersey Statutes shall, pursuant to an agreement executed between the State college or university and the Authority, prepare a report on the implementation of the Program, and submit the report to the Authority, the Governor, and, pursuant to N.J.S.A. 52:14-19.1, to the Legislature. Each biennial report required pursuant to this section shall include a description of each redevelopment project receiving a tax credit pursuant to the Program, a detailed analysis of the consideration given in each project to the factors set forth at N.J.S.A. 34:1B-326 and 327 and N.J.A.C. 19:31V-1.6 and 7, in the case of a commercial project, the return on investment for incentive awards provided and the commercial project's impact on the State's economy, and any other metrics the State college or university determines are relevant based upon national best practices. The Authority shall prepare a written response to the report, which the Authority shall submit to the Governor and, pursuant N.J.S.A. 52:14-19.1, to the Legislature.

(b) On or before December 31, 2023, the authority shall submit a report to the Governor and, pursuant to N.J.S.A. 52:14-19.1, the Legislature on the effectiveness of the Program in encouraging development in government-restricted municipalities, which report shall include, at a minimum, recommendations to incentivize additional development in government-restricted municipalities through financial assistance or other incentives that the authority determines are appropriate.

19:31V-1.2[5]6 Severability

If any section, subsection, provision, clause, or portion of this subchapter is adjudged to be unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: 418 Federal Partners GSGZ, LLC
418 Federal Partners GSGZ
Historic Property Reinvestment Program
Recommendation of Award

Request

The Members are requested to approve a proposed Historic Property Reinvestment tax credit award to 418 Federal Partners GSGZ, LLC (Applicant) for the 418 Federal Partners GSGZ (Project) in Camden. The recommended tax credit award is 60% of actual eligible costs with a maximum tax credit amount \$7,102,684.20. The final award amount will be based on the Project's actual eligible costs.

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 cost of rehabilitation (eligible costs), as certified by a Certified Public Accountant, at the conclusion of the Project.

Historic Property Reinvestment Program Background

The Historic Property Reinvestment Program (HPRP or Program) is a tax credit program designed to complement the Federal Historic Tax Credit Program to encourage and bolster smart growth investments focused on the rehabilitation of existing identified historic structures throughout New Jersey. The HPRP focuses on historic preservation as a component of community development, encouraging long-term private investment in the State while preserving properties that are of historic significance.

The HPRP is 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 Authority has established scoring criteria for the evaluation of proposed rehabilitation projects. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100 maximum total score. Additionally, if on any given year the Program is oversubscribed, then applications will be ranked based

on score and awards will be based on ranking.

To be awarded tax credits under the HPRP, the applicant must be in good standing with the NJ Department of Labor and Workforce Development, NJ Department of Treasury, and the NJ Department of Environmental Protection (as determined by each Department). The HPRP rules also require that the rehabilitation project pay prevailing wages for construction work during the duration of the Project, which starts at execution of the rehabilitation agreement, and to building service workers for a period of 10 years following project completion for single phase project, or 10 years following the completion of the first phase for multiphase rehabilitation projects.

Projects under the HPRP are subject to an annual program cap of \$50 million. Annual unused amounts may be included in the amounts available for approval in the subsequent fiscal year.

The last application round, which was the fifth round under the Program, closed on December 5, 2024. Ten (10) applications representing a combined total project cost of just under \$430 million, and a maximum tax credit request of just over \$88 million, were received under the round. Out of the applications received, one (1) was withdrawn by the applicant, two (2) have been approved by the Board earlier this year for a combined maximum tax credit amount of just over \$22 million, one (1) is the subject of this authorization request, and six (6) remain under review. Duration of review times for applications received under the Program varies based on the clarity and completeness of documentation submitted at time application and responsiveness at the request for clarifying information during application review.

As part of the prior four (4) application rounds, one (1) project was awarded in the first round (which was a transformative project round), and one (1) was awarded in the fourth round. After the fourth application round closed, legislative changes to improve the Program were made and signed into law by Governor Murphy in September of 2024. The new legislation increased potential award percentages and caps and reduced some requirements, such as the need to demonstrate a funding gap, for projects under \$5 million or located in a Government Restricted Municipality. Some of the changes contained within the new bill, such as the increase in tax credit award percentages and caps, were enacted upon signing of the bill and therefore were in effect during the last application round. The remaining changes will become effective upon adoption of revised Program rules, which are currently being drafted.

Project Information

Applicant

418 Federal Partners GSGZ, LLC

418 Federal Partners GSGZ, LLC is a Special Purpose Entity wholly owned by Scungio Borst International (SBI). Established in 2021, the applicant has 4 members and serves only as official owner of the property. SBI is a professional services firm that provides construction and project management and has extensive experience in the retail, commercial/industrial, institutional, multi-family, pharmaceutical, public space, healthcare, and mixed-use sectors. Previous SBI experience shows completion of projects of similar size and complexity as the proposed project.

Project Location

418 Federal Street, Camden, New Jersey 08103

Project Name

Project Description

The Project consists of the adaptive reuse of the historic South Jersey Gas, Electric & Traction office building built in 1903 and a 1929 addition, also known as the Camden Free Public Library (due to its most recent use). The rehabilitation of the vacant property will create over 25,000 SF of institutional and cultural museum space and over 6,000 SF of restaurant/retail and community themed space. The building's main anticipated tenant, Rutgers University Camden, intends to use the building as the location of its arts program and as a space for a community art collective. The completed building would also include restaurant and bar space, catering both to employees and visitors to the university arts program and to evening arts-themed events. The Project is scheduled to be completed in one phase.

Selected Rehabilitation Period and Project Schedule

Documentation submitted as part of the HPRP application for the 418 Federal Partners GSGZ Rehabilitation Project indicates that the Project will be conducted in a single-phase. Therefore, as per Program rules, the Applicant will have a selected rehabilitation period of up to twenty-four (24) months to complete the Project. Specifically, the schedule submitted with the application shows a Project duration of one hundred and twenty-seven (127) workdays. Based on this schedule, if the Rehabilitation Agreement were executed in the third quarter of 2026, the project completion date would be during the first quarter of 2027.

Evaluation of the Application

Scoring Criteria

The HPRP application submitted for the Project was reviewed and scored based on the Program's preestablished scoring criteria. The criteria focus on five (5) main themes: Historic Significance, Imminent Threat to Historic Resource, Project Concept and Team, Status of Site Control, and Impact on the Surrounding Neighborhood. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100.

As part of the Project Concept and Team review, the scoring committee scored the Applicant based on information submitted regarding the Project team's demonstrated experience. Documentation reviewed included information on experience and qualification of the applicant entity as well as individual team members, professional resumes and prior projects completed of similar size and complexity. Based on the information reviewed, the Applicant demonstrated that the Project team is comprised of individuals within the appropriate disciplines with suitable levels of experience to complete the proposed Project scope and no concerns were identified.

The 418 Federal Partners GSGZ application was reviewed and scored by a committee comprised of a multidisciplinary team of professionals with experience in the fields of historic preservation, construction, and project management. The three (3) members of the committee included NJEDA staff, as well as professional staff from DEP's Historic Preservation Office and DCA's NJ Historic Trust.

Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 67.00 out of a possible 100, therefore surpassing the required minimum score of 50. Seven (7) out of the nine (9) active applications under the round have been scored to date, and all have surpassed the minimum score requirement.

The Fall 2024 HPRP Project Application Round was undersubscribed (total amount of tax credits requested by all applicants was less than the total amount of funding available for the round) therefore the Project's overall ranking against all other projects was not considered as a factor for this award recommendation.

Underwriting Review

Based on our financial review, Underwriting 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 Federal or local grants and expected proceeds from the sale of Federal or local tax credits, including the Federal Historic Tax Credit) and has demonstrated a financing gap. Additionally, the Applicant has provided documentation showing proposed terms for the sale of HPRP credits at a price of 85 cents on the dollar, which meets the Program minimum price requirements for the sale or transfer of HPRP credits.

Uses	Total Project Costs	Eligible Costs
Acquisition of Property	1,520,206.00	-
Property Improvements	7,934,228.57	7,612,941.84
Professional Services	1,662,533.81	1,496,533.00
Financing and Other Costs	2,630,140.00	2,587,804.00
Contingency	1,347,343.00	140,528.16
Development Fee	1,016,355.16	-
Total	\$16,110,806.54	\$11,837,807.00

Sources	Amount
Construction Loan	5,722,073.00
Bridge Loan for HPRP Tax Credit	7,100,000.00
Federal Historic Tax Credit	2,277,927.00
Cash	1,010,806.54
Total	\$16,110,806.54

Secretary of the Interior's Standards for Rehabilitation Review

The DEP's Historic Preservation Office (HPO) has finalized its review of the Project for compliance with the Secretary of the Interior's Standards for Rehabilitation (Standards) as part of a submission under the Federal Historic Preservation Tax Incentives program. This review determined the proposed rehabilitation work meets the Standards and aligns with the property's historic character, as approved with conditions.

NJEDA's Historic Preservation Team assessed the documentation submitted under the federal program to ensure it aligns with the applicant's HPRP application and Project. The team confirmed concurrence with HPO's findings and Standards' compliance determination.

The Standards provide direction in making appropriate choices in planning the repairs, alterations, and additions that may be a part of a rehabilitation project. They are the standard most often used by historic preservation entities and organizations nationwide. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. They cover the treatment of all materials on the exterior and the interior of historic buildings along with related landscape features and the building's site and environment, and attached, adjacent, or related new

construction. The Standards are a statutory requirement under the HPRP and a regulatory requirement for the Federal historic tax credit program.

Due to the extensive review needed to confirm compliance with the Standards, HPRP rules established a process in which the full review is not conducted until after project board award. Most projects applying to both the HPRP and the federal historic tax credit program submit documentation for review to HPO concurrent to their HPRP application and are often at an advance level of review by the time of award, while others may have already received full approval. However, for projects that are not seeking federal credits, the review will not start until after the board award. In all cases, NJEDA Historic Preservation staff completes a preliminary review of projects against the Standards prior to submitting a recommendation for award. The preliminary review looks into any previously completed review at HPO as well as drawings and specifications provided and makes an assessment of whether a project would be able to reach compliance with the Standards. Only projects found to be able to reach compliance are presented to the board for approval.

Project Costs Review

Authority staff completed a detailed review of Project cost breakdowns that included total Project costs, and eligible Project costs, which typically include soft costs incurred within a year from the application submission date and most permanent construction costs within the building or attached to the building's exterior. The evaluation consisted of a review of the Project's construction cost estimate, drawings and specifications to determine general appropriateness of total Project costs submitted for the purpose of assess Project viability as well as a detailed review of all identified eligible costs to ensure adherence with the Program's eligible costs definition. The review found that all costs seemed appropriate; however, it identified that some site work and minor finish carpentry work, which do not meet the Program's definition of eligible costs, had been included as eligible cost. Therefore, a minor adjustment to the Project's eligible cost was requested by the Authority and made by the Applicant. Ineligible construction costs under the Program include all costs associated with Project site work, furniture, cabinetry not inherently part of the building structure or any improvement not permanently attached to the interior or exterior of the structure, as well as all costs associated with an increase in total building volume. Ineligible soft costs include early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing and advertising, temporary signage, incentive consultant fees, Authority fees, loan interest payments on permanent financing, escrows, reserves, pre-opening costs, commissions and fees to the developer, project management, or other similar costs. Since there is a number of potential large cost items, such as site work and costs associated with increase in total building volume (addition to existing buildings), are not considered eligible costs under the program, there may be a significant delta between total project costs and eligible costs for some projects. Adjustments made to the eligible costs did not have an impact on the Project's overall cost. Authority staff has confirmed that only verified eligible costs are being used to calculate the applicant's maximum tax credit amount award¹.

Additionally, the review confirmed that eligible costs for the proposed Project will be greater than the

¹ Documentation originally submitted with the HPRP application under reported eligible project cost amounts for the project. Since the application was received as part of a competitive application round, the applicant was informed that the dollar amount for eligible costs used for calculating the tax credit award could not exceed the amount originally submitted as part of the application and was given the option to continue under those parameters or withdraw their application and resubmit as part of a new round. The applicant chose to stay in the round and move forward with the lower eligible costs, as originally submitted. Review and adjustments made to the eligible costs looked at the actual scope of work and made adjustments to actual dollar amounts, as a result, adjustments to eligible costs did not reduce the eligible cost number below the original submitted eligible cost value.

Program's minimum cost requirement for the Project, which must exceed the greater of the adjusted basis of the structure or \$5,000. The adjusted basis for the structure for the existing building is \$8,695,000.

Other Reviews

In addition to the review of scoring criteria items and underwriting review of financial documents, NJEDA staff conducted other reviews to confirm eligibility and compliance with Program requirements including application completeness review, sister agency review and legal review in accordance with the Authority's debarment and qualification rules. The submitted proposed Project schedule was also reviewed and NJEDA staff confirmed that the selected rehabilitation period of 24-months was a reasonable timeframe for the proposed work.

Award Calculation

The 418 Federal Partners GSGZ Project includes the rehabilitation of a qualified property that is located within a qualified incentive tract; therefore, it qualifies to receive tax credits worth up to 60% of eligible project costs up to a project cap of \$12 million. Once the Applicant successfully completes the Project, the Authority will issue a certificate of compliance allowing the Applicant to use the tax credit during the accounting or privilege period in which the Project is completed. The Project will be considered complete when the Applicant receives a temporary certificate of occupancy for the project, or upon any other event evidencing project completion that is set forth in the rehabilitation agreement.

With an understanding of the numerous unknowns inherent with rehabilitation work in historic structures, the Program application process allows for an applicant's estimate for eligible construction costs to include a construction contingency. All cost estimates submitted, including construction contingency, are thoroughly reviewed, and validated by the Authority staff as part of the application review process.

The construction contingency associated with eligible construction costs is included in the total eligible costs for calculating the maximum tax credit award. However, this "eligible cost contingency" will only be applied to the final tax credit award if a modification request, meeting all applicable requirements under N.J.A.C. 19:31-26.7, is reviewed and approved by the Authority before any work modifications occur.

Based on validated project eligible costs of \$11,837,807.00 (as originally submitted by the applicant at time of application), the maximum award for the project will not exceed \$7,102,684.20. The Applicant may utilize the tax credit in the accounting or privilege period in which the Project is completed.

Conditions of Approval

Staff recommends an award contingent upon the Applicant satisfying certain conditions within one year of approval. These conditions include, but are not limited to:

1. Drawings and specifications showing modifications as needed to ensure substantial compliance with the Secretary of the Interior's Standards for Rehabilitation.
2. Copy of site plan approval from permitting entity authorizing the development of the Project, and a copy of all required planning and zoning approvals and permits, and any other required permits.

3. Copy of executed financing commitments for the Rehabilitation Project, if applicable, or evidence of self-financing. If the terms of the financial commitments are materially different from the projected terms provided in the application, the Authority may re-evaluate the project financing gap and reduce the size of the tax credit award accordingly.
4. A certification that no construction will commence at the Property prior to execution of the Rehabilitation Agreement unless it meets one of the allowable exemptions under the Program.

Program Funding

The HPRP is capped at \$50 Million per year with the option to roll-over unused funding in any given year to the following year. The first round of funding for the Program (\$50 Million) became available as part of the 2021 State Fiscal Year; therefore, to date, a total of \$300 Million has become available for the Program. After accounting for previously awarded credits, open applications still under review as well as the recommended award covered in this memorandum, a total of \$151,878,089.96 remains available.

Recommendation

Authority staff has reviewed the application for 418 Federal Partners GSGZ, LLC and finds that it satisfies the eligibility requirement of the Historic Property Reinvestment Program's statute and rules. It is recommended that the Members approve a Historic Property Reinvestment tax credit award to 418 Federal Partners GSGZ, LLC for the 418 Federal Partners GSGZ Rehabilitation Project. The tax credit award is 60% of actual eligible costs with a maximum tax credit amount of \$7,102,684.20. The final award amount will be based on the Project's actual eligible costs.



Tim Sullivan, CEO

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

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, and amended and expanded under P.L.2019, c.506, P.L.2020, c.156 and P.L.2021, c.367, P.L.2024, c.33, 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: NFL Productions LLC

PROD-00317708

APPLICANT BACKGROUND:

NFL Productions LLC, doing business as NFL Films, was originally founded in 1962 by Ed Sabol. Sabol, who was born in Atlantic City, originally founded the company as Blair Motion Pictures, but was rebranded as NFL Films in 1964 when the National Football League purchased the company. Ed Sabol continued to lead the NFL subsidiary until 1985 when his son Steve, succeeded him as President until his death in 2012. NFL Films has operated out of Mt. Laurel since 1979 and has over 200 full-time employees jobs working directly on digital media content. During the football season the company hires over 200 additional part-time workers each year.

New Jersey serves as the post-production hub for the full suite of NFL Films programming. The company films every NFL game each year and is responsible for editing and packaging the footage for major media outlets and streaming services. Boasting over 600 hours of new NFL programming annually across 35 productions, NFL Films delivers a diverse range of content and platforms. From award winning and iconic shows like "Hard Knocks" and "Inside the NFL" to documentaries, commercials, and television and web content such as "Good Morning Football" and the "YouTube Game Pass All Access," NFL Films has been working since 2022 to archive the entirety of its footage currently on analog reels to digital formats.

NFL Productions LLC has been a recipient of tax credits dollars under the Digital Media Tax Credit Program. The following is the breakdown of the award amounts;

Prod-00315016: \$12,727,850.00 for qualified digital media expenses incurred during FY2024
Prod-00315015: \$11,762,175.00 for qualified digital media expenses incurred during FY2023
Prod-00315014: \$10,995,757.00 for qualified digital media expenses incurred during FY2022
Prod-00315012: \$9,498,197.00 for qualified digital media expenses incurred during FY2021
Prod-00315011: \$11,062,354.00 for qualified digital media expenses incurred during FY2020
Prod-00315010: \$8,056,258.00 for qualified digital media expenses incurred during FY2019

This application is for qualified digital media expenses incurred during FY2025.

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 is any data or information that is produced in digital form, including data or information created in analog form but reformatted in digital form, text, graphics, photographs, animation, sound and video content. Digital media tax credit is calculated as a percentage of qualified digital media content production expense. "Qualified digital media content production expenses" means an expense incurred in New Jersey for the production of digital media content.

NFL Productions LLC, dba NFL Films meets the definition of digital media content. NFL Films provides and distributes digital media for the NFL leveraging various platforms and technologies to connect with its fans and showcase the sport via YouTube, X, Instagram, NFL.com, the NFL App and NFL OnePass.

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 incurred for services performed, and goods purchased through vendors authorized to do business in New Jersey.

For the purposes of this eligibility criteria, salaries to full-time employees working on digital media are included in this category for all applications submitted before July 10, 2024, and they will be excluded for applications submitted on or after July 10, 2024.

Total Digital Media Content Production Expenses (excluding wages for full-time employees) to be incurred in NJ during a single privilege period after July 1, 2018.	\$6,598,803.08
Criterion Met	Yes

2. Percentage of the qualified digital media content production expenses for wages: 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; "Qualified digital media content production expenses" are expenses incurred in New Jersey after July 1, 2018 but before July 1, 2039 for services performed and goods purchased through vendors authorized to do business in New Jersey. "Qualified digital media content production expenses" shall include but shall not be limited to: wages and salaries 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.54A:1-1 et seq. has been paid or is due, and any wages and salaries of individuals employed in the production of digital media content that are not subject to tax under the "New Jersey Gross Income Tax Act," N.J.S.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. Payment made to a loan out company or to an independent contractor shall not be a "qualified digital media content production expense" unless

the payment is made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required. For applications submitted prior to the effective date of P.L. 2024, c.33, "Qualified digital media content production expenses" shall not include expenses incurred in marketing, promotion, 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, promotions, 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 taxpayer for distribution or incorporation into the taxpayer's digital media content or any costs included in an application submitted to the authority, shall not be deemed "qualified digital media content production expenses".

A. Total Qualified Digital Media Content Production Expenses to be incurred after July 1, 2018	\$43,950,351.00
B. Wages To Be Paid to Employees in New Jersey	\$28,012,848.00
C. Percentage of the qualified digital media content production expenses to be incurred for wages in New Jersey	64%
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 X 35% =	\$0
30% of Qualified Digital Media Content Production Expenses	\$43,950,351 X 30% =	\$13,185,105.30
Bonus Criteria Met		Yes
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 4% of Qualified Digital Media Content Production Expenses.	\$43,950,351 x 4% =	\$1,758,014.04
Total Award		\$14,943,119

APPLICATION RECEIVED DATE:	11/19/2024
DATE APPLICATION DEEMED COMPLETE:	3/26/2025
ESTIMATED DATE OF PROJECT COMMENCEMENT:	4/1/2024
ESTIMATED DATE OF PROJECT COMPLETION:	3/31/2025
APPLICANT'S FISCAL YEAR END:	3/31/2025
TAX CREDIT VINTAGE YEAR(S):	2026
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	6/1/2025

In general, the final documentation shall be submitted to the Authority no later than four 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 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.

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.

Prepared by:

David Lieberman
Senior Product Analyst - Product Operations

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan, Chief Executive Officer

Date: July 23, 2025

Re: Modifications to the New Jersey Clean Energy Loans “NJ CELs” Program (SSBCI Clean Energy Business Financing Program)

Summary

The Members are asked to approve the following updates to the New Jersey Clean Energy Loans Program (“NJCELs” or “Program”), a co-lending program for small businesses pursuing clean energy projects:

- An increase of the NJEDA’s base interest rate reduction from 3% to 4%. The additional 1% interest rate reduction for each of the Special Terms will remain the same. This will change the total possible interest rate reduction on the NJEDA’s loan compared to the private lenders from 3%-5% to 4%-6%.
- An increase of the NJEDA’s loan forgiveness from 10% if the Project results in at least 1 job being created per \$100,000 of the total aggregate loan amount to 20% loan forgiveness if the Project results in at least 1 job being created per \$150,000 of the total aggregate loan amount, subject to approval from the U.S. Department of the Treasury (“U.S. Treasury”).
- Increase Delegated Authority to the Chief Executive Officer from up to \$3,000,000 to up to \$5,000,000 to approve loans for the Program.
- Modify the Program’s application scoring criteria, as detailed in Appendix A.

These changes will not retroactively impact previously closed loans for the Program but will be applicable to all future loans, including applications currently under review.

Background

The State Small Business Credit Initiative (“SSBCI”) is a federal program administered by U.S. Treasury to strengthen programs of eligible jurisdictions that support private financing to small businesses. The program was first established in 2010, and a second round was funded by the American Rescue Plan Act (ARP) in the spring of 2021, with \$10 billion available overall, allocated non-competitively to states, territories, and Tribal governments. New Jersey was awarded a total of \$255,197,631 in funding from SSBCI, provided in 3 distributions to the State. The first distribution was for \$79,371,395 and was received in March of 2023. New Jersey may request the second funding distribution once 80% or \$63,497,116 of the first round of capital has been expended, transferred, or obligated to eligible businesses. As of the end of the first quarter of 2025, the NJEDA had deployed \$40,621,693 of this funding.

New Jersey submitted its SSBCI application on February 11, 2022, which proposed six programs administered through the NJEDA:

- Blended Capital Investment
- Recovery Loan Loss Reserve
- Clean Energy Business Financing
- Life Science Investment
- SEDI Seed Fund
- Angel Match Program

On November 16, 2022, the Board approved the creation of the Clean Energy Business Financing Program, also known as NJCELS, and the utilization of \$80,000,000 for the Program from New Jersey's allocation of \$255,197,631 from SSBCI, contingent on final approval of the SSBCI application by U.S. Treasury. The Board also approved the delegation of authority to the Chief Executive Officer to approve individual applications for the Program for transactions of up to \$3,000,000 in SSBCI funds, in accordance with the terms set forth in the respective memo and program specifications.

On December 19, 2022, U.S. Treasury provided preliminary approval for New Jersey's SSBCI application and the six associated SSBCI programs proposed to be administered by NJEDA, including NJCELS.

On February 8, 2023, the Board approved modifications to NJCELS regarding the definition of "Private Lenders."

On March 15, 2023, NJEDA executed an SSBCI funding allocation agreement with U.S. Treasury, and the NJCELS program was subsequently launched in April 2023.

On March 7, 2024, the Board approved additional modifications to NJCELS regarding reporting and documentation requirements; updates to the delegated authority to allow the Chief Executive Officer to approve modifications for funding and amend program parameters based on any additional modifications or requirements imposed by U.S. Treasury in connection with SSBCI; modify language for transaction size and loan collateral to align the program with SSBCI and federal requirements; and stipulate the submission of NJ WR-30 form or equivalent document to verify job creation in order to meet the Program's loan forgiveness requirements.

This memo is proposing additional modifications to NJCELS in order to make the Program more accessible and attractive for small business applicants and borrowers. Without accelerated deployment of at least 80% of the first tranche of SSBCI funding, NJEDA will not be eligible to receive the second and third tranches of SSBCI funding. The proposed modifications presented in this memo will require U.S. Treasury's approval. However, as they are consistent with the NJEDA's application to U.S. Treasury's SSBCI Program for NJCELS, they are categorized as minor changes and modifications to the NJEDA's application to U.S. Treasury's SSBCI Program for NJ CELs are not anticipated. The proposed changes in this memo result from learnings that occurred during the Program's implementation, as the pipeline of applicants has developed, and the first set of loans for the Program have been closed.

Program Details:

NJCELS is a \$80,000,000 co-lending program that offers term loans to eligible small businesses ("Borrowers") seeking to finance eligible clean energy projects ("Projects") in New Jersey. Clean Energy Projects include financing clean energy generation projects, infrastructure projects, installing or purchasing improvements at an existing facility, and/or creating or expanding small

businesses that manufacture products or offer services in the Clean Energy Industry. The Program lends between \$250,000 and \$10,000,000 for Projects requesting a total loan amount of \$500,000 to \$20,000,000. At least half of the total loan for the Project must be financed by one or more private lenders. The NJEDA's loan currently has a base interest rate of 3% below the private lender's rate. Additional bonuses are offered for Borrowers that meet the Special Terms of being a Minority-, Woman-, or Veteran-owned business and/or having their Project located in an Overburdened Community, as defined by New Jersey's Environmental Justice Law. Borrowers that meet the Special Terms will receive an additional 1% interest rate reduction for each Special Term they meet in addition to being eligible for 10% loan forgiveness, so long as the Project results in at least 1 job being created per \$100,000 of the total aggregate loan amount. This program has three (3) fees that the Borrower must pay. The first is a \$1,000 application fee, the second is a commitment fee of 0.875% of the NJEDA loan amount, and the third is a closing fee of 0.875% of the NJEDA loan amount.

Since the Program's launch, NJCELS has received 16 total applications, of which two applications have been successfully funded at a total loan amount of \$10,500,000, two applications are currently under review, and the remaining 12 applications withdrew.

Program Updates

Staff requests the following updates to the New Jersey Clean Energy Loans ("NJ CELs") Program. These changes will not impact previously closed loans for the Program but will be applicable to all future loans, including retroactively for applications that are currently under review, but for which loans have not yet been closed. Additionally, the New Jersey Clean Energy Loans Program Specification in Appendix A reflects updated language which is bolded and underlined.

Current:

Companion direct loans issued by NJEDA or loan participations purchased by NJEDA will have an interest rate equal to 3% below the rate proposed by Private Lender(s) but in no case lower than 0% and not to exceed rate cap as specified in the SSBCI Capital Program Policy Guidelines (currently in accordance with 12 U.S.C § 1757(5)(A)(vi)(I)). Additionally, Borrowers will have their interest rates lowered by an additional 1%, but in no case resulting in an interest rate below 0% overall, for each of the following:

- The Borrower is a NJ Certified Minority, Woman, or Veteran-owned business (M/WVBE); or
- The Project is located in an Overburdened Community as defined in N.J.S.A. 13:1D-157.

Update:

Companion direct loans issued by NJEDA or loan participations purchased by NJEDA will have an interest rate equal to **4%** below the rate proposed by Private Lender(s) but in no case lower than 0% and not to exceed rate cap as specified in the SSBCI Capital Program Policy Guidelines (currently in accordance with 12 U.S.C § 1757(5)(A)(vi)(I)). The additional interest rate reductions for Borrowers who are a certified M/WVBE or whose Project is located in an Overburdened Community remain unchanged.

Rationale:

An interest rate reduction will make the program more attractive for small business borrowers, resulting in a potential increase in volume of interest and applications for NJCELS.

This will allow the NJEDA to be more competitive in the market, deploy SSBCI capital faster, and meet the SSBCI requirements to receive the second tranche of funding.

Current:

Loan forgiveness will be awarded to eligible Borrowers who meet the required job creation metric (as specified below), both in the case of direct loans and loan participations. Borrowers may only be eligible for 10% loan forgiveness if they meet either of the following, at the time of application or approval and at the end of the Assessment Period, as defined below:

1. The Borrower is a NJ Certified Minority, Woman, or Veteran-owned business; or
2. The Project is located in an Overburdened Community, as defined in N.J.S.A 13:1D- 157.

The Borrower must create one (1) new full-time equivalent (FTE) job per \$100,000 of aggregate lending for the Project, based on the Borrower's NJ WR-30 form. This job creation metric will be reported and monitored from the date of initial loan disbursement through the earlier of (i) the fifth anniversary of the loan or (ii) the date on which the loan is fully repaid, in either such case, the "Assessment Period." The Borrower's performance will be assessed at the end of the Assessment Period to determine if it meets the metric.

Update:

Loan forgiveness will be awarded to eligible Borrowers who meet the required job creation metric (as specified below), both in the case of direct loans and loan participations. Borrowers may only be eligible for **20%** loan forgiveness if they meet either of the following, at the time of application or approval and at the end of the Assessment Period, as defined below:

1. The Borrower is a NJ Certified Minority, Woman, or Veteran-owned business; or
2. The Project is located in an Overburdened Community, as defined in N.J.S.A 13:1D- 157.

The Borrower must create one (1) new full-time equivalent (FTE) job per **\$150,000** of aggregate lending for the Project, based on the Borrower's NJ WR-30 form. This job creation metric will be reported and monitored from the date of initial loan disbursement through the earlier of (i) the fifth anniversary of the loan or (ii) the date on which the loan is fully repaid, in either such case, the "Assessment Period." The Borrower's performance will be assessed at the end of the Assessment Period to determine if it meets the metric. This change in loan forgiveness criteria for the Program is subject to approval from U.S. Treasury.

Rationale:

A larger loan forgiveness amount will incentivize greater program participation and help meet NJEDA's spending goals for SSBCI funding.

Current:

The program currently has delegated authority to the Chief Executive Officer to approve individual applications to NJCELs for loans up to \$3,000,000 in SSBCI funds. The delegated authority requested also includes the authority to (1) decline for any decisions based solely on nondiscretionary reasons; (2) approve modification of terms for approved NJEDA funding, in accordance with existing delegated authority for Board-approved loans not yet closed; and (3) amend program parameters, as needed for any modifications and/or additional requirements imposed by the U.S. Department of the Treasury in connection with SSBCI. Information regarding NJCELs is presented to the Members of the Board on a quarterly basis via the Economic Transformation Delegated Actions Memorandum.

Update:

The Board is requested to set the delegation of authority to the Chief Executive Officer to approve individual applications to NJCELs for loans up to **\$5,000,000** in SSBCI funds. All other aspects of delegated authority will remain unchanged.

Rationale:

An expanded delegated authority will allow Staff to better align loan closing timeframes with private lenders, as required by SSBCI.

Current:

The Program currently uses the following scoring criteria for NJCELS applications:

Category	Current Scoring Criteria	Current Point Allocations	Current Total per Category
Direct jobs forecast to be created, relative to dollar amount of total loan for the Project (NJEDA + financial institution) ** **This criterion is based on the estimated number of jobs that will be created at the end of the project. Applicants will be asked to justify this estimate by completing a “Projected Jobs Log” at the time of application.	1 Full-Time Equivalent (FTE) per \$100,000 or less	25	30
	1 FTE per \$100,001-\$125,000	15	
	1 FTE per \$125,001-\$150,000	5	
	1 FTE per over \$150,000	0	
	100% of jobs forecasted are in NJ	5	
Strength of management team and partnering entities	Has experience with the clean energy technology in this proposed project ** **Any experience with the clean energy technology will be awarded the full number of points. Examples of experience with past projects will be required.	5	10
	Applicant organization has 2 or more C-level executives	5	
Benefits to Overburdened Communities (see Key Definitions)	Reduction or avoidance of criteria pollutants in an	10	20

	<p>overburdened community **</p> <p>**Applicants will be required to justify how the Project will lead to reducing/avoiding pollutants, including which criteria pollutant(s) and where the reduction/avoidance will take place. Supporting documentation or references/hyperlinks are requested. See FAQ document for more information.</p>		
	<p>50% or more of new jobs forecasted are created in an overburdened community**</p> <p>**As detailed in the Projected Jobs Log, which must be completed at the time of application.</p>	5	
	<p>Reduction in energy costs for individuals or businesses in an overburdened community **</p> <p>**Applicants will be required to justify how the Project will reduce energy costs, including where the reduction will take place. Supporting documentation or references/hyperlinks are requested.</p>	5	
NJ Certified Minority-, Woman-, or Veteran-owned business	<p>Minority-, Woman-, or Veteran-Owned business (New Jersey certification required at time of application)</p>	10	10

Number of Full Time Equivalent (FTE) employees at time of application ** **Applicants will be required to complete a Current Employee Log as part of the application, to verify the number of employees.	100 or fewer FTE employees	10	10
	101 – 200 FTE employees	8	
	201 – 300 FTE employees	6	
	301 – 400 FTE employees	4	
	401 – 500 FTE employees	2	
	501 or more FTE employees	0	
Total loan amount (from NJEDA and financial institutions) requested for the project	\$1M or less	10	10
	\$1,000,001 – \$2M	8	
	\$2,000,001 – \$3M	6	
	\$3,000,001 – \$4M	4	
	\$4,000,001 – \$5M	2	
	Greater than \$5M	0	
Ratio of private dollars to NJEDA dollars in the total loan amount requested for the project (at time of application)	6:1 or greater	10	10
	5:1 – 6:1	8	
	4:1 – 5:1	6	
	3:1 – 4:1	4	
	2:1 – 3:1	2	
	1:1 – 2:1	0	
TOTAL			100

Update:

Staff has adjusted the scoring criteria for NJCELs applications, as follows:

Category	Proposed New Scoring Criteria	Proposed New Point Allocations	Proposed New Total per Category
Strength of management team and partnering entities	Has experience with the clean energy technology in this proposed project ** **Any experience with the clean energy technology will be awarded the full number of points. Examples of experience with past projects will be required.	10	20
	Applicant organization has 2 or more C-level executives	10	
Benefits to Overburdened Communities	Project located in an Overburdened Community or applicant located in an Overburdened Community.	10	10

NJ Certified Minority-, Woman-, or Veteran-owned business	Minority-, Woman-, or Veteran-Owned business (New Jersey certification required at time of application)	10	10
Number of Full Time Equivalent (FTE) employees at time of application	Up to 500 FTE employees	20	20
	501 to 750 FTE employees	10	
Total loan amount (from NJEDA and financial institutions) requested for the project	Up to \$5M	20	20
	More than \$5M	10	
Ratio of private dollars to NJEDA dollars in the total loan amount requested for the project (at time of application)	Greater than 2:1	20	20
	1:1 – 2:1	10	100
TOTAL			100

Rationale:

Staff have simplified the scoring criteria to make the Program application process more streamlined and accessible, particularly to reduce the level of resources small businesses have to expend to apply for the program and more equitably distribute the points while still prioritizing SSBCI goals. These changes comply with New Jersey's SSBCI application for NJCELS.

All other program requirements are not updated and remain the same.

Recommendation

Approval is requested for the updates presented for the New Jersey Clean Energy Loans Program to help support New Jersey small businesses. These updates will further support companies in New Jersey's targeted industries and continue the NJEDA's mission to build our State's economy and encourage job growth. Additionally, these updates will provide an additional drive to achieve the goals for SSBCI funding.



Tim Sullivan, CEO

Prepared by: Sebastian Gunbeyi, Analyst, Clean Energy

Attachment: Appendix A: Program Details with Proposed Product Modifications

Appendix A

Program Details with Proposed Product Modifications:

New Jersey Clean Energy Loans (SSBCI Clean Energy Business Financing Program)

July 23, 2025

Program Description	<p>The New Jersey Clean Energy Loans Program (“Program” or “NJ CELs”) is a co-lending program that offers term loans to eligible small businesses (“Borrowers”) which are looking to finance eligible clean energy projects (“Projects”) that create jobs in New Jersey.</p> <p>The program has been designed to meet the requirements for a Loan Participation Program (“LPP”) under the rules of the Federal Government’s State Small Business Credit Initiative. As an LPP, Federal SSBCI funds allocated to NJEDA will make up a portion of the overall financing plan for a Project, through the use of either of two mechanisms:</p> <ul style="list-style-type: none">• Originating companion loans directly to borrowers in parallel with Private Lenders (as defined below); or• Purchasing participations in loans extended by Private Lenders to borrowers <p>NJEDA is opting to leverage both mechanisms authorized under the SSBCI rules for LPPs to provide maximum flexibility to meet the needs of both potential borrowers and Private Lenders. In all cases, NJEDA will only fund up to 50% of the overall principal amount of the financing of a Project (“SSBCI Loan”), requiring at least 50% of the overall principal amount to be funded by one or more Private Lenders. Loans can be used for purposes specified in the “Eligible Uses” section.</p>
Program Purpose	<ol style="list-style-type: none">1. Serve as a catalyst for deployment of clean energy technologies in the State that enable small businesses to create new jobs.2. Promote business model innovation in the clean energy marketplace (i.e. the behind-the-meter distributed energy storage market).3. Stimulate business activity in the State in areas of key priority under the State’s Energy Master Plan such as biofuel production, distributed energy aggregation, community solar, and air and ground source heat pumps by making Projects more affordable to finance.4. Support NJ Certified Minority, Woman, or Veteran-owned clean energy businesses to participate equitably in the State’s net-zero energy transition, and businesses that commit to providing benefits to overburdened communities.
Funding Sources	<p>\$80 million in Federal SSBCI funds. Private Lenders would participate in the applicable financings at a minimum leverage of \$1 of private financing per \$1 of SSBCI funds.</p>

Project Types	<p>For the purposes of this Program:</p> <p>“Clean Energy Industry” includes, but is not limited to, the research, development, commercialization, manufacturing of products and services, and implementation of technologies that support renewable energy generation and distributed energy resources, grid modernization, energy efficiency and zero-carbon building development, and transport system electrification.</p> <p>Examples of clean energy technologies include solar power, onshore and offshore wind, electric battery storage, fuel-cell-based storage, carbon capture technologies, non-combustion waste-to-energy technologies, wave energy, water use minimization technologies, carbon-reducing materials, nuclear energy, heat pumps and geothermal, run of river hydroelectric, and other innovative recycling technologies and processes. This industry also includes firms that manufacture either finished or interim advanced technologies or components.</p> <p>Excluded from this industry are distribution or transmission utilities, conventional landfill operations, combustion-based waste-to-energy projects, and natural gas projects.</p> <ul style="list-style-type: none"> • a “Clean Energy Project” is a project being proposed by a small business that is directly or indirectly part of the Clean Energy Industry, such as: <ul style="list-style-type: none"> ○ Financing Clean Energy Industry infrastructure projects, such as solar-plus-energy storage distributed energy resource projects; ○ Installing and/or purchasing Clean Energy Industry improvements at a small business's existing facility, such as upgrading to high efficiency boilers at a business's factory or purchasing a zero-emission medium or heavy-duty electric vehicle (ZEMHDV); ○ Creating or expanding small businesses that manufacture Clean Energy Industry products or their integral components for sale such as a manufacturer of electric vehicle batteries or their components; or ○ Creating or expanding small businesses that offer Clean Energy Industry services (or product sales and service) in the marketplace, such as a small business that improves building envelopes through the installation of more energy efficient insulation, windows, and other envelope components.
Eligibility of Borrowers	<p>All potential borrowers must meet the following eligibility criteria:</p> <ul style="list-style-type: none"> • Be a commercial, industrial, or other for-profit organization, or a non-profit organization, of up to 750 employees, as calculated using the methodology specified in the SSBCI Capital Program Policy Guidelines (currently consistent with the Small Business Administration’s methodology under 13 C.F.R. § 121.106); <p>Be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and¹⁰ NJ</p>

Department of Environmental Protection (DEP); and
Have a valid Tax Clearance Certificate no older than 180 days at time of approval for financing.

Additionally, the project being proposed by the borrower must:

- Meet the definition of a Clean Energy Project (detailed above);
- Be seeking financing with total transaction size of any given Project ranging from \$500,000 to \$20,000,000;
- Demonstrate that the SSBCI funds under this Program will “cause and result” in at least \$1 of new private credit for every \$1 of SSBCI funds, as described below;
- Not be enrolled in another approved state SSBCI program, whether or not that program is administered by NJEDA;
- Be technically feasible, in that it utilizes technologies and processes that have already been demonstrated in the U.S. or internationally; and
- Be economically feasible, in that:
 - o The project’s business case is realistic and sustainable, with a sustainable model being one that will create the new jobs forecasted as a result of the requested funding and, any that are forecasted to be long-term or permanent; and
 - o The Program loan amount requested, together with the other debt and equity investment, cash incentives and other sources of funding, is adequate to achieve the stated purpose of the project.

In addition, at all times throughout the term of the loan:

- For Projects that are Clean Energy Industry infrastructure projects or the installation or purchase of Clean Energy Industry improvements at a Borrower’s existing facility, the infrastructure project or installation activities must be physically located in New Jersey (for purchases of ZEMHDV, the vehicle(s) must be registered and domiciled in New Jersey); For all other Projects, Borrowers must have a physical location in New Jersey (formal office, facility, or colocation facility acceptable) and have a minimum of 50% of full-time employees working in New Jersey.

If at any time during the loan term, the Borrower fails to meet any of the requirements with regard to the Project’s location (as specified above), the Borrower will be considered in technical default. The Borrower will then have the opportunity to cure the technical default during a set period of time, after which it will be considered in default, at which point the loan will immediately come due and owing and will no longer be eligible for loan forgiveness, if the requirements have not been met.

NJEDA may rely in part on the underwriting of the Private Lender(s) while conducting additional underwriting as necessary.

<p>Eligible Uses</p>	<p>In pursuing an eligible project, a borrower may use loan proceeds for business purposes only, including but not limited to:</p> <ul style="list-style-type: none"> • Start-up costs; • Working capital; • Acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services; or • The purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes. <p>Effective April 1, 2020, any and all construction contracts awarded in New Jersey that require payment of prevailing wage must provide proof of valid Construction Contractor Registration Certification (CRC). Contracts that were awarded prior to April 1, 2020 do not have to provide proof of CRC. Bidders cannot list any subcontractors in any bid proposal unless the subcontractor is registered.</p> <p>Notwithstanding the above, funds may not be used to:</p> <ul style="list-style-type: none"> • With certain limited exceptions that are set forth in Section VII.f of the SSBCI Capital Program Policy Guidelines, acquire or hold passive investments in real estate such as when the proceeds of the loan are used to invest in real estate acquired and held primarily for sale, lease, or investment; • Repay delinquent federal or state income taxes; • Repay taxes held in trust or escrow (e.g., payroll or sales taxes); • Reimburse funds owed to any owner, including any equity investment or investment of capital for the business's continuance; • Purchase any portion of the ownership interest of any owner of the business, except for the purchase of an interest in an employee stock ownership plan qualifying under section 401 of Internal Revenue Code, worker cooperative, or related vehicle, provided that the transaction results in the employee stock ownership plan or other employee-owned entity holding a majority interest (on a fully diluted basis) in the business; or • Support a business in an illegal activity, pyramid scheme, or any unethical business.
<p>Application Process</p>	<p>Complete applications will be reviewed on a rolling basis. To formally apply to the Program, applicants must have a term sheet with a Private Lender outlining the basis for the financing proposed to be offered by the Private Lender.</p> <p>Step 1: Borrower submits application to NJEDA, which shall include, among other items, an identification of the Private Lender and a description of the financing arrangements being offered by the Private Lender together with the particular financing terms of the loan being requested from NJEDA.</p>

	<p>Step 2: NJEDA conducts application review and verification of basic eligibility criteria, minimum SSBCI requirements, and conducts an overall evaluation of the Project using the standardized scoring criteria below. NJEDA may also request the findings from Private Lender's underwriting including ability-to-pay (credit) analysis.</p>
<p>Source of Loan Origination, Evaluation Process, and Delegations of Authority</p>	<p>Open/ongoing notice of funding opportunity and/or request for proposals will be made publicly available on the NJEDA and potentially other State-sponsored websites, to which potential borrowers can apply for funding opportunities. The program may also launch media campaigns with reputable known third-party entities in the clean energy ecosystem and paid media and marketing to reach populations that are harder to reach through online sources. Referral relationships with commercial banks, community development finance institutions and social media platforms to capture business owners who are seeking credit may also be explored.</p> <p>The NJEDA staff will review all applications for program compliance and completeness. Each application will be evaluated and assigned scores based on a rubric of evaluation criteria.</p> <p>All applications must meet a minimum aggregate threshold rubric score of 50 points in order to receive financing through the Program.</p> <p>Authority is delegated to the Chief Executive Officer for the following:</p> <ul style="list-style-type: none"> • Approval of loans of up to <u>\$5,000,000</u> • Modification of terms for approved NJEDA funding, in accordance with existing delegated authority for Board-approved loans not yet closed • Addition of any additional requirements imposed by the U.S. Department of the Treasury in connection with SSBCI, provided that the requirements are consistent with the parameters of the program as approved by the Board
<p>Standard Scoring Criteria</p>	<p>NJEDA scoring categories and associated available points are as follows. Staff will develop a scoring rubric that further details how points within each category are allocated to each criteria within a category:</p> <p>Strength of management team and partnering entities: up to 20 points Criteria:</p> <ul style="list-style-type: none"> • Experience implementing projects involving the same Clean Energy Industry technology as the one in the application • Business has two or more C-level executives <p>Benefits specific to overburdened communities: up to 10 points</p>

	<p>Criteria:</p> <ul style="list-style-type: none"> • Project located in an overburdened community or applicant located in an overburdened community. <p>NJ Certified Minority-, Woman-, or Veteran-owned business: Up to 10 points</p> <p>Criteria:</p> <ul style="list-style-type: none"> • Applicant/Borrower is a Minority-, Woman-, or Veteran-owned business (NJ certification required at time of application). <p>Current number of employees at time of application: up to 20 points</p> <p>Criteria:</p> <ul style="list-style-type: none"> • Borrowers with up to 500 total FTE employees. • Borrowers with anywhere between 501 and 750 FTE employees. <p>Total transaction size of Project funding: up to 20 points</p> <p>Criteria:</p> <ul style="list-style-type: none"> • Total transaction size (from NJEDA and financial institutions) requested for project up to \$5,000,000. • Total transaction size (from NJEDA and financial institutions) requested for project greater than \$5,000,000. <p>Initial private financing ratio: up to 20 points</p> <p>Criteria:</p> <ul style="list-style-type: none"> • Ratio of private dollars to NJEDA dollars in the total loan amount requested for the Project (at time of application) is between 1:1 and 2:1. • Ratio of private dollars to NJEDA dollars in the total loan amount requested for the Project (at time of application) is greater than 2:1.
<p>Loan Forgiveness</p>	<p>Loan forgiveness will be awarded to eligible Borrowers who meet the required job creation metric (as specified below), both in the case of direct loans and loan participations. For loan participations, the agreement between the Private Lender and the NJEDA will specify the process for awarding loan forgiveness.</p> <p>Eligibility:</p> <p>Borrowers may only be eligible for <u>20%</u> loan forgiveness if they meet either of the following, at the time of the application or approval and at the end of the Assessment Period, as defined below:</p> <ol style="list-style-type: none"> 1. They are a NJ Certified Minority, Woman, or Veteran-Owned business; or 2. The Project is located in an overburdened community, as defined in N.J.S.A 13:1D- 157. <p>The determination of whether a Project is located in an overburdened community will be made at the time of application, and the Borrower will not be penalized if the community's designation as an overburdened community changes over the course of the loan.</p>

	<p>Job Creation metric: The Borrower must create at least one (1) new full-time equivalent (FTE) job per <u>\$150,000</u> of aggregate lending for the Project, based on the Borrower’s NJ WR-30 form, NJ 927 form, or equivalent documentation verifying job creation in New Jersey. This job creation metric will be reported and monitored from the date of initial loan disbursement through the earlier of (i) the fifth anniversary of the loan or (ii) the date on which the loan is fully repaid, in either such case, the “Assessment Period.” The Borrower’s performance will be assessed at the end of the Assessment Period to determine if it meets the metric.</p> <p>In addition, the Borrower must also: 1) Not be in default, both payment and non-payment-related, on EDA’s loan and the Private Lender’s loan; 2) Be open and operating; 3) Have no delinquencies that are over 90 days on any other lender debt; and 4) use the loan proceeds for approved purposes.</p>
<p>Selection of Private co-lender(s)</p>	<p>In order to be a “Private Lender”, the institution must meet the requirements for lenders as set forth in the SSBCI Capital Program Policy Guidelines in addition to the following criteria:</p> <p>According to the U.S. Department of the Treasury's SSBCI Capital Program Policy Guidelines:</p> <p>Lenders are entities that bear the risk of loan transactions on a transaction-by-transaction basis. Under SSBCI capital-at-risk guidelines, lenders must bear 20 percent or more of the risk of loss in any loan transaction and must retain at least 5 percent of the risk of loss of the transaction if they transfer the ownership or risk of the lending transactions.</p> <p>Eligible Private Lenders for NJ CELs must:</p> <ul style="list-style-type: none"> • Meet the definition and requirements for "lenders" as set forth in the U.S. Department of the Treasury's SSBCI Capital Program Policy Guidelines (which include meeting lender assurances and national customer protection standards, subject to change if updated by SSBCI); and <ul style="list-style-type: none"> ○ Be on the NJEDA Premier Lender list or NJEDA's CDFI Premier Lender list; or ○ Be a private equity fund, bank, pension fund, insurance company, hedge fund, mezzanine fund, original equipment manufacturer (OEM), developer, family office, specialty finance company, or such other entity that has originated, maintained, and serviced more than \$5 million in clean energy loans over a three-year period. <p>In the event the NJEDA declines an applicant due to the term sheet from the prospective Private Lender, the lender as well as the prospective borrower will have the right to appeal such decision, in accordance with the NJEDA's appeals process.</p>

	<p>The U.S. Treasury's SSBCI Capital Program Policy Guidelines can be found here: https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf</p>	
Underwriting Process	<p>NJEDA will conduct an underwriting of all applications while also taking into consideration the credit analysis completed by Private Lenders, when available. NJEDA's credit analysis may include but not be limited to financial operations, leverage position and cash flow forecasts.</p> <p>All loans must meet a minimum Global Debt Service Coverage Ratio (GDSCR) of 1.00x. If a 1.00x is not achieved based on the historical financial statements of the business and/or any recurring outside income of the owners, then the applicant may provide a projection and narrative assumptions that illustrate the ability to meet a minimum of 1.00x in the fiscal year after the payment moratorium ends.</p> <p>All loans will be secured, however, there is no maximum Loan to Value ratio.</p> <p>All loans will be risk rated using the Authority's existing risk rating model.</p>	
Loan Size	<p>Range</p> <ul style="list-style-type: none"> • \$250K - \$10M using SSBCI funds • \$500K- \$20M total transaction size • Target total transaction size of \$5M or less 	<p>Determining Factors</p> <ul style="list-style-type: none"> • Amount of funding required for the project sources and availability of capital
Loan Rate	<p>Range</p> <ul style="list-style-type: none"> • 4% below interest rate proposed by Private Lender(s). • Borrowers may receive an additional 1% interest rate reduction for each of the following: <ul style="list-style-type: none"> o Borrower is a NJ Certified Minority, Woman, or Veteran-owned businesses; or o The Project is located in an overburdened community, as defined in N.J.S.A 13:1D-157. • The rate may not exceed the rate cap as specified in the SSBCI Capital Program Policy Guidelines (currently in accordance with 12 	<p>Determining Factors</p> <ul style="list-style-type: none"> • Interest rate proposed by Private Lender • Borrower being an NJ Certified Minority, Woman, or Veteran-owned business; • Project being located in an overburdened community. <p>If at any time during the loan term, the Borrower fails to meet any of the requirements with regard to the Borrower being an NJ Certified Minority, Woman, or Veteran-Owned business or the Project's location in an overburdened community (as specified above), the Borrower will no longer receive the 1% interest rate reduction.</p>

	<u>U.S.C. § 1757(5)(A)(vi)(I)) and in no case will the rate be below 0%.</u>	
Term and Amortization Length	Range <ul style="list-style-type: none"> • 1-25 years 	Determining Factors <ul style="list-style-type: none"> • Loan term and amortization will match the length proposed by the Private Lender(s)
Seniority	Priority <ul style="list-style-type: none"> • Will be subordinate to the Private Lender in collateral 	Determining Factors <ul style="list-style-type: none"> • N/A
Collateral	Options Secured. Collateral of all types may be required, including: <ul style="list-style-type: none"> • General Lien on business assets • Security interest in financed equipment • Security interest in intellectual property • Security interest in supply contracts • Title assignment and/or lien on (a) vehicle(s) Only in instances where the private lender requires a personal guarantee shall the NJEDA require a personal guarantee.	Determining Factors <ul style="list-style-type: none"> • For loans in which NJEDA is purchasing participation from a Private Lender, NJEDA will participate on basis set forth in the direct loan, except that it will subordinate on the collateral, as set forth in “Seniority” section, above.
Capitalization of Interest	NJEDA will match the terms of the Private Lender is it relates to any case where the Private Lender allows a moratorium of principal payments and interest payments during the term of the loan.	
Capital at Risk	In accordance with SSBCI Capital Program Policy Guidelines, Private Lenders must bear at least 20 percent of the risk of loss in any transaction. A Borrower’s own funds, including Borrower contributions to the transaction, do not qualify towards the 20 percent threshold.	
SSBCI-Specific Requirement: “Cause and Result”	The Program will ensure that SSBCI funds “cause and result” in at least \$1 of new private credit for every \$1 of SSBCI funds at the transaction level. The target is at least 2:1 ratio of private to SSBCI funding determined on an aggregate basis.	

	<p>The open-window design of the Program will directly lead to private financing being caused by and resulting from SSBCI funds. Potential borrowers will submit applications in response to notices of funding opportunity and/or requests for proposals, with potential private lending already identified, proposing the amount of SSBCI funding necessary to help close the transaction. This process will ensure that the SSBCI funds will “cause and result in” the private credit.</p> <p>Additionally, the program will establish in all cases that that financing documents state the obligation of the private financing to lend is conditional upon the lending by the Program.</p> <p>To determine and document the follow-on private capital that has been caused by and resulted from the SSBCI funds (i.e., leverage beyond the 1:1 ratio), follow-on direct and indirect private financing will be included as part of the ongoing reporting obligations to NJEDA by the Borrowers, in the case of a companion loans, or by the Borrowers or their associated Private Lenders in the case of purchasing participation in loans.</p> <p>This follow-on private capital data will be maintained be NJEDA, which will provide the transaction-level information to Treasury as required.</p>	
Program Fees	NJEDA will charge applicants fees consistent with the NJEDA’s rules regarding fees, which at the time of this memo are as follows:	
	Application Fee:	\$1,000 non-refundable fee paid at time of Application submission.
	Commitment Fee	0.875% of NJEDA loan amount, non-refundable fee paid prior to NJEDA issuing a commitment letter
	Closing Fee	0.875% of NJEDA loan amount, non-refundable fee paid: <ul style="list-style-type: none"> • at closing in cases where NJEDA is originating a companion loan; or • at the time NJEDA purchases participation in a loan originated by a Private Lender.
Disbursement	Funds will be fully disbursed upon execution of closing documents, with the exception of cases in which the Private Lender is disbursing funds in multiple tranches. In such cases, the Authority may match the Private Lender and disburse funds in multiple tranches. The agreement between the Private Lender and the Program (if the Authority is purchasing participation in a loan) or the intercreditor	

	<p>agreement (if the Authority is issuing a companion loan) will specify the mutually agreed upon disbursement milestones. The Private Lender will be responsible for the verification of milestones and will inform the Authority when such milestones have been met, triggering the disbursement of funds.</p>
<p>Processes for addressing loan defaults or investment write-offs</p>	<p>In the event of defaults on loans that the NJEDA purchases a participation in from a Private Lender, whether technical or financial in nature, the agreement between the Private Lender and the NJEDA will specify the process for addressing loan defaults. The Private Lender, as the originator of the loan, will be responsible for implementing any enforcement actions.</p> <p>In the event of default on loans that the NJEDA originates as companion loans in parallel with Private Lender(s), whether technical or financial in nature, the NJEDA will address them by leveraging the existing processes and experience of the NJEDA's Special Loan Management department to implement any necessary enforcement actions. The respective management in coordination with the matching lender will be addressed in an intercreditor agreement. NJEDA may exercise all legal and equitable rights it may possess under the applicable financing agreements.</p>
<p>Compliance & Monitoring; Data Reporting</p>	<p>Borrowers are required to provide the following reporting information to NJEDA. Reports are due to the NJEDA 30 days after the end of each annual period.</p> <ul style="list-style-type: none"> • Annual Reports: <ul style="list-style-type: none"> ○ Updates on the status of the Project until Project Completion ○ Current capitalization table ○ Number of jobs created ○ Financial statements prepared by company management, including business revenue, net income, and follow-on direct and indirect private financing ○ Certification that the Borrower has used the loan for approved purposes only • In cases where the Borrower is eligible for loan forgiveness, additional information may be required throughout and at the completion of the Assessment Period. • In cases where the Borrower is required to comply with Prevailing Wage and Affirmative Action, additional information may be required. • In addition, Borrowers will be required to provide all pertinent and related information required by SSBCI in accordance with their reporting guidance, subject to any modifications required by the federal government under the SSBCI Program.
<p>SSBCI Required Reporting</p>	<p>All pertinent and related information required by the SSBCI in accordance with their reporting guidance.</p>



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Food Desert Relief Tax Credit Sale 2025

Request

The Members are asked to approve:

- 1) The sale of up to \$25 million in available tax credits in calendar year 2025 in a manner consistent with the Board-approved specifications from April 2023 and consistent with the Food Desert Relief Act, sections 35 through 42 of the New Jersey Economic Recovery Act of 2020, P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 and P.L. 2022, c. 47 (N.J.S.A. 34:1B-303, et seq), to receive funds for subsequent grant, loan, and/or technical assistance programs in line with the uses specified by the Food Desert Relief Act.
- 2) A minor revision to the Food Equity and Economic Development in New Jersey (FEED NJ) grant program, to remove language that conflicts with the NOFA and other program materials.

New Jersey Economic Recovery Act

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020, P.L. 2020, c.156 (ERA), into law. The ERA presents a strong recovery and reform package that addresses the ongoing economic impacts of the COVID-19 pandemic and positions New Jersey to build a stronger and fairer economy that invests in innovation, in our communities, and in our small businesses the right way, with the protections and oversight taxpayers deserve. Tax incentives and other investment tools are critical to economic development, and when used correctly, they can drive transformative change that uplifts communities and creates new opportunities for everyone.

Included in the ERA is the Food Desert Relief Act (FDRA), sections 35 through 42 of P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 and P.L. 2022, c. 47 (N.J.S.A. 34:1B-303, et seq). The FDRA allows the New Jersey Economic Development Authority (NJEDA) to sell a portion of the \$240 million in tax credits allocated by the FDRA (\$40 million annually).

In April 2023, the Board approved the sale of up to \$50 million in available tax credits in calendar year 2023, in a manner consistent with the Food Desert Relief Act. In accordance with the delegated authority in the Board approval, the Chief Executive Officer determined to offer \$15 million for auction. The 2023 Food Desert Relief Tax Credit Auction was open from September 18, 2023 to October 18, 2023. Seven bids were received. Of those seven bids, three ineligible bids were declined. The remaining four bids totaled \$20 million in tax credit requests, more than the

\$15 million that EDA had made available through the auction. Because the auction was oversubscribed, the remaining bidders proceeded to a best and final offer process. Four eligible bids were approved in December 2023 for a total of \$15 million in tax credits approved and \$13.075 million in proceeds.

In February 2024, the Board approved the sale of up to \$35 million in available tax credits in calendar year 2024, in a manner consistent with the Food Desert Relief Act. In accordance with the delegated authority in the Board approval, the Chief Executive Officer determined to offer \$20 million for auction. The 2024 Food Desert Relief Tax Credit Auction was open from August 28, 2024 to September 27, 2024. Six bids were received, all of which were eligible. The six bids totaled \$25.75 million in tax credit requests, more than the \$20 million that EDA had made available through the auction. Because the auction was oversubscribed, the bidders proceeded to a best and final offer process. All six bids were approved in December 2024 for a total of \$20 million in tax credits approved and \$17,998,750 million in proceeds.

In December 2024, the Board approved the creation of the Food Equity and Economic Development in New Jersey (FEED NJ) grant program, funded with up to \$30 million of the funds raised in the 2023 and 2024 tax credit auctions, in alignment with the Food Desert Relief Act. The Board also granted delegated authority to the Chief Executive Officer to accept up to \$5 million in additional funds for FEED NJ, including but not limited to unused or unspent funds from previously approved NJEDA food security programs and/or additional proceeds from the 2024 Food Desert Relief Tax Credit Auction.

Applications for FEED NJ closed on April 3. The program received nearly 200 applications and we expect it will be oversubscribed. Following review and scoring of these applications, staff will bring a request to the board later this year recommending applications for approval and declination. The high level of interest in FEED NJ demonstrates the ongoing need to support food security, and the request in this memorandum positions NJEDA to raise further funds that can be used to address this need.

This memorandum requests approval of the sale of up to \$25 million in tax credits through a 2025 Food Desert Relief Tax Credit Sale, which will be subject to the specifications approved by the Board in April 2023. Requests to fund specific grant, loan, or technical assistance programs with proceeds from the tax credit sale will be brought to the Board.

Sale Purpose and General Description

The Food Desert Relief Act allocates \$40 million annually in Corporate Business and Insurance Premiums Tax credits over six years, beginning with fiscal year 2021. The FDRA authorizes NJEDA to either award these credits to eligible applicants through the Food Desert Relief Tax Credit Program or to sell all or a portion of the tax credits through a competitive auction process or publicly advertised solicitation for offers. Any unused allocation of tax credits carries forward to future years, meaning that a cumulative total of \$240 million of tax credits have become available to date. Because \$35 million in tax credit awards were approved through the 2023 and 2024 Food Desert Relief Tax Credit Sales, the total amount of credits remaining is \$205 million.

Eligible bidders may purchase available credits for a minimum of 85 percent of face value for New Jersey Corporate Business Tax or Insurance Premiums Tax. As described above, the proceeds of the sale will be utilized to fund grant, loan, and/or technical assistance programs administered by the Authority to strengthen food security in New Jersey, pursuant to the parameters set out in the FDRA.

Staff is seeking Board approval to sell up to \$25 million of the \$165 million in currently available tax credits in calendar year 2025. Staff may seek Board approval to sell additional credits in the

future, after considering demand for the Food Desert Relief Tax Credit Program from supermarket and grocery store developers and operators as well as market conditions. A range of approaches is necessary to have an impact on the structural conditions that have led to the persistence of food deserts, and auctioning tax credits to fund grants, loans, and/or technical assistance, alongside launching the Food Desert Relief Tax Credit Program allows NJEDA to take a multipronged approach to this issue. As stated in the April 12, 2023, board memorandum, the Chief Executive Officer will establish the amount of tax credits to be auctioned, up to the amount approved by the Board, based on an assessment of economic and market conditions.

FEED NJ Revision

Staff is seeking Board approval to align the FEED NJ program requirements for projects involving construction to remove the construction contingency set-aside requirement of at least 10% of the total project cost. The language requiring the construction contingency set-aside included in the previous Board approval is in conflict with the Notice of Funding Availability and all other program materials made available to the public. Staff has determined that the construction contingency set-aside is not necessary to further program goals and therefore requests approval to remove the requirement from FEED NJ to align the Program requirements with the materials available to the public. Like all FEED NJ grantees, a grantee that experiences cost increases in their construction work will have the option to request a budget modification. Their FEED NJ grant amount cannot be increased, but they could find cost savings in other budget lines or identify outside funding to cover increased costs.

Recommendation

The Members are asked to approve:

- 1) The sale of up to \$25 million in available tax credits in calendar year 2025 in a manner consistent with the Board-approved specifications from April 2023 and the Food Desert Relief Act, sections 35 through 42 of the New Jersey Economic Recovery Act of 2020, P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 and P.L. 2022, c. 47 (N.J.S.A. 34:1B-303, et seq), to receive funds for subsequent grant, loan, and/or technical assistance programs in line with the uses specified by the Food Desert Relief Act.
- 2) A minor revision to the Food Equity and Economic Development in New Jersey (FEED NJ) grant program, to remove language that conflicts with the NOFA and other program materials.



Tim Sullivan, CEO

Prepared by:

Riley Edwards, Senior Advisor - Economic Security



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: New Jersey Innovation Evergreen Program Tax Credit Auction Updates

SUMMARY

The Members are asked to approve modifications to the weighted criteria used to evaluate tax credit auction bids through the New Jersey Innovation Evergreen Program, as described herein. The proposed changes modify the criteria and weighting used to evaluate strategic commitment component of the bid, simplifying the scoring of strategic commitment proposals to focus on the financial and in-kind cost of the proposed commitments.

BACKGROUND

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq.*). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq.*), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NJIEF”, or “Evergreen Fund”) and the New Jersey Innovation Evergreen Program (“Program”), which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed.

The Act authorizes the NJEDA to sell up to \$300 million of Corporation Business Tax (CBT) and Insurance Premium Tax (IPT) credits through a series of competitive auctions, proceeds of which are to be deposited in the Evergreen Fund to be used for Program investments and related fees and expenses. The Act authorizes the Authority to sell up to \$60 million of tax credits through one Program tax credit auction per calendar year. For years in which the Authority does not hold a Program tax credit auction, the Authority may carry forward unsold credits, increasing the amount of tax credits that may be sold in future auction years.

In December 2022, the Members approved purchases of \$50 million of inaugural Program tax credits to eight corporate bidders resulting in net proceeds of \$41.1 million, as described in

Appendix A. The Act authorizes the Authority to sell up to an additional \$250 million of Program tax credits throughout the life of the program.

To invest Program capital, venture capital firms first may apply to receive a designation as a Qualified Venture Firm. Qualified Venture Firms may then apply for Qualified Investments on a rolling basis to access Program capital for approved co-investments. As of July 14th, 2025 21 Qualified Venture Firms are approved to operate on the platform, and the Members have approved 6 program Qualified Investments, leading to nearly \$23 million of Program capital invested and reserved.

Qualified Venture Firms may apply to for up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Each request for a Qualified Investment may be for the maximum Program investment limit of \$5 million, or up to \$6.25 million for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university. All Qualified Investments from the Fund must be a co-investment that is matched by the Qualified Venture Firm at least 1:1. The Authority will reserve Program capital for follow-on investments in Qualified Businesses in an amount based on the same ratio used by the Qualified Venture Firm, up to the Program investment limits noted above in any twelve-month period. The terms of each eligible Qualified Investment will be presented to the Board of the Authority, along with the recommendation for approval of each initial Qualified Investment.

APPLICATION AND REVIEW PROCESS

The Authority may execute up to one competitive auction per calendar year but. Allocated capital will include reserves for approved initial Qualified Investments, follow-on investments, administration of innovation ecosystem support programs, Program administrative expenses, and management fees and direct expenses of the Qualified Venture Firm. As of July 14th, 2025, approximately \$19 million of unallocated capital remains available for Program investments and expenses.

Prior to opening the application, the Authority will publish the auction dates, minimum bid price, weighted criteria scoring model, and whether or not the Authority will utilize a best and final bid process. Auction bids will be holistically evaluated and scored according to both the price offered to purchase tax credits and the quality of a strategic commitment proposal put forth to support the State’s innovation ecosystem.

The tax credit auction is built to both raise capital and increase integration into New Jersey’s innovation ecosystem among established corporations. To help foster engagement and collaboration all applicants are required to make a strategic commitment to support New Jersey’s innovation ecosystem as part of their bid. Program strategic commitments are open-ended forms of support for New Jersey’s innovation ecosystem and can take the form of numerous types of initiatives, including but not limited to initiatives in the following categories:

- People - developing and growing talent within the innovation community;

- Networking opportunities - hosting networking events and programs that support the startup ecosystem
- Ecosystem building - supporting innovation ecosystem building activities such as NJEDA Strategic Innovation Centers through financial or in-kind support;
- Investment – providing financial resources to support innovation ecosystem stakeholders like startups, accelerators, incubators, or non-profit organizations supporting the NJ innovation ecosystem;
- Marketing efforts to promote the Program and to provide public relations support for the innovation of New Jersey;
- Mentoring NJ-based startups.

Additional information about Program strategic commitments, including a description of the strategic commitments executed as part of the inaugural Program tax credit auction, is available in **Appendix B**.

The following table depicts an example of a Program tax credit auction timeline. Actual dates may deviate slightly from the example timeline below based on market conditions.

Example Program Auction Timeline

• Example application, weighted criteria scoring model, minimum bid price, and best and final bid process posted.	Day -30
• Q&A period opens	Day -14
• Q&A period closes	Day -7
• Online application opens	Day 1
• Applications due, including initiation of the wire transfer related to the program non-refundable deposit	Day 30
• Missing documents communicated to bidders	Day 40
• Missing documents due and NJEDA Staff completes initial bid scoring	Day 55
• Best and final bid process initiated	Day 55
• Best and final bids due, including initiation of the wire transfer related to any changes to the program non-refundable deposit	Day 70
• Bid rankings and award amount calculation completed	Day 80
• Present bids to NJEDA Board for Approval	Day 100

ELIGIBILITY

Upon submission of an auction bid application, NJEDA staff will review the application materials for completeness. Eligible applications must consider, at minimum:

- Amount of tax credit requests requested of at least \$500,000 (face value)
- Price offered to purchase tax credits (at least 75 percent of face value)
- Include a valid strategic commitment proposal
- Initiate a refundable deposit for 10% of the tax credit purchase offer, not to exceed \$500,000
- Nominate a representative to serve on the Program advisory board (if approved)

Applicants must initiate a wire transfer of a refundable deposit of 10% of the purchase offer by the application deadline. The amount will be applied to the final amount paid. If the approved applicant does not close the transaction the 10% deposit will be returned, but the applicant may be prohibited from participating the following year.

Valid strategic commitment proposals will identify the objective of the commitment, details of how the strategic commitment will be achieved, and milestones to indicate when the commitment is achieved, including the forms of documentation that will be provided to Authority staff to verify achievement. Applicants must specify and quantify the cost of each component of its strategic commitment in its tax credit bid, including in-kind costs. All bids need to substantiate the strategic commitment's estimated total cost to the corporation through documentation deemed acceptable to the Authority and include an explanation of the potential benefit to the innovation economy. Given the open-ended nature of possible strategic commitments, the specific list of required compliance documents to demonstrate the successful completion of a Program strategic commitment will be memorialized in the Program closing contracts.

SCORING PROCESS

Total bid scores will be calculated by adding the financial bid score and the strategic commitment score for each applicant. In the example below, the bidder achieves a strategic commitment score of 0.05 and a financial bid score of 0.75 after bidding to purchase \$10,000,000 of program tax credits for \$7,500,000. The relative rank of applicant scores will be used to determine priority for tax credit awards and potential proration percentages should the auction be oversubscribed.

Total Score Example

Strategic Commitment Score	Financial Bid Score	Total Score
0.05	0.75	0.80

Financial Bid Score

A financial bid score is based on the price offered to purchase Program tax credits. Applicants must provide a purchase offer at the time of application comprised of both the price offered to purchase tax credits and the amount of tax credits requested (with a minimum floor of \$500,000). An example of a purchase offer evaluation is below.

Purchase Offer Example

Price Offered to Purchase Tax Credits	75% of Par Value
Amount of Tax Credits Requested	\$10,000,000
Total Purchase Offer	\$7,500,000
Financial Bid Score	0.75 Points

Strategic Commitment Score

All Program tax credit auction applications must include a valid strategic commitment proposal, whereby applicants offer strategic support to strengthen the State's innovation ecosystem. Strategic commitment proposals will be evaluated by Authority staff to assess the quality of the commitment to mentorship and networking opportunities and other support of the State's innovation ecosystem. The Program is designed to not only promote increased access to capital within the State's innovation ecosystem, but also to foster the critical know-how, relationships, and mentorship needed to help innovative, fast-growing companies thrive. To ensure objectivity of review, strategic commitment proposals will be evaluated by an NJEDA staff committee of at least two members. Members may be comprised entirely from the Venture Products Department or may include additional scorer(s) from within the Economic Transformation Division to further increase objectivity of review.

The proposed updates to the scoring process are designed to more simply and effectively evaluate a myriad of potential open-ended strategic commitment scenarios on an even playing field. Valid strategic commitment proposals must specify and quantify the cost of each component of strategic commitment bids. The prior Board-approved weighted criteria scoring model and scoring process used in the 2022 Program tax credit auction is described in **Appendix C**.

Proposed Updates

Staff recommends the Members approve modifying the scoring process for strategic commitment proposals to base strategic commitment scores entirely on the total cost of the strategic commitment proposal as a proportion of the requested amount of tax credits. The total cost of a strategic commitment proposal will be based on both the direct financial cost and the value of in-kind contributions such as mentorship hours, other staff time, access to event space for networking opportunities, and other in-kind support for the State's innovation ecosystem.

For example, if an applicant proposes a strategic commitment proposal of \$500,000 of financial support to an NJEDA Strategic Innovation Center (SIC) and 100 hours of mentorship to support startups affiliated with the SIC valued at \$100 per hour, the total cost of the strategic commitment proposal would be \$510,000. Assuming the applicant offered to purchase \$10,000,000 of Program tax credits for \$7,500,000 the strategic commitment score would be calculated by dividing the total cost of the strategic commitment proposal (\$510,000) by the requested amount of tax credits (\$10,000,000). In this example, the strategic commitment score would be 0.05 and the total score would be 0.80.

Total Score Example

Price Offered to Purchase Tax Credits	75% of Par Value
Amount of Tax Credits Requested	\$10,000,000
Total Purchase Offer	\$7,500,000
Financial Bid Score	0.75 Points
Total Cost of Strategic Commitment	\$510,000
Strategic Commitment Score	0.05 Points
Total Score	0.80 Points

To further simplify the strategic commitment scoring process, Staff recommends strategic commitment proposals be evaluated holistically in the event applicant(s) submit a bid with multiple strategic commitments. For example if an applicant proposes supporting an NJEDA Strategic Innovation Center and offers unrelated support of mentorship hours to entrepreneurs participating in the NJ Innovation Fellows program. Rather than scoring each strategic commitment component individually and applying the weighted average of component score based on the financial value of each portion of the commitment, as described by the process approved by the Members in 2022, Staff recommend simplifying the process. Under the proposed process updates, Staff would simply divide the aggregate total cost of the strategic commitment components by the amount of tax credits requested to arrive at a strategic commitment score. The prior Board-approved scoring process used in the 2022 Program tax credit auction is described in **Appendix C**.

OVERSUBSCRIPTION PROCESS

In the event the requested amount of tax credits exceeds the amount offered in any given Program auction, tax credit awards will be prorated. All qualified bids will be scored and ranked in sequential order from the highest overall total bid score to the lowest overall total bid score. All qualified applicants will receive a \$500,000 minimum purchase amount. Additional tax credits will be allocated to bidders based on their total scores and their purchase offers. Higher scoring bidders will receive a greater proportion of their requested amount of tax credits while the lower ranked applicants will receive a smaller award as percentage of the total requested (above the \$500,000 minimum purchase amount).

Proration Example

Proration Example								
Total Score	Bidder	Proration %	Order	% of Request Received*	Tax Credit Request	Minimum Bid	Final Prorated Amount*	Final Award
0.98	Bidder A	3.61%	1	100.00%	\$20,000,000	\$500,000	\$19,500,000	\$20,000,000
0.97		3.61%						
0.96		3.61%						
0.95		3.61%						
0.94		3.61%						
0.93		3.61%						
0.92	Bidder B	3.61%	2	78.33%	\$25,000,000	\$500,000	\$19,191,667	\$19,691,667
0.91	Bidder C	3.61%	3	74.72%	\$1,000,000	\$500,000	\$373,611	\$873,611
0.9		3.61%						
0.89		3.61%						
0.88		3.61%						
0.87	Bidder D	3.61%	4	60.28%	\$2,000,000	\$500,000	\$904,167	\$1,404,167
0.86	Bidder E	3.61%	5	56.67%	\$5,000,000	\$500,000	\$2,550,000	\$3,050,000
0.85		3.61%						
0.84	Bidder F	3.61%	6	49.44%	\$4,000,000	\$500,000	\$1,730,556	\$2,230,556
0.83		3.61%						
0.82		3.61%						
0.81		3.61%						
0.8	Bidder G	3.61%	7	35.00%	\$1,000,000	\$500,000	\$175,000	\$675,000
0.8	Bidder H	3.61%	7	35.00%	\$5,000,000	\$500,000	\$1,575,000	\$2,075,000
					\$63,000,000	\$4,000,000	\$46,000,000	\$50,000,000

Note*: Excluding \$500,000 minimum purchase amount.

In this example, eight bidders requested over \$62M of tax credits. The spread between the highest and lowest rank becomes the bounds (0.98 and 0.80) for the calculation. The spread is broken down into equal parts using the Goal Seek function in Excel and the proration percentage is divided amongst these steps. In this example, each step equates to a decline in roughly 3.61% of a bidders' requested tax credit amount. A bidder with a raw score of 0.92, six "steps" below the highest scoring bidder, will receive 78.3% of their request (not including the minimum allocation of \$500,000). This same process is applied for each bidder such that the top ranked bid (Bidder A) receives the entirety of their ask and Bidder G is significantly prorated, receiving the \$500,000 minimum and just 35% of their requested total excluding the minimum, or an additional \$175,000. This example shows the methodology for how this process will work for one potential iteration, however actual proration percentages will vary based on the number of bidders, amount of tax credits available and requested, and relative bid scores. Bidders will only pay for the tax credits they are awarded. If an approved bidder does not close on their approved purchase, the tax credits will be reallocated to the pool of bidders using the proration methodology described above.

UNDERSUBSCRIPTION PROCESS

In case of an undersubscribed auction, remaining tax credits will be made available to bidders who indicated interest in additional allocation at time of application. Those bidders will be contacted in the order of their total score and be given the opportunity to purchase additional tax credits without needing to increase their strategic commitment. This mechanism offers an incentive to the highest bidder(s) and promotes strong bids from all parties. If unallocated tax credits are still available after executing the process described above, the remaining allocation will be carried over to future auctions.

COMPLIANCE

Tax credit purchasers shall be required to complete their strategic commitments with expenditures of at least 80% of the value of each commitment component in order to remain in compliance, subject to a one-year cure period. Failure to do so, absent extenuating circumstances or the Authority's written consent, will require the tax credit purchaser to pay the difference between the cost of the strategic commitment component as set forth in the bid application and the actual cost of the amount of the strategic commitment delivered by the tax credit purchaser. Until such amount is paid to the Authority, the tax credit purchaser will not be able to participate in future competitive auctions. The amount paid by the tax credit purchaser will be deposited into the Evergreen Fund. Additionally, any tax credit purchaser selected to be a member of the New Jersey Evergreen Innovation Advisory Board that does not participate in a majority of that Board's meeting and activities will not be eligible to purchase tax credits in the next twelve months.

RECOMMENDATION

The Members are asked to approve modifications to the weighted criteria used to evaluate tax credit bids through the New Jersey Innovation Evergreen Program, as described herein. Staff recommends the Members approve modifying the scoring process for strategic commitment proposals to base strategic commitment scores entirely on the total cost of the strategic commitment proposal as a proportion of the requested amount of tax credits. Staff expect the proposed changes will encourage more effective bids, simplify the Program, and more effectively tie Program scoring to compliance.



Tim Sullivan, CEO

Prepared by:

Alexander Pachman– Manager, Venture Products

Deven Patel – Investment Analyst, Venture Products

Attachment:

Appendix A – 2022 Program Tax Credit Auction Results

Appendix B – Examples of Program Strategic Commitments

Appendix C – 2022 Strategic Commitment Scoring Process

Appendix A – 2022 Program Tax Credit Auction Results

In 2022, the requested amount of tax credits of \$62,266,667 exceeded the 2022 tax credit availability of \$50,000,000. Staff proposed the approval of the following tax credit awards, which were prorated based on applicant scores, in keeping with program regulations. Following the Board-approved process, qualified bids were ranked in sequential order from the highest to the lowest total score. Applicants' total scores were the sum of financial bid prices (the amount paid for a dollar of tax credits, or percent of face value) and strategic commitment scores. All qualified applicants received the ability to purchase a \$500,000 minimum amount of tax credits, along with a prorated amount of tax credits based on their total score.

The percentage allocation of credits available to each purchaser above the minimum \$500,000 decreased in equal increments based on relative score of the purchaser. Higher ranked applicants received a greater proportion of their requested amount of tax credits, while the lower ranked applicants received a smaller award as percentage of the total requested. Based on the 2022 auction bids, each 0.01 difference of total score equated to a 4.2% incremental proration that reduced the amount of tax credits available for purchase relative to the applicant's desired purchase amount.

Applicant Name	Total Score	Rank	Percent Awarded (Proration) *	Tax Credit Award	Purchase Price
Verizon Communications, Inc.	1.17	1	100%	\$20,000,000	\$17,000,000
Comcast Cable Communications LLC	1.13	2	83%	\$20,886,392	\$17,231,274
CRB Group, Inc. (DBA Cross River Bank)	1.12	3	79%	\$4,055,549	\$3,041,662
Daiichi Sankyo, Inc.	1.07	4	58%	\$790,122	\$632,098
Interpool, Inc. (DBA TRAC Intermodal)	1.02	5	37%	\$1,796,282	\$1,347,211
CGI Technologies and Solutions	0.98	6	20%	\$722,710	\$542,033
GSK Consumer Healthcare (DBA Haleon)	0.97	7	16%	\$526,748	\$395,061
Holman	0.97	7	16%	\$1,222,197	\$916,648
				\$50,000,000	\$41,105,986

Note*: Percent of requested tax credits, above the \$500,000 program minimum, awarded.

Appendix B – Examples of Program Strategic Commitments

Program strategic commitments demonstrate corporations' support for New Jersey's innovation ecosystem. These commitments are adaptable and can be tailored to align with corporations' strategic objectives and available resources. A strategic commitment is a mandatory component of an applicant's bid to participate in the Program tax credit auction. If demand exceeds the available credits offered in a given auction, a higher strategic commitment score helps applicants increase the likelihood they receive their desired amount of tax credits. The average strategic commitment score has accounted for 26% of applicants' total scores to date. Program strategic commitments are open-ended and can take numerous iterations, including but not limited to initiatives in the following categories:

- People - developing and growing talent within the innovation community;
- Networking opportunities - hosting networking events and programs that support the startup ecosystem
- Ecosystem Building - supporting innovation ecosystem building activities such as NJEDA Strategic Innovation Centers through financial or in-kind support;
- Investment – providing financial resources to support innovation ecosystem stakeholders like startups, accelerators, incubators, non-profit organizations supporting the NJ innovation ecosystem;
- Providing access to customer channels or distribution networks;
- Marketing efforts to promote the Program and to provide public relations support for the innovation of New Jersey;
- Mentoring NJ-based startups.

The Program is designed to not only promote increased access to capital within the State's innovation ecosystem, but also to foster the critical know-how, relationships, and mentorship needed to help innovative, fast-growing companies thrive.

Examples of Prior Strategic Commitments

CGI Technologies and Solutions: CGI invested \$160,000 over 30 months through the P-TECH program designed to offer mentorship, STEM camps, internship opportunities, and training to underserved students. The initiative built vital STEM skills, fostered diversity, and prepared students for careers in technology-focused fields in New Jersey, promoting access to opportunities in the State's growing innovation economy.

Comcast Cable Communications, LLC: Comcast allocated \$1,000,000 in grants to non-traditional nonprofit organizations focused on advancing educational technology in New Jersey. This strategic commitment supported partners such as the Boys & Girls Clubs, Camden Dream Center, Hopeworks, NPower, Girls Who Code, Per Scholas, and the R&D Council of NJ. This initiative was designed to empower communities by building technology skills for economic opportunity, strengthen New Jersey's workforce and nonprofit ecosystem, and promote economic growth through education and workforce development programs.

CRB Group, Inc. (dba Cross River Bank): Cross River Bank, in partnership with TechUnited, committed \$145,000 to support underrepresented minority and women founders through 100 hours

of mentorship in business strategy, financial planning, and capital access. This commitment allowed four participants to present at the Propelify Innovation Festival.

Daiichi Sankyo, Inc.: Daiichi Sankyo, in partnership with Rutgers University, provided a U.S. Medical Affairs Fellowship to over four New Jersey PharmD students. This strategic commitment provided hands-on experience in oncology research and medical affairs, enhancing their understanding of industry operations and cross-functional collaboration.

GSK Consumer Healthcare Holdings US Inc. (dba Haleon): Haleon partnered with Rutgers Business School to create an experiential MBA consulting course. Senior Haleon employees presented an innovation-related business challenge to small student teams, who collaborated with Haleon leaders to develop actionable solutions. This initiative allowed students to present their recommendations to Haleon's cross-functional team, preparing both parties for innovative retail market changes.

Holman: Holman hosted an Automotive & Mobility Innovation Event in New Jersey, bringing together thought leaders, investors, startups, dealers, and partners to explore emerging trends and technologies. New Jersey entrepreneurship students were invited to participate, gaining valuable insights and connections. This commitment attracted over 150 attendees and fostered innovation within the industry.

Interpool, Inc. (dba TRAC Intermodal): TRAC Intermodal committed \$90,000 over three years to support established innovation ecosystems, allocating an annual \$10,000 donation to each organization. This strategic commitment supported partner organizations Digital Undivided, which catalyzed economic growth in Latina and Black women communities; the New Jersey Chapter of Golden Seeds, which funded high-potential, women-led businesses; and Girls Who Code, a nonprofit working to close the gender gap in technology.

Verizon Communications, Inc.: Verizon committed \$750,000 to fund the Better Future Labs Startup Studio Program, an evolution of TechUnited:NJ, designed to leverage regional strengths to transform innovative ideas into impactful companies. In addition to financial support, Verizon provided mentorship, marketing resources, and office space for New Jersey-based founders. As a founding member, Verizon collaborated with universities and the local startup ecosystem to bolster the program. These initiatives helped foster innovation and strengthen the state's innovation infrastructure through both financial backing and expert guidance.

Appendix C – 2022 Strategic Commitment Scoring

The following New Jersey Innovation Evergreen Fund tax credit auction strategic commitment scoring methodology was approved by the Board of the Authority in April 2022 was used to evaluate bids for the 2022 Program tax credit auction.

The strategic commitment scoring rubric was built to evaluate a myriad of potential open-ended scenarios put forward by applicant bidders. Strategic commitments were scored based on ten criteria with a maximum achievable raw score of 30 points. After dividing the raw score by a scaling factor of 60, the 2022 auction strategic commitment proposals represented up to 40% of applicants total scores. The majority of the total score was determined from the financial bid price (the percent of face value paid by the tax credit purchaser). Strategic commitment proposals with multiple strategic commitment components were scored based on the weighted average of each strategic commitment component score, weighting based the estimated financial value of each component.

1. **External partners** (government agencies, corporations, municipalities, universities, trade groups, etc.) involved with the initiative - One of the main goals of the Evergreen program is ecosystem-building and the creation of a more robust innovation landscape in New Jersey. By partnering with existing entities that have a lasting and important role within New Jersey, it is expected that the value of the strategic commitment will multiply.

- a. 1 point for no external partners
- b. 2 points for 1 or 2 external partners (in addition to the bidder)
- c. 3 points for 3+ external partners (in addition to the bidder)
- d. An additional 2 points are achievable for those who are **working with established entities in the New Jersey innovation sector** (such examples are, trade-groups, entrepreneurship development programs, and annual pitch events).

2. **Educational Institutions** – A strategic commitment that offers internships, apprenticeships, or on the job training to students at several NJ schools versus prioritizing a single campus has a larger reach and impacts more communities.

- a. 1 point for <2 institutions
- b. 2 points for 2-3 institutions
- c. 3 points for 4+ institutions

3. **Opportunity Zone Outreach** - Commitments that are geographically focused on Opportunity Zones show a focus on underserved communities in New Jersey. As part of the Governor's Economic Development plan diversity, equity and inclusion are all key to building a stronger, fairer New Jersey.

- a. 1 point for <2 opportunity zones
- b. 2 points for 2-3 opportunity zones
- c. 3 points for 4+ opportunity zones

4. **Duration of the strategic commitment** - A short term strategic commitment is useful, but a longer term commitment will have a more lasting impact to support a more robust innovation ecosystem.

- a. 1 point for <1 year
- b. 2 points for 1-2 years
- c. 3 points for 3+ years

5. Frequency of the strategic commitment – Commitments have an opportunity to create a larger impact over multiple iterations versus fewer iterations. A strategic commitment that occurs multiple times has a potentially larger impact than those accomplished in a single instance.

- a. 1 point for <1 time/year
- b. 2 points for 2-3 times/year
- c. 3 points for 4+ times/year

6. Staff members involved in this initiative – A greater allocation of staff by the corporate bidder shows that a strategic commitment is more meaningful to the company—allocated staff time also helps to support success of the strategic commitment.

- a. 1 point for staff time of 10 hours monthly
- b. 2 points for staff time of 40 hours monthly
- c. 3 points for staff time of 100 hours monthly

7. Investment Target – A greater dollar investment into businesses in New Jersey (with no existing common ownership or control by the corporate bidder) indicates a more practical commitment to support innovation in New Jersey, regardless of the form of investment (grants, equity, loans).

- a. 1 point for <\$50,000
- b. 2 points for \$50,000-\$125,000
- c. 3 points for \$125,000+

8. Marketing Self-Valuation – A greater attributable spend toward marketing New Jersey’s innovation ecosystem indicates corporate buy-in to the program. The marketing self-valuation should be expressed in the application with rationale as to the assigned value.

- a. 1 point for <\$10,000
- b. 2 points for \$10-\$20,000
- c. 3 points for \$20,000+

9. Strategic Commitment Ratio –The strategic commitment ratio can be calculated by dividing the strategic commitment value (\$ cost of the strategic commitment) by the purchase offer. A greater ratio indicates higher strategic buy-in and significant value toward the innovation economy. (e.g., if a strategic commitment is worth \$1M and a purchase offer is for \$4M, \$1M/\$4M is 0.25)

- a. 1 point for <0.1
- b. 2 points for 0.1-0.3
- c. 3 points for 0.3+

10. An additional point is achievable for those that have never previously been approved for auction participation. The objective is to support those new to the program and expand participation over time.

The maximum strategic score achievable was established at 0.5 points in order to demonstrate the importance of the strategic commitment as a component of auction participation, while still placing an emphasis on fiscal responsibility to maximize the financial outcome of the auction. In order to achieve this scaling, the strategic commitment raw score was divided by 60 to get the

strategic commitment final score. To arrive at a total score, strategic commitment scores were added to financial bid scores which ranged between 0.75 and 1.00.

In cases where a purchaser put forth multiple strategic commitments, the commitments were scored separately. The separate scores were combined through a weighted average based on the financial value of each portion of the commitment. For example, if a purchaser puts forth two separate strategic commitments, one self-valued at \$300,000 to internships and one self-valued \$40,000 commitment to a pitch night, the final strategic score was calculated as follows:

Strategic Commitment A: \$300,000 commitment with a strategic score of 0.303

Strategic Commitment B: \$40,000 commitment with a strategic score of 0.242

Strategic Final Score = $(\$300,000 * 0.303) + (\$40,000 * 0.242) / \$340,000 = 0.296$

The weighted average was designed to ensure that the larger commitment made up a greater proportion of the total score.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: July 2025 Qualified Investment Approval

SUMMARY

The Members are asked to approve a Qualified Investment presented today under the New Jersey Innovation Evergreen Program (“Program”) for an application submitted by Covenant Venture Capital LLC (“Covenant”), a Qualified Venture Firm (“QVF”) to invest into Hill Pepper Inc dba Hill Research (“Hill Research”). The Qualified Investment recommendation is for an investment up to \$1,750,000, with additional management fees and expenses reserved as described in this memorandum. The approval will allow Staff to utilize Program funds to execute a Qualified Investment into a Qualified Business alongside Covenant. Additionally, upon approval of this investment, Staff will reserve Program capital for subsequent follow-on investments into the Qualified Business and for management fees and direct administrative expenses required to support the investment, as authorized in Program regulations, and described in this memorandum.

BACKGROUND

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq.*). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq.*), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NJIEF”, or “Evergreen Fund”) and the Program, which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed. As of July 14, 2025, approximately \$19 million of unallocated capital remains available for Program investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a QVF. Applications for QVFs opened on December 16, 2022, and as of July 14, 2025 21 Qualified Venture Firms have been approved to

operate on the platform. Qualified Venture Firm are approved by staff pursuant to an updated delegated authority approved by the Members on April 10, 2024.

Qualified Investment Review Process

To access Program co-investment capital, Qualified Venture Firms may apply for Qualified Investments on a rolling basis. Applications for Qualified Investments opened on May 23, 2023. NJEDA Staff recommendations are presented to the Members for consideration upon completion of eligibility review of the Qualified Business and Qualified Venture Firm associated with the Qualified Investment transaction. Such Qualified Investments in New Jersey-based businesses must receive co-investment from the Qualified Venture Firm that matches or exceeds the Qualified Investment amount. Upon approval for a Qualified Investment and as required by the Program rules, Qualified Venture Firms will establish a special purpose vehicle (“SPV”) to facilitate the Qualified Investment transaction between the Evergreen Fund, the Qualified Venture Firm, and the Qualified Business. As the Evergreen Fund’s investments mature and experience exit events (e.g. a sale or initial public offering), the proceeds from profitable investments will flow back to the Evergreen SPV. Proceeds will be used to make carried interest payments to the Qualified Venture Firm and to transfer remaining capital back to the Evergreen Fund, providing an ongoing stream of funds to support the State’s innovation ecosystem.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Applications must be submitted to the EDA within 90 days of the date of the transaction by the QVF into the high-growth business. Each request for a Qualified Investment may be as much as the Program investment limit of \$5 million, or up to \$6.25 million for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university.

The recommendation presented to Members for consideration this month represents the Program’s seventh Qualified Investment and is for an investment of up to \$1,750,000 of Program capital alongside Covenant into the innovative, high-growth company, Hill Research. Covenant has participated in the Series Seed fundraising round of Hill Research, executing its investment on June 6, 2025 out of a Special Purpose Vehicle, Covenant Series Hill Research 2025 LLC. Based upon the projections provided by Covenant, and following approval by the Members, the Program will reserve an additional \$280,000 for management fees and \$290,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are subject to adjust at least annually based upon guidance from Covenant.

Please refer to **Appendix A** for a summary of Covenant and an overview of the firm’s eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of Hill Research and of the business’s eligibility as a Qualified Business. Finally, please refer to **Appendix C** for an overview of the proposed Qualified Investment transaction terms and related reserves for follow-on investments, transaction management fees, and direct administrative expenses.

QUALIFIED INVESTMENT REQUIREMENTS

Qualified Venture Firms may submit applications for Qualified Investments funded by the Program after receiving NJEDA Board approval as a Qualified Venture Firm or in conjunction with an application for certification as a Qualified Venture Firm. While applications for Qualified Investment are submitted by Qualified Venture Firms, the applications contain information about both the Qualified Venture Firm and the proposed Qualified Business seeking capital. Staff conducts reviews of investment applications on a first-come, first-served basis and screen both Qualified Venture Firms and proposed Qualified Businesses as part of the transaction for eligibility.

The Program investment underwriting process is completed by the NJEDA Venture Programs Department in parallel with the Product Operations Department to ensure objectivity and is limited to an eligibility review of the Qualified Investment, Qualified Venture Firm, and proposed Qualified Business. The eligibility review contains various statutory requirements that ensure the financial merit of the proposed investment, such as requiring certain experience and assets under management by the Qualified Venture Firm, as well as requiring an investment by the Qualified Venture Firm's main fund that is at least equal to the amount of the Qualified Investment. The latter ensures that the Qualified Venture Firms share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. However, the Program does not establish any additional review by staff for the financial merits of the proposed investment. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business. For a detailed description of Program eligibility and compliance requirements, see **Appendix D**.

FOLLOW-ON INVESTMENT REQUIREMENTS

The Program authorizes subsequent follow-on investments alongside Qualified Venture Firms into Qualified Businesses after the initial Qualified Investment. The Authority shall have the right, but not the obligation, to make a follow-on investment from the Evergreen Fund into the Qualified Business. Follow-on investments will be made on a pro rata basis with the Qualified Venture Firm's investment at the same ratio, which the Evergreen Fund matched the initial Qualified Investment.

The screening process for follow-on investments requires NJEDA Staff to verify that firms and businesses continue to meet Program requirements, and that the transaction conforms to Program eligibility and concentration limits. Staff will also screen for any clear signs of financial, reputational, or legal risks. As previously approved by the Board of the Authority, follow-on investments may be approved under delegation to the Authority's Chief Executive Officer (with certain exceptions) to best match operational needs and intensity with the expectations of the private market transaction.

Staff will seek Board approval for follow-on investments for certain atypical cases, such as if Qualified Venture Firms have been previously decertified or the Qualified Venture Firm or Qualified Business is not in compliance with Program requirements. Because follow-on investments may present an opportunity for the State to increase its exposure to a valuable investment, the Program regulations permit the Authority to decide whether to approve or decline a follow-on investment if the Qualified Venture Firm is decertified or the Qualified Venture firm

or Qualified Business are not in compliance with Program requirements, subject to approval by the Board of the Authority. Examples of scenarios the Authority may deem an investment is in the best interest of the State are cases of atypical financial promise, such as ‘unicorn’ investments that are rapidly appreciating in value, or while significant economic development is still anticipated in New Jersey, despite a shortfall in technical compliance.

The maximum follow-on investment from the Fund into a qualified business shall not exceed the lesser of i. \$5,000,000 (or up to \$6,250,000 if so approved) on an aggregate basis of follow-on investments in a twelve-month period; ii. a business concentration limit of 10 percent of invested plus uninvested capital of the Evergreen Fund; and iii. a Qualified Venture Firm concentration limit of 15 percent of the total invested with the Qualified Venture Firm by all its investors, including investments in any Evergreen special purpose vehicles (total assets under management).

RECOMMENDATION:

Based on the evaluation conducted by Authority staff, according to the criteria established by the Act, and clarified through Program regulations and the April 2022 Program Board memorandum, approval for an amount up to a \$1,750,000 initial Qualified Investment alongside Covenant Venture Capital’s matching investment of no less than \$1,750,000 into the innovative, high-growth New Jersey-based company Hill Research is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional \$280,000 and for expected associated direct administrative expenses of up to an additional \$290,000.



Tim Sullivan, CEO

Prepared by:

Kremena Mironova – Senior Product Officer, Venture Products

Alexander Pachman – Manager, Venture Products

Attachments:

Appendix A – Summary of Qualified Venture Firm and Eligibility

Appendix B – Summary of Qualified Business and Eligibility

Appendix C – Confidential Summary of Transaction Details

Appendix D – Detailed Program Eligibility and Compliance Requirements

Appendix A – Summary of Qualified Venture Firm and Eligibility

Covenant Venture Capital LLC

NJEDA Staff finds the Qualified Investment applicant, Covenant, meets all Program Qualified Investment eligibility requirements. The firm was approved as a Qualified Venture Firm under the Program by the Members in July 2023. As described in this memorandum, the firm maintains at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each). Additionally, Staff finds that the firm exceeds the Program minimum assets under management of at least \$10,000,000 in assets under management, which is measured as the sum of the firm's net assets of the funds managed by the Qualified Venture Firm, equity capitalization of the funds managed by the Qualified Venture Firm, and written commitments of cash or cash equivalents committed by investors. The proposed Qualified Investment represents the firm's first-priced equity round investment into the Qualified Business and the application for Qualified Investment was submitted within 90 days of the Qualified Venture Firm's investment into the Qualified Business. Finally, the proposed Qualified Investment size of \$1,750,000 falls within the 15 percent concentration limit of the firm's total assets under management.

Overview

Covenant Venture Partners ("Covenant") is a minority-owned venture capital firm based in New York City. The firm was founded in 2020. Covenant is led by three senior partners including the former CFO of three Nasdaq-listed SPACs with exits, and the CIO of Insight Family Office with seven successful exits. The 14-person firm is staffed with ten investment professionals, two venture fellows, and two administrative professionals. The firm manages \$70.3 million across two equity and one credit income strategy funds.

Strategy

Covenant is focused on investing in companies developing artificial intelligence technologies to disrupt existing processes and unique early-stage technology and life science companies. The firm executes its equity strategy via two distinct funds. First, the Covenant VC Select Opportunities Fund makes early-stage investments (Series A, B) in technology and life science companies that are not necessarily AI-enabled. Second, the Covenant Global Technology Fund is focused on sourcing later stage (Series B, C, D), AI-enabled technology companies at significant discounts through off-market, direct-sourced primary and secondary transactions from institutional sellers. The Covenant VC Select Opportunities Fund serves as the Program Qualified Venture Firm Active Fund. The fund has been established as a Series limited company with each distinct Series making direct investments in portfolio companies.

Investment and Management Team

Covenant is managed by an experienced investment team that includes Karl Douglas, Chief Investment Officer, Troy Douglas, Managing Partner, Patrick Sturgeon, Partner, Dr. Armen Kherlopian, Chief Executive Officer, and Rene Baston, Venture Partner.

Karl Douglas, Chief Investment Officer, is the founding partner of Covenant Venture Capital. Mr. Douglas has over 35 years of professional experience in technology and finance. Prior to founding Covenant Venture Capital, he held technology and finance positions at firms such as Bear Stearns, JP Morgan Securities, Merrill Lynch, and Terra Nova Capital. He serves as a strategic advisor to

BAJ Technology Accelerator, where he helps technology startups by providing guidance on strategy and financing.

Troy Douglas, Managing Partner, holds a certificate in Blockchain Finance from MIT, and a certificate in Finance from Harvard Business School. Mr. Douglas provides the firm a unique high-tech perspective and a wealth of experience in blockchain and decentralized finance (“DeFi”). Troy began his investment career at Insight Family Office, the investment office of the firm’s Chief Investment Officer.

Patrick Sturgeon, Partner, is focused on growth companies, especially in the aerospace & defense, financial services, technology, and healthcare sectors. He has 20 years of experience executing initial public offering, M&A, private placement, and SPAC transactions. He plays a central role in Covenant’s access to off-market secondaries via an established network in the venture community. Mr. Sturgeon has also been a sponsor & chief financial officer of three Nasdaq-listed special purpose acquisition companies. Earlier in his career he worked as Managing Director at Axiom Capital Management and spent approximately a decade focusing on M&A in the financial services sector at Freeman & Co.

Armen Kherlopian, Chief Executive Officer, is an experienced data science advisor for Global Fortune 100 companies and government organizations such as NASA. Mr. Kherlopian was co-founder of the Data Science Bowl, the largest data challenge for social good, as well as co-author of Booz Allen’s Field Guide to Data Science. Armen holds a Ph.D. in Biophysics with a focus on Machine Learning from Cornell University and a Fellowship in High-Performance Computing with a focus on AI at Princeton University.

Rene Baston, Venture Partner, has over 25 years of experience in venture creation, innovation, life sciences, digital health, healthcare, cleantech, nanotech, and data science. Rene has extensive executive network and strategic alliance experience with Fortune 500 and startup companies in the U.S. and internationally. Prior to joining Covenant, Rene was the founding VP of Strategy and a member of the ideation team at Team8 Health, a digital health venture studio he helped build. He is also a national Lean Startup instructor for the U.S. National Science Foundation (NSF) and the co-founder of three startups based on university, NIH, and NIST IP.

Appendix B – Summary of Qualified Business and Eligibility

Hill Research

Business Overview

Hill Research is an AI startup in the process of moving from Boston to New Jersey as a result of the proposed Program investment. Hill Research leverages Generative AI to accelerate the last mile of clinical trials for pharmaceutical companies. The company has already established a physical presence in the State and has begun relocating employees to New Jersey.

Hill Research's strategy focuses on commercializing a portfolio of AI tools across five critical verticals in trial operations: eligibility screening, case report form (CRF) annotation, medical evidence synthesis, statistical programming, and compliance automation. They have also introduced a new visual AI agent for reverse engineering medical figures, expanding into regulatory intelligence and real-world evidence generation.

The company has secured paying contracts with several notable clients, including NJS Associates Company, Moderna, and Praxis, as well as signed implementations with AKT Health, Sail BioMedica, Eli Lilly, and Boston Pharmaceuticals. They are also working towards implementations with prospective clients such as AstraZeneca and Analysis Group. Hill Research projects \$6.3 million in revenue for 2025 with space to further accelerate growth over the next five years.

Hill Research's modular AI agents address key challenges in the clinical trial lifecycle, including patient screening, CRF annotation, clinical evidence synthesis, compliance, and reporting. These agents run through Hill Research's platform, built on the proprietary TheraGPT framework.

The company's advantage lies in replacing fragmented, template-driven tools with a unified, agent-based architecture that can automate tasks previously requiring high-touch human intervention. This enables sponsors and CROs to shorten timelines, reduce errors, and scale insights across complex, multi-system trial environments.

Team

Hill Research has a diverse and experienced team that brings together expertise in AI, biostatistics, clinical trial design, and life sciences operations. Founder and Chief Executive Officer Dr. Ruihua Liu leads a core team of two full-time, two part-time staff and three contractors that includes Rui Li (CTO), Dr. Alexandre Duprey (Chief Science Officer), Coco Qu (Chief of Operations and Partnerships), and Lenny Gold (CBO).

Dr Ruihua Liu is a serial AI entrepreneur with 12 years of experience in the biostatistics industry earning her Ph.D. from the Chinese Academy of Sciences and furthering her expertise with a postdoctoral fellowship in Biostatistics at Yale University. She founded CB Payments Inc. (CBP) in 2018, where she pioneered computational models for fraud detection, significantly contributing to the company's success. Under her leadership, CBP became the exclusive partner of the Bank of China US branch in 2020, achieving a transaction volume of \$2 billion. After successfully exiting CBP in 2022, Dr Liu founded Hill Research. She was recognized by Forbes China as a top Chinese entrepreneur in North America.

Dr. Alexandre Duprey, Chief Science Officer, spearheads the clinical team, overseeing clinical trial design and execution, data analysis, and effectively communicating findings to relevant stakeholders. Before joining Hill Research, Dr. Duprey led a team of computational scientists at Flagship Pioneering, contributing significantly to the inception of Moderna. Dr Duprey was educated at Universite Lyon and Yale School of Medicine for a postdoctoral fellowship.

Dr Rui Li, CTO, has over a decade of research experience in fields such as big data computation, distributed systems, and database design. Holding a Ph.D. from Yale University, Dr. Li has served various roles in academic circles, including reviewer and program committee member for conferences and journals such as EuroSys, IEEE International Symposium on Information Theory, and the American Journal of Electrical and Computer Engineering.

Following the Series Seed capital raise, Dr Liu is planning to grow the team to 4 (four) full-time and 5 (five) part-time NJ-based staff by the end of 2026.

Eligibility

NJEDA Staff finds the proposed Qualified Business, Hill Research, meets all Program Qualified Investment eligibility requirements. As described in Table 1 below, the Bridgewater-high-growth, innovative business maintains a place of business New Jersey and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, Hill Research operates in the Program-targeted Information & High Technology and Healthcare industries and satisfies the Program’s high-growth test using trailing twelve-month revenue growth of at least 25% as of the most recent quarter-end. Finally, the proposed Qualified Investment size of \$1,750,000 is within the concentration limit of aggregate investments into any Qualified Business of 10 percent of the Program’s uninvested and invested capital.

Table 1: Hill Research Eligibility Review

Criteria	Criteria Explanation	Eligibility
NJ Principal Business Operations	Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business’s payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business’s payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.	1 out of Hill Research’s 2 full-time employees work in New Jersey at their office in Bridgewater.

NJ Place of Business	Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.	Hill Research maintains an office in Bridgewater, NJ.
Targeted Industry	Qualified Investments will be restricted to businesses operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models. Qualified Business shall be considered to be in a targeted industry if the business is engaged primarily in a targeted industry.	Hill Research operates in the Program-targeted Information & High Technology and Healthcare industries.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	Hill Research maintains two full-time employees.
High-growth Business	<p>Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.</p> <p>Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections. For these businesses, Qualified Venture Firms may submit their base case projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in any, one-year period over the subsequent 3-5 years.</p>	Hill Research meets the Program's high-growth test through a revenue growth of 173% for the trailing 12-month period ending March 31, 2025.

Concentration Limits on Businesses	The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.	The proposed \$1,750,000 Qualified Investment is less than 4% of the Program's uninvested and invested capital.
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Note: Table 1 depicts the Program's primary Qualified Business eligibility requirements, however the Program maintains additional technical requirements, such as the requirement to register to do business in the State.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: July 2025 Qualified Investment Approval

SUMMARY

The Members are asked to approve a Qualified Investment presented today under the New Jersey Innovation Evergreen Program (“Program”) for an application submitted by Atma Partners GP 1 Ltd (“Atma Capital” or “Atma”), a Qualified Venture Firm (“QVF”) to invest into JOGO Health Inc (“JOGO Health” or “JOGO”). The Qualified Investment recommendation is for an investment up to \$2,000,000, with additional management fees and expenses reserved as described in this memorandum. The approval will allow Staff to utilize Program funds to execute a Qualified Investment into a Qualified Business alongside Atma Capital. Additionally, upon approval of this investment, Staff will reserve Program capital for subsequent follow-on investments into the Qualified Business and for management fees and direct administrative expenses required to support the investment, as authorized in Program regulations, and described in this memorandum.

BACKGROUND

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq.*). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq.*), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NJIEF”, or “Evergreen Fund”) and the Program, which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed. As of July 14, 2025, approximately \$19 million of unallocated capital remains available for Program investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a QVF. Applications for QVFs opened on December 16, 2022, and as of July 14, 2025 21 Qualified Venture Firms have been approved to

operate on the platform. Qualified Venture Firm are approved by staff pursuant to an updated delegated authority approved by the Members on April 10, 2024.

Qualified Investment Review Process

To access Program co-investment capital, Qualified Venture Firms may apply for Qualified Investments on a rolling basis. Applications for Qualified Investments opened on May 23, 2023. NJEDA Staff recommendations are presented to the Members for consideration upon completion of eligibility review of the Qualified Business and Qualified Venture Firm associated with the Qualified Investment transaction. Such Qualified Investments in New Jersey-based businesses must receive co-investment from the Qualified Venture Firm that matches or exceeds the Qualified Investment amount. Upon approval for a Qualified Investment and as required by the Program rules, Qualified Venture Firms will establish a special purpose vehicle (“SPV”) to facilitate the Qualified Investment transaction between the Evergreen Fund, the Qualified Venture Firm, and the Qualified Business. As the Evergreen Fund’s investments mature and experience exit events (e.g. a sale or initial public offering), the proceeds from profitable investments will flow back to the Evergreen SPV. Proceeds will be used to make carried interest payments to the Qualified Venture Firm and to transfer remaining capital back to the Evergreen Fund, providing an ongoing stream of funds to support the State’s innovation ecosystem.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Applications must be submitted to the EDA within 90 days of the date of the transaction by the QVF into the high-growth business. Each request for a Qualified Investment may be as much as the Program investment limit of \$5 million, or up to \$6.25 million for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university. In cases where multiple QVFs apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same qualified business up to a \$5,000,000 aggregate initial investment limit, or \$6,250,000 limit for select types of companies, if the investments occur in the same fundraising round.

The recommendation presented to Members for consideration this month represents the Program’s ninth Qualified Investment and is for an investment of up to \$2,000,000 of Program capital alongside Atma Capital into the innovative, high-growth company, JOGO Health. Atma Capital invested in the Preferred A-I financing round of JOGO Health Inc on May 19, 2025. Based upon the projections provided by Atma Capital, and following approval by the Members, the Program will reserve an additional \$3,000,000 for subsequent follow-on investments into JOGO Health, matching the ratio of reserves set aside by Atma Capital, along with an additional \$360,000 for management fees and \$265,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are subject to adjust at least annually based upon guidance from Atma Capital. Atma Capital is one of two QVFs that have applied to the Program for an investment into JOGO Health and the aggregate initial investment by both QVFs is less than the program-defined limits.

Please refer to **Appendix A** for a summary of Atma Capital and an overview of the firm's eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of JOGO Health and of the business's eligibility as a Qualified Business. Finally, please refer to **Appendix C** for an overview of the proposed Qualified Investment transaction terms and related reserves for follow-on investments, transaction management fees, and direct administrative expenses.

QUALIFIED INVESTMENT REQUIREMENTS

Qualified Venture Firms may submit applications for Qualified Investments funded by the Program after receiving NJEDA Board approval as a Qualified Venture Firm or in conjunction with an application for certification as a Qualified Venture Firm. While applications for Qualified Investments are submitted by Qualified Venture Firms, the applications contain information about both the Qualified Venture Firm and the proposed Qualified Business seeking capital. Staff conducts reviews of investment applications on a first-come, first-served basis and screen both Qualified Venture Firms and proposed Qualified Businesses as part of the transaction for eligibility.

The Program investment underwriting process is completed by the NJEDA Venture Programs Department in parallel with the Product Operations Department to ensure objectivity and is limited to an eligibility review of the Qualified Investment, Qualified Venture Firm, and proposed Qualified Business. The eligibility review contains various statutory requirements that ensure the financial merit of the proposed investment, such as requiring certain experience and assets under management by the Qualified Venture Firm, as well as requiring an investment by the Qualified Venture Firm's main fund that is at least equal to the amount of the Qualified Investment. The latter ensures that the Qualified Venture Firms share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. However, the Program does not establish any additional review by staff for the financial merits of the proposed investment. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business. For a detailed description of Program eligibility and compliance requirements, see **Appendix D**.

FOLLOW-ON INVESTMENT REQUIREMENTS

The Program authorizes subsequent follow-on investments alongside Qualified Venture Firms into Qualified Businesses after the initial Qualified Investment. The Authority shall have the right, but not the obligation, to make a follow-on investment from the Evergreen Fund into the Qualified Business. Follow-on investments will be made on a pro rata basis with the Qualified Venture Firm's investment at the same ratio, which the Evergreen Fund matched the initial Qualified Investment.

The screening process for follow-on investments requires NJEDA Staff to verify that firms and businesses continue to meet Program requirements, and that the transaction conforms to Program eligibility and concentration limits. Staff will also screen for any clear signs of financial, reputational, or legal risks. As previously approved by the Board of the Authority, follow-on investments may be approved under delegation to the Authority's Chief Executive Officer (with certain exceptions) to best match operational needs and intensity with the expectations of the private market transaction.

Staff will seek Board approval for follow-on investments for certain atypical cases, such as if Qualified Venture Firms have been previously decertified or the Qualified Venture Firm or Qualified Business is not in compliance with Program requirements. Because follow-on investments may present an opportunity for the State to increase its exposure to a valuable investment, the Program regulations permit the Authority to decide whether to approve or decline a follow-on investment if the Qualified Venture Firm is decertified or the Qualified Venture firm or Qualified Business are not in compliance with Program requirements, subject to approval by the Board of the Authority. Examples of scenarios the Authority may deem an investment in the best interest of the State are cases of atypical financial promise, such as ‘unicorn’ investments that are rapidly appreciating in value, or while significant economic development is still anticipated in New Jersey, despite a shortfall in technical compliance.

The maximum follow-on investment from the Fund into a qualified business shall not exceed the lesser of i. \$5,000,000 (or up to \$6,250,000 if so approved) on an aggregate basis of follow-on investments in a twelve-month period; ii. a business concentration limit of 10 percent of invested plus uninvested capital of the Evergreen Fund; and iii. a Qualified Venture Firm concentration limit of 15 percent of the total invested with the Qualified Venture Firm by all its investors, including investments in any Evergreen special purpose vehicles (total assets under management).

RECOMMENDATION:

Based on the evaluation conducted by Authority staff, according to the criteria established by the Act, and clarified through Program regulations and the April 2022 Program Board memorandum, approval for an amount up to a \$2,000,000 initial Qualified Investment alongside Atma Capital’s matching investment of no less than \$2,000,000 into the innovative, high-growth New Jersey-based company JOGO Health is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional \$360,000 and for expected associated direct administrative expenses of up to an additional \$265,000. Following approval, the Program will reserve an additional \$3,000,000 for subsequent follow-on investments into JOGO Health, matching the ratio of reserves set aside by the Qualified Venture Firm.



Tim Sullivan, CEO

Prepared by:

Kremena Mironova – Senior Product Officer, Venture Products

Alexander Pachman – Manager, Venture Products

Attachments:

Appendix A – Summary of Qualified Venture Firm and Eligibility

Appendix B – Summary of Qualified Business and Eligibility

Appendix C – Confidential Summary of Transaction Details

Appendix D – Detailed Program Eligibility and Compliance Requirements

Appendix A – Summary of Qualified Venture Firm and Eligibility

Overview:

Atma Capital was founded in 2021 as a woman-led Seed-stage venture capital firm with a presence in California, Dubai and China. The firm invests in deep technology startups with positive societal and environmental impacts. The firm is investing out of a \$200M first fund.

Since its first closing in 2021, Atma Capital has invested in 18 portfolio companies across various industries, including renewable energy, information technology, fintech, biotechnology, digital health, and space technology. The firm has enjoyed early successful performance of its first fund driven by one exit and several valuation increases among its portfolio companies.

Strategy:

Atma Capital is known for its unique team of world-class PhDs, tech titans, and C-level executives, providing not just capital but also operational expertise and market access. Atma Capital's investment thesis focuses on sectors such as digital technology, data-driven life sciences (excluding segments with binary risks), and sustainability/carbon neutrality. The firm leverages the APAC ecosystem in supply chain, distribution, and manufacturing for global advantage, incubate deep tech companies with tech titans, professors, and technologists, and collaborate closely with corporate partners who are leaders in their focus sectors.

Atma Capital has a strong track record of identifying market leaders and emerging trends early, with investments in some of the world's largest and most innovative companies. Their portfolio includes leading companies in e-commerce, genomics sequencing, AI-based drug discovery, electric vehicles, and GPU chip manufacturing. Atma Capital's approach is structurally differentiated, focusing on creating durable market values and providing global market access to customers for startups.

Investment and Management Team:

The investment team at Atma Capital is composed of highly experienced professionals with diverse backgrounds in technology, entrepreneurship, and venture capital. Key members include:

Ying Lee, Managing Partner at Atma Capital: After graduating from MIT, Ying served as a Management Consultant at McKinsey and Company's Silicon Valley office, gaining exposure to major tech companies like Dell and Microsoft on product organization and go-to-market strategies. Ying then started her investment career as a Partner with Kleiner Perkins Caufield Byers (KPCB) in Menlo Park and led the opening of Google and Amazon offices in China. In 2009, Ying co-founded YF Capital along with Jack Ma and helped grow the fund from \$300M to \$3+ billion in AUM. Ying holds a BS in Computer Science and Economics, a Masters in Engineering EECS, and has served on the MIT Dean's Advisory Committee and MIT Media Lab Visiting Committee.

Dr. James Wang, Investment Director at Atma Capital, is an inventor and entrepreneur with 8 years of R&D experience at Pfizer, who has reviewed over 20,000 patents and developed a global IP strategy at Intellectual Ventures, a \$7 billion fund dedicated to IP investments. Later, he co-founded the Patent Alliance Innovation Fund (PAIF), which focused on IP investment and incubation. Dr. Wang joined Atma Capital in 2021, where he leverages his extensive experience in technology and investment. Dr. Wang holds a Ph.D. in Polymer Science from MIT.

Based in Dubai, Vinod Kumar is a part-time Senior Operating Partner at Atma Capital. He leverages his extensive experience to help scale businesses globally. Mr. Kumar formerly served as CEO of Vodafone Business, overseeing global B2B operations and has over 30 years of P&L experience across Europe, APAC, and the Americas as CEO of Tata Communications and Senior Vice President at Asia Netcom. He holds a BS in Electrical and Electronic Engineering.

The team is rounded up with by Dr. Raymond Chan who joined Atma Capital part-time to set up and manage an incubator based in San Diego. A serial entrepreneur and investor, Dr. Chan has built companies like Nightingale and led the Open Innovation Center at Philips. He holds a Ph.D. in Health Sciences & Technology from Harvard and MIT.

New Jersey Investment History:

The proposed investment into JOGO Health Inc will be Atma Capital's first investment in a New Jersey-based business.

Appendix B – Summary of Qualified Business and Eligibility

JOGO Health Inc Business Overview

JOGO Health is a MedTech and digital health company that focuses on developing treatments for patients with chronic pain and neuromuscular disorders. Their innovative approach leverages neuroplasticity through an AI-powered platform to provide non-invasive and drug-free relief for conditions such as chronic back pain, stroke paralysis, migraines, and incontinence.

The company's FDA-cleared solution integrates a wearable EMG biofeedback device with a gamified therapy application. This system is designed to retrain brain pathways to restore muscle function, rather than merely addressing symptoms. This approach targets a significant market, estimated at approximately \$380 billion and expanding, potentially offering an alternative to drug-based or surgical interventions.

The company's business model is built on delivering effective therapy at scale while aligning with existing healthcare workflows. JOGO's core product is a combination of wearable EMG sensors and an AI-driven mobile app that guides patients through therapeutic exercises. This system provides real-time visual feedback of muscle activity, "re-training" neuromuscular pathways to alleviate pain and improve function.

JOGO Health targets a vast and growing market. Chronic pain and neuromuscular disorders affect 1 in 5 people globally, driving a market projected to exceed \$600 billion by 2030. The company generates revenue through multiple channels, including direct-to-patient (B2C) via referrals, B2B "Therapy-as-a-Service" to healthcare systems, and employer and payer partnerships.

JOGO Health has treated over 25,000 patients across more than 50 hospital partnerships, including Mayo Clinic, Mount Sinai and Brigham & Women's, indicating substantial clinical progress for a company at this stage. The company has also initiated commercial pilots with US payors to obtain higher value-based reimbursement and has started pharma pilots and partnerships. Additionally, JOGO Health is actively pursuing self-insured employers as partners, integrating its therapy into corporate wellness or benefits programs.

In addition to leveraging the NJ Innovation Evergreen Fund program, JOGO Health has also applied to the Angel Match and the Technology Business Tax Certificate Transfer (NOL) programs to ensure the company is well capitalized to continue its commercial momentum.

Team

JOGO Health is led by an experienced and execution-driven team with a mix of entrepreneurial success and deep domain expertise.

Co-founder & CEO Sanjai Murali spearheaded the company from inception and navigated it through FDA market authorization. Under his leadership, JOGO achieved regulatory clearance and secured a Breakthrough designation, reflecting his ability to drive innovation through complex healthcare pathways. Sanjai holds a degree in electrical engineering from the Indian Institute of Technology, Madras, a M.S. in Computer Engineering from Florida Atlantic University and a B.E. in Electrical Engineering from Annamalai University.

Co-founder & President Siva Nadarajah has over 23 years of clinical, safety, and post-marketing experience in the pharmaceutical industry. He is a seasoned HealthTech entrepreneur whose previous venture, Semantelli, an AI-based drug safety detection and healthcare social media

analytics platform, was acquired by IQVIA. The exit delivered a 10X return to investors. Siva's track record of scaling and successfully exiting a healthcare venture adds proven value-creation experience to the team. Siva has two US patents.

Chief Scientific Officer Dr. Gary Krasilovsky, PT, PhD, SST, has over 40 years of experience in neuroplasticity research and is guiding clinical strategy, as evidenced by the Mayo tremor study collaboration. Dr. Krasilovsky was an Associate Professor and Department Chair of the Hunter College DPT Program at the City University of New York from 1992 to 2018. He earned his PhD from New York University and worked as a senior physical therapist at the New York University Rusk Institute for Rehabilitation Medicine. He conducted research on EMG biofeedback for post-CVA patients and transcutaneous nerve stimulation for chronic pain. He also trained medical residents on diagnostic EMG. Before joining Hunter College, he served as Chief of Physical Therapy at Norwalk Hospital. At Hunter College, he taught various subjects related to physical therapy and published extensively on neurology-based topics. Dr. Krasilovsky is also certified as a Schroth scoliosis therapist

Sanjai and Siva lead a team of 17 (seventeen) full-time employees and a number of part-time therapists and health practitioners who are employed at JOGO Health as well as at two fully owned subsidiaries: Innovative Physical Therapy and Innovative JOGO Physical Therapy.

Eligibility

NJEDA Staff finds the proposed Qualified Business, JOGO Health, meets all Program Qualified Investment eligibility requirements. As described in Table 1 below, the Bridgewater-based, high-growth, innovative business maintains a place of business and its principal business operations in New Jersey and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, JOGO operates in the Program-targeted Healthcare and Information & High Technology industry and satisfies the Program's high-growth test using historical revenue growth of more than 25% for the trailing 12-month period as of end of 1Q 2025. Finally, the proposed Qualified Investment size of \$2,000,000 is within the concentration limit of aggregate investments into any Qualified Business of 10 percent of the Program's uninvested and invested capital.

Table 1: JOGO Health Eligibility Review

Criteria	Criteria Explanation	Eligibility
NJ Principal Business Operations	Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business's payroll (defined	100% of JOGO's 17 full-time employees work in New Jersey at their office in Bridgewater or across their clinics in NJ.

	as wages) for full-time employees is paid to individuals filling a position in the State.	
NJ Place of Business	Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.	JOGO's corporate headquarters is located at in Bridgewater, New Jersey.
Targeted Industry	Qualified Investments will be restricted to businesses operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models. Qualified Business shall be considered to be in a targeted industry if the business is engaged primarily in a targeted industry.	JOGO Health operates in the Program-targeted life sciences sector.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	JOGO Health maintains 17 full-time employees, as evidenced by their employee payroll and employee log.
High-growth Business	<p>Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.</p> <p>Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections. For these businesses, Qualified Venture Firms may submit their base case projections and businesses may be considered high-growth if the projections</p>	JOGO Health meets the Program's high-growth test through a revenue growth of 104% for the trailing 12-month period ending March 31, 2025.

	demonstrate 25% revenue, customer, or valuation growth in any, one-year period over the subsequent 3-5 years.	
Concentration Limits on Businesses	The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.	The proposed \$2,000,000 Qualified Investment is less than 5% of the Program's uninvested and invested capital.

Note: Table 1 depicts the Program's primary Qualified Business eligibility requirements, however the Program maintains additional technical requirements, such as the requirement to register to do business in the State.

Appendix D – Detailed Program Eligibility and Compliance Requirements

QVF and Investment Requirements at Time of Initial Qualified Investment

QVFs must demonstrate continued compliance with Program initial certification requirements described in this memorandum through the time of approval for a Qualified Investment. The firms are not re-evaluated based on the Program's weighted scoring criteria at the time of application for Qualified Investment. Continued eligibility requirements for Qualified Venture Firms required at the time of application for initial Qualified Investments include, but are not limited to, those described below, which are further defined in the Program regulations.

1) Number of Investors Employed by the Firm: QVFs must continue to employ at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each) at the time of application.

2) Minimum Assets Under Management: QVFs must continue to maintain at least \$10,000,000 in assets under management at the time of application.

3) Limit on Size and Number of Investments: QVFs may only complete up to two qualified investments per calendar year. Applications for investments shall not be less than \$100,000 per Qualified Investment and must be limited to \$5,000,000 per investment. If the proposed Qualified Business is a New Jersey university spin-off, utilizes intellectual property developed at a NJ university that is core to its business model, or is certified by the State as a "minority business" or a "women's business" pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), the businesses may qualify for a Qualified Investment of up to \$6,250,000.

In cases where multiple Qualified Venture Firms apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same Qualified Business up to a \$5,000,000 aggregate initial investment limit, or \$6,250,000 limit for select types of companies, if the investments occur in the same fundraising round.

4) Concentration Limits on Qualified Venture Firms: To mitigate concentration risk, Qualified Venture Firms may only receive aggregate Program capital across investments up to 15 percent of the firm's total assets under management, to be tested at the time of initial and follow-on investment application. If the Program is unable to fulfill a QVF's entire request for investment due to investment size and concentration risk policies or an availability of funds, a QVF may amend the amount requested through its investment application.

5) Initial Investments by a Firm: Any initial Qualified Investment by the Program must represent the Qualified Venture Firm's first investment into the business. This requirement is intended to prevent venture firms from using Program capital to prop-up failing investments.

In instances where the QVF's Active Fund or affiliate has previously provided capital to a Qualified Business through Simple Agreements for Future Equity (SAFEs) or convertible notes, the Program may match the QVF's Active Fund's subsequent investment in the Qualified Business, so long as the investment represents the fund's initial investment in the business for the purchase of shares of stock. The aggregate amount of a QVF Active Fund's initial purchase of shares of stock in the Qualified Business must be greater than, or equal to, the aggregate amount of capital a QVF Active Fund or affiliate has previously provided to the Qualified Business, excluding in-kind services provided.

6) Timing of Investment Application: Qualified Venture Firms must have at least begun negotiations over a draft term sheet with a business before applying for a Qualified Investment. In all cases, an executed stock purchase agreement, which finalizes the terms of the investment between the Qualified Venture Firm and the proposed Qualified Business, must be submitted by the Qualified Venture Firms to close on an approved Qualified Investment. The investments must be part of the same fundraising round and on equal terms.

Qualified Business Requirements at Time of Initial Qualified Investment

Proposed Qualified Businesses must also meet Program eligibility requirements prior to Qualified Venture Firms receiving approval for a Qualified Investment into the business. Eligibility is reviewed by NJEDA Staff from the Venture Programs Department in parallel with the Product Operations Department to ensure objectivity of review. Qualified Business eligibility requirements at the time of application for an initial Qualified Investment include, but are not limited to, those described below.

1) New Jersey Principal Business Operations: Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.

2) New Jersey Place of Business: Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.

3) Targeted Industry: Qualified Investments will be restricted to businesses primarily operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models.

4) Limit on Business Size: Qualified Businesses must employ fewer than 250 full-time employees.

5) High-growth Business: Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.

Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections from the Qualified Venture Firm. For these businesses, QVFs may submit their base case forward-looking projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in anyone-year period over the subsequent 3-5 years.

6) Concentration Limits on Qualified Businesses: The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.

QUALIFIED VENTURE FIRM COMPLIANCE REQUIREMENTS

Qualified Venture Firms must submit an annual report to the Authority demonstrating they remain in compliance with Program requirements. Ongoing compliance requirements include continuing to maintain at least \$10,000,000 in assets under management and two full-time investors employed to direct investment capital with at least five years of professional money management experience. QVFs must also submit documentation demonstrating the firm's efforts to identify New Jersey-based investment opportunities.

Additionally, Qualified Venture Firms that received points through the Program's weighted criteria evaluation model for maintaining robust diversity, equity, and inclusion or New Jersey Incentive Area investment policies must demonstrate best efforts to comply with their policy goals. Firms that fail to do so will be rescored through the weighted criteria evaluation model and risk decertification should their score fall below the minimum acceptable score.

The annual reports will also include important information pertaining to program Qualified Investments, such as audited financial statements of the Evergreen SPV established to execute the Qualified Investment and Qualified Venture Firm Active Fund. Firms that fall out of compliance with program requirements risk decertification.

QUALIFIED BUSINESS COMPLIANCE REQUIREMENTS

Qualified Businesses that receive Qualified Investment capital from the Evergreen Fund must meet ongoing compliance requirements throughout the Qualified Business Compliance Period, which is the period starting with the initial Qualified Investment and ending with the sale or other disposition of all shares of stock of the Qualified Business from the Evergreen SPV, including any distribution of the shares to the NJEDA. If the distribution of the shares of stock from the Evergreen Fund SPV to the NJEDA occurs in less than five years after the Qualified Investment, the Qualified Business Compliance Period shall be five years or such other shorter Qualified Business Compliance Period determined by the NJEDA, which may be based on factors including,

but not limited to, the number of the Qualified Business full-time employees filling a position in New Jersey.

Throughout the Qualified Business Compliance Period, Qualified Businesses that receive a Program Qualified Investment must maintain a place of business and their principal business operations in New Jersey, as described in this memorandum. Compliance will be tested annually, and businesses that fail to meet ongoing requirements will receive a one-year grace period to come back into compliance. If Qualified Businesses fail to continue to meet Program compliance requirements following the conclusion of the one-year grace period, the NJEDA may exercise its right of redemption to require the Qualified Business to redeem the shares purchased with the Qualified Investment and any follow-on investments for an amount equal to the greater of the cost of the Qualified Investment plus follow-on investments or the fair market value of the shares at the time of the redemption demand. If the Qualified Venture Firm or any other investor offers to purchase the shares for the same amount as set forth above, the NJEDA may accept such purchase instead of redemption.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: July 2025 Qualified Investment Approval

SUMMARY

The Members are asked to approve a Qualified Investment presented today under the New Jersey Innovation Evergreen Program (“Program”) for an application submitted by Creative Ventures Management LLC (“Creative Ventures”), a Qualified Venture Firm (“QVF”) to invest into JOGO Health Inc (“JOGO Health” or “JOGO”). The Qualified Investment recommendation is for an investment up to \$1,186,059.50, with additional management fees and expenses reserved as described in this memorandum. The approval will allow Staff to utilize Program funds to execute a Qualified Investment into a Qualified Business alongside Creative Ventures. Additionally, upon approval of this investment, Staff will reserve Program capital for subsequent follow-on investments into the Qualified Business and for management fees and direct administrative expenses required to support the investment, as authorized in Program regulations, and described in this memorandum.

BACKGROUND

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq.*). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq.*), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NJIEF”, or “Evergreen Fund”) and the Program, which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed. As of July 14, 2025, approximately \$19 million of unallocated capital remains available for Program investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a QVF. Applications for QVFs opened on

December 16, 2022, and as of July 14, 2025 21 Qualified Venture Firms have been approved to operate on the platform. Qualified Venture Firm are approved by staff pursuant to an updated delegated authority approved by the Members on April 10, 2024.

Qualified Investment Review Process

To access Program co-investment capital, Qualified Venture Firms may apply for Qualified Investments on a rolling basis. Applications for Qualified Investments opened on May 23, 2023. NJEDA Staff recommendations are presented to the Members for consideration upon completion of eligibility review of the Qualified Business and Qualified Venture Firm associated with the Qualified Investment transaction. Such Qualified Investments in New Jersey-based businesses must receive co-investment from the Qualified Venture Firm that matches or exceeds the Qualified Investment amount. Upon approval for a Qualified Investment and as required by the Program rules, Qualified Venture Firms will establish a special purpose vehicle (“SPV”) to facilitate the Qualified Investment transaction between the Evergreen Fund, the Qualified Venture Firm, and the Qualified Business. As the Evergreen Fund’s investments mature and experience exit events (e.g. a sale or initial public offering), the proceeds from profitable investments will flow back to the Evergreen SPV. Proceeds will be used to make carried interest payments to the Qualified Venture Firm and to transfer remaining capital back to the Evergreen Fund, providing an ongoing stream of funds to support the State’s innovation ecosystem.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Applications must be submitted to the EDA within 90 days of the date of the transaction by the QVF into the high-growth business. Each request for a Qualified Investment may be as much as the Program investment limit of \$5 million, or up to \$6.25 million for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university. In cases where multiple QVFs apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same qualified business up to a \$5,000,000 aggregate initial investment limit, or \$6,250,000 limit for select types of companies, if the investments occur in the same fundraising round.

The recommendation presented to Members for consideration this month represents the Program’s eight Qualified Investment and is for an investment of up to \$1,186,059.50 of Program capital alongside Creative Ventures into the innovative, high-growth company, JOGO Health. Creative Ventures has participated in the extended Preferred Equity A-I fundraising round of JOGO, executing its investment on May 27, 2025 out of a Special Purpose Vehicle, JOGO Health May 2025, a Series of CGF2021 LLC’s. Based upon the projections provided by Creative Ventures, and following approval by the Members, the Program will reserve an additional \$177,900 for management fees and \$240,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are subject to adjust at least annually based upon guidance from Creative Ventures. Creative Ventures is one of two QVFs that have applied to the Program for an investment into JOGO Health and the aggregate initial investment by both QVFs is less than the program-defined limits.

Please refer to **Appendix A** for a summary of Creative Ventures and an overview of the firm's eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of JOGO Health and of the business's eligibility as a Qualified Business. Finally, please refer to **Appendix C** for an overview of the proposed Qualified Investment transaction terms and related reserves for follow-on investments, transaction management fees, and direct administrative expenses.

QUALIFIED INVESTMENT REQUIREMENTS

Qualified Venture Firms may submit applications for Qualified Investments funded by the Program after receiving NJEDA Board approval as a Qualified Venture Firm or in conjunction with an application for certification as a Qualified Venture Firm. While applications for Qualified Investments are submitted by Qualified Venture Firms, the applications contain information about both the Qualified Venture Firm and the proposed Qualified Business seeking capital. Staff conducts reviews of investment applications on a first-come, first-served basis and screen both Qualified Venture Firms and proposed Qualified Businesses as part of the transaction for eligibility.

The Program investment underwriting process is completed by the NJEDA Venture Programs Department in parallel with the Product Operations Department to ensure objectivity and is limited to an eligibility review of the Qualified Investment, Qualified Venture Firm, and proposed Qualified Business. The eligibility review contains various statutory requirements that ensure the financial merit of the proposed investment, such as requiring certain experience and assets under management by the Qualified Venture Firm, as well as requiring an investment by the Qualified Venture Firm's main fund that is at least equal to the amount of the Qualified Investment. The latter ensures that the Qualified Venture Firms share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. However, the Program does not establish any additional review by staff for the financial merits of the proposed investment. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business. For a detailed description of Program eligibility and compliance requirements, see **Appendix D**.

FOLLOW-ON INVESTMENT REQUIREMENTS

The Program authorizes subsequent follow-on investments alongside Qualified Venture Firms into Qualified Businesses after the initial Qualified Investment. The Authority shall have the right, but not the obligation, to make a follow-on investment from the Evergreen Fund into the Qualified Business. Follow-on investments will be made on a pro rata basis with the Qualified Venture Firm's investment at the same ratio, which the Evergreen Fund matched the initial Qualified Investment.

The screening process for follow-on investments requires NJEDA Staff to verify that firms and businesses continue to meet Program requirements, and that the transaction conforms to Program eligibility and concentration limits. Staff will also screen for any clear signs of financial, reputational, or legal risks. As previously approved by the Board of the Authority, follow-on investments may be approved under delegation to the Authority's Chief Executive Officer (with certain exceptions) to best match operational needs and intensity with the expectations of the private market transaction.

Staff will seek Board approval for follow-on investments for certain atypical cases, such as if Qualified Venture Firms have been previously decertified or the Qualified Venture Firm or Qualified Business is not in compliance with Program requirements. Because follow-on investments may present an opportunity for the State to increase its exposure to a valuable investment, the Program regulations permit the Authority to decide whether to approve or decline a follow-on investment if the Qualified Venture Firm is decertified or the Qualified Venture firm or Qualified Business are not in compliance with Program requirements, subject to approval by the Board of the Authority. Examples of scenarios the Authority may deem an investment in the best interest of the State are cases of atypical financial promise, such as ‘unicorn’ investments that are rapidly appreciating in value, or while significant economic development is still anticipated in New Jersey, despite a shortfall in technical compliance.

The maximum follow-on investment from the Fund into a qualified business shall not exceed the lesser of i. \$5,000,000 (or up to \$6,250,000 if so approved) on an aggregate basis of follow-on investments in a twelve-month period; ii. a business concentration limit of 10 percent of invested plus uninvested capital of the Evergreen Fund; and iii. a Qualified Venture Firm concentration limit of 15 percent of the total invested with the Qualified Venture Firm by all its investors, including investments in any Evergreen special purpose vehicles (total assets under management).

RECOMMENDATION:

Based on the evaluation conducted by Authority staff, according to the criteria established by the Act, and clarified through Program regulations and the April 2022 Program Board memorandum, approval for an amount up to a \$1,186,059.50 initial Qualified Investment alongside Creative Ventures into the innovative, high-growth New Jersey-based company JOGO Health is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional \$177,900 and for expected associated direct administrative expenses of up to an additional \$240,000.



Tim Sullivan, CEO

Prepared by:

Kremena Mironova – Senior Product Officer, Venture Products

Alexander Pachman – Manager, Venture Products

Attachments:

Appendix A – Summary of Qualified Venture Firm and Eligibility

Appendix B – Summary of Qualified Business and Eligibility

Appendix C – Confidential Summary of Transaction Details

Appendix D – Detailed Program Eligibility and Compliance Requirements

Appendix A – Summary of Qualified Venture Firm and Eligibility

Overview:

Creative Ventures is a minority-owned, California-based early-stage Deep Technology (“Deep Tech”) venture capital firm. The firm invests in early-stage companies addressing one of three global secular trends: 1) labor shortages, 2) rising healthcare costs, and 3) climate change. The firm’s experienced investment team members have technical backgrounds and relevant operating experience, with several senior investment team members founding startups in the firm’s target sectors. Creative Ventures was founded in 2015 and maintains \$61.6M in assets under management across its first and second funds. The firm is currently fundraising for a third fund, with a target fund size of \$250M.

Strategy:

Creative Ventures invests in early-stage Deep Tech companies that enable the firm to leverage its investment team’s technical backgrounds to garner market insights. The firm’s team represents over 40 years of investment experience and have earned masters and PhD degrees in artificial intelligence, materials science, and synthetic biology. The firm invests throughout the life cycle of portfolio companies, beginning with companies’ Seed rounds and investing through their pre-initial public offering rounds of financing. The firm believes that diverse problems require diverse solutions, and 43% of current portfolio companies are led by underrepresented founders, with 33% of portfolio companies founded by female founders.

Creative Ventures invests in companies primarily based in North America addressing secular trends in the industrial, healthcare, agrifood, and energy sectors. Roughly 50% of the firm’s investment capital is expected to be deployed into \$3-5M initial checks in Series Seed through A rounds, with the balance of the fund deployed into follow-on rounds.

Investment and Management Team:

Creative Ventures is led by an experienced management team with technical backgrounds, which includes General Partners, James Wang and Kulika Weizman. The firm’s General Partners are joined by a larger team of additional investment and operating professionals who identify investments and add value to portfolio companies.

Mr. Wang has served as a General Partner of Creative Ventures since joining the firm in 2016 and leads the firm’s investment thesis development, where he oversees the firm’s investment research effort. He leads the firm’s healthcare and software-related technologies practices, which include artificial intelligence and quantum computing. Prior to joining Creative Ventures, Mr. Wang worked as a Product Marketing Manager at Google and co-founded SmartBod, a women’s health startup. Mr. Wang also worked as an investor at Bridgewater Associates, a hedge fund with over

\$150B in assets under management. Mr. Wang earned a Masters of Science in Computer Science, specializing in machine learning and artificial intelligence from the Gorgia Institute of Technology.

Dr. Kulika Weizman is a General Partner at Creative Ventures. She is responsible for investment thesis development, deal sourcing and diligence, and portfolio support. In 2018, Kulika joined Creative Ventures as a Senior Associate. Within three years, Dr. Weizman advanced to principal and continued her upward trajectory, achieving the position of General Partner in 2023. Prior to joining Creative Ventures, Dr. Weizman co-founded and served as the CEO of a synthetic biology company, spun off from her Ph.D. work between 2016 and 2018. Dr. Weizman earned a Ph.D. in Microbiology from the University of California, Berkeley in 2016, a B.S. in Economics from the Wharton School in 2007, and a B.S. in Chemical and Biomolecular engineering from the University of Pennsylvania in 2007.

New Jersey Investment History

The proposed investment in JOGO Health will be Creative Ventures' first commitment to a NJ-based business.

Appendix B – Summary of Qualified Business and Eligibility

JOGO Health Inc Business Overview

JOGO Health is a MedTech and digital health company that focuses on developing treatments for chronic pain and neuromuscular disorders. Their innovative approach leverages neuroplasticity through an AI-powered platform to provide non-invasive and drug-free relief for conditions such as chronic back pain, stroke paralysis, migraines, and incontinence.

The company's FDA-cleared solution integrates a wearable EMG biofeedback device with a gamified therapy application. This system is designed to retrain brain pathways to restore muscle function, rather than merely addressing symptoms. This approach targets a significant market, estimated at approximately \$380 billion and expanding, potentially offering an alternative to drug-based or surgical interventions.

The company's business model is built on delivering effective therapy at scale while aligning with existing healthcare workflows. JOGO's core product is a combination of wearable EMG sensors and an AI-driven mobile app that guides patients through therapeutic exercises. This system provides real-time visual feedback of muscle activity, "re-training" neuromuscular pathways to alleviate pain and improve function.

JOGO Health targets a vast and growing market. Chronic pain and neuromuscular disorders affect 1 in 5 people globally, driving a market projected to exceed \$600 billion by 2030. The company generates revenue through multiple channels, including direct-to-patient (B2C) via referrals, B2B "Therapy-as-a-Service" to healthcare systems, and employer and payer partnerships.

JOGO Health has treated over 25,000 patients across more than 50 hospital partnerships, including Mayo Clinic, Mount Sinai and Brigham & Women's, indicating substantial clinical progress for a company at this stage. The company has also initiated commercial pilots with US payers to obtain higher value-based reimbursement and has started pharma pilots and partnerships. Additionally, JOGO Health is actively pursuing self-insured employers as partners, integrating its therapy into corporate wellness or benefits programs.

In addition to leveraging the NJ Innovation Evergreen Fund program, JOGO Health has also applied to the Angel Match and the Technology Business Tax Certificate Transfer (NOL) programs to ensure its commercial momentum is well capitalized.

Team

JOGO Health is led by an experienced and execution-driven team with a mix of entrepreneurial success and deep domain expertise.

Co-founder & CEO Sanjai Murali spearheaded the company from inception and navigated it through FDA market authorization. Under his leadership, JOGO achieved regulatory clearance and secured a Breakthrough designation, reflecting his ability to drive innovation through complex healthcare pathways. Sanjai holds a degree in electrical engineering from the Indian Institute of Technology, Madras, a M.S. in Computer Engineering from Florida Atlantic University and a B.E. in Electrical Engineering from Annamalai University.

Co-founder & President Siva Nadarajah has over 23 years of clinical, safety, and post marketing experience in the pharmaceutical industry. He is a seasoned HealthTech entrepreneur whose previous venture, Semantelli, an AI-based drug safety detection and healthcare social media

analytics platform, was acquired by IQVIA. The exit delivered a 10X return to investors. Siva’s track record of scaling and successfully exiting a healthcare venture adds proven value-creation experience to the team. Siva has two US patents.

Chief Scientific Officer Dr. Gary Krasilovsky, PT, PhD, SST, has over 40 years of experience in neuroplasticity research and is guiding clinical strategy, as evidenced by the Mayo tremor study collaboration. Dr. Krasilovsky was an Associate Professor and Department Chair of the Hunter College DPT Program at the City University of New York from 1992 to 2018. He earned his PhD from New York University and worked as a senior physical therapist at the New York University Rusk Institute for Rehabilitation Medicine. He conducted research on EMG biofeedback for post-CVA patients and transcutaneous nerve stimulation for chronic pain. He also trained medical residents on diagnostic EMG. Before joining Hunter College, he served as Chief of Physical Therapy at Norwalk Hospital. At Hunter College, he taught various subjects related to physical therapy and published extensively on neurology-based topics. Dr. Krasilovsky is also certified as a Schroth scoliosis therapist

Sanjai and Siva lead a team of 17 (seventeen) full-time employees and a number of part-time therapists and health practitioners who are employed at JOGO Health as well as at two fully owned subsidiaries: Innovative Physical Therapy and Innovative JOGO Physical Therapy.

Eligibility

NJEDA Staff finds the proposed Qualified Business, JOGO Health, meets all Program Qualified Investment eligibility requirements. As described in Table 1 below, the Bridgewater-based, high-growth, innovative business maintains a place of business and its principal business operations in New Jersey and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, JOGO operates in the Program-targeted Healthcare and Information & High Technology industry and satisfies the Program’s high-growth test using historical revenue growth of more than 25% for the trailing 12-month period as of end of 1Q 2025. Finally, the proposed Qualified Investment size of \$1,186,059.50 is within the concentration limit of aggregate investments into any Qualified Business of 10 percent of the Program’s uninvested and invested capital.

Table 1: JOGO Health Eligibility Review

Criteria	Criteria Explanation	Eligibility
NJ Principal Business Operations	Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business’s payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business’s payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.	100% of JOGO’s 17 full-time employees work in New Jersey at their office in Bridgewater or across their clinics in NJ.

NJ Place of Business	Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.	JOGO's corporate headquarters is located at in Bridgewater, New Jersey.
Targeted Industry	Qualified Investments will be restricted to businesses operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models. Qualified Business shall be considered to be in a targeted industry if the business is engaged primarily in a targeted industry.	JOGO Health operates in the Program-targeted life sciences sector.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	JOGO Health maintains seventeen full-time employees, as evidenced by their employee payroll and employee log.
High-growth Business	<p>Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.</p> <p>Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections. For these businesses, Qualified Venture Firms may submit their base case projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation</p>	JOGO Health meets the Program's high-growth test through a revenue growth of 104% for the trailing 12-month period ending March 31, 2025.

	growth in any, one-year period over the subsequent 3-5 years.	
Concentration Limits on Businesses	The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.	The proposed \$1,186,059.50 Qualified Investment is less than 4% of the Program's uninvested and invested capital.

Note: Table 1 depicts the Program's primary Qualified Business eligibility requirements, however the Program maintains additional technical requirements, such as the requirement to register to do business in the State.

Appendix D – Detailed Program Eligibility and Compliance Requirements

QVF and Investment Requirements at Time of Initial Qualified Investment

QVFs must demonstrate continued compliance with Program initial certification requirements described in this memorandum through the time of approval for a Qualified Investment. The firms are not re-evaluated based on the Program's weighted scoring criteria at the time of application for Qualified Investment. Continued eligibility requirements for Qualified Venture Firms required at the time of application for initial Qualified Investments include, but are not limited to, those described below, which are further defined in the Program regulations.

- 1) Number of Investors Employed by the Firm: QVFs must continue to employ at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each) at the time of application.
- 2) Minimum Assets Under Management: QVFs must continue to maintain at least \$10,000,000 in assets under management at the time of application.
- 3) Limit on Size and Number of Investments: QVFs may only complete up to two qualified investments per calendar year. Applications for investments shall not be less than \$100,000 per Qualified Investment and must be limited to \$5,000,000 per investment. If the proposed Qualified Business is a New Jersey university spin-off, utilizes intellectual property developed at a NJ university that is core to its business model, or is certified by the State as a "minority business" or a "women's business" pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), the businesses may qualify for a Qualified Investment of up to \$6,250,000.

In cases where multiple Qualified Venture Firms apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same Qualified Business up to a \$5,000,000 aggregate initial investment limit, or \$6,250,000 limit for select types of companies, if the investments occur in the same fundraising round.

- 4) Concentration Limits on Qualified Venture Firms: To mitigate concentration risk, Qualified Venture Firms may only receive aggregate Program capital across investments up to 15 percent of the firm's total assets under management, to be tested at the time of initial and follow-on investment application. If the Program is unable to fulfill a QVF's entire request for investment due to investment size and concentration risk policies or an availability of funds, a QVF may amend the amount requested through its investment application.
- 5) Initial Investments by a Firm: Any initial Qualified Investment by the Program must represent the Qualified Venture Firm's first investment into the business. This requirement is intended to prevent venture firms from using Program capital to prop-up failing investments.

In instances where the QVF's Active Fund or affiliate has previously provided capital to a Qualified Business through Simple Agreements for Future Equity (SAFEs) or convertible

notes, the Program may match the QVF's Active Fund's subsequent investment in the Qualified Business, so long as the investment represents the fund's initial investment in the business for the purchase of shares of stock. The aggregate amount of a QVF Active Fund's initial purchase of shares of stock in the Qualified Business must be greater than, or equal to, the aggregate amount of capital a QVF Active Fund or affiliate has previously provided to the Qualified Business, excluding in-kind services provided.

6) Timing of Investment Application: Qualified Venture Firms must have at least begun negotiations over a draft term sheet with a business before applying for a Qualified Investment. In all cases, an executed stock purchase agreement, which finalizes the terms of the investment between the Qualified Venture Firm and the proposed Qualified Business, must be submitted by the Qualified Venture Firms to close on an approved Qualified Investment. The investments must be part of the same fundraising round and on equal terms.

Qualified Business Requirements at Time of Initial Qualified Investment

Proposed Qualified Businesses must also meet Program eligibility requirements prior to Qualified Venture Firms receiving approval for a Qualified Investment into the business. Eligibility is reviewed by NJEDA Staff from the Venture Programs Department in parallel with the Product Operations Department to ensure objectivity of review. Qualified Business eligibility requirements at the time of application for an initial Qualified Investment include, but are not limited to, those described below.

1) New Jersey Principal Business Operations: Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.

2) New Jersey Place of Business: Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.

3) Targeted Industry: Qualified Investments will be restricted to businesses primarily operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models.

4) Limit on Business Size: Qualified Businesses must employ fewer than 250 full-time employees.

5) High-growth Business: Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or

customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.

Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections from the Qualified Venture Firm. For these businesses, QVFs may submit their base case forward-looking projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in anyone-year period over the subsequent 3-5 years.

6) Concentration Limits on Qualified Businesses: The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.

QUALIFIED VENTURE FIRM COMPLIANCE REQUIREMENTS

Qualified Venture Firms must submit an annual report to the Authority demonstrating they remain in compliance with Program requirements. Ongoing compliance requirements include continuing to maintain at least \$10,000,000 in assets under management and two full-time investors employed to direct investment capital with at least five years of professional money management experience. QVFs must also submit documentation demonstrating the firm's efforts to identify New Jersey-based investment opportunities.

Additionally, Qualified Venture Firms that received points through the Program's weighted criteria evaluation model for maintaining robust diversity, equity, and inclusion or New Jersey Incentive Area investment policies must demonstrate best efforts to comply with their policy goals. Firms that fail to do so will be rescored through the weighted criteria evaluation model and risk decertification should their score fall below the minimum acceptable score.

The annual reports will also include important information pertaining to program Qualified Investments, such as audited financial statements of the Evergreen SPV established to execute the Qualified Investment and Qualified Venture Firm Active Fund. Firms that fall out of compliance with program requirements risk decertification.

QUALIFIED BUSINESS COMPLIANCE REQUIREMENTS

Qualified Businesses that receive Qualified Investment capital from the Evergreen Fund must meet ongoing compliance requirements throughout the Qualified Business Compliance Period, which is the period starting with the initial Qualified Investment and ending with the sale or other disposition of all shares of stock of the Qualified Business from the Evergreen SPV, including any distribution of the shares to the NJEDA. If the distribution of the shares of stock from the Evergreen Fund SPV to the NJEDA occurs in less than five years after the Qualified Investment, the Qualified Business Compliance Period shall be five years or such other shorter Qualified Business Compliance Period determined by the NJEDA, which may be based on factors including, but not limited to, the number of the Qualified Business full-time employees filling a position in New Jersey.

Throughout the Qualified Business Compliance Period, Qualified Businesses that receive a Program Qualified Investment must maintain a place of business and their principal business operations in New Jersey, as described in this memorandum. Compliance will be tested annually, and businesses that fail to meet ongoing requirements will receive a one-year grace period to come back into compliance. If Qualified Businesses fail to continue to meet Program compliance requirements following the conclusion of the one-year grace period, the NJEDA may exercise its right of redemption to require the Qualified Business to redeem the shares purchased with the Qualified Investment and any follow-on investments for an amount equal to the greater of the cost of the Qualified Investment plus follow-on investments or the fair market value of the shares at the time of the redemption demand. If the Qualified Venture Firm or any other investor offers to purchase the shares for the same amount as set forth above, the NJEDA may accept such purchase instead of redemption.



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: July 23, 2025
Subject: Strategic Innovation Center Investment in the NJ Coriell Labs
Innovation Center, LLC

Summary:

Members of the Board are requested to approve:

- A Strategic Innovation Center investment of up to \$20 million in a newly formed two-member New Jersey limited liability company, NJ Coriell Labs Innovation Center, LLC (“Innovation Center”), in partnership with Coriell Institute for Medical Research (“Coriell”) that will enter into a real estate lease for a minimum of 45,000 square feet of fully equipped and fitted-out co-working laboratory and office space at the to be constructed Lewis L. Coriell, Medical Research Center in Camden, New Jersey.
- Authorization to the CEO of the New Jersey Economic Development Authority (“Authority” or “NJEDA”) to execute all documents required, including the Operating Agreement attached as Appendix A to this memo in substantially final form.
- The Members are also asked to approve a 4.5% administrative fee to NJEDA for administrative costs plus associated Authority legal costs allowed through the Economic Recovery Fund (“ERF”) statute.

Background:

Strategic Innovation Centers:

In July 2021, the Board of the New Jersey Economic Development Authority approved policies for utilizing the Economic Recovery Fund (ERF), created by P.L. 1992, c. 16, to undertake development of or to invest in strategic innovation centers to accelerate economic recovery and drive the long-term growth of the State’s innovation economy. Strategic Innovation Centers are defined as facilities that either, directly support research and development (R&D), innovation, or entrepreneurship, or are aimed at solving specific problems in new and innovative ways through a combination of services such as mentorship, networking opportunities, hands-on training, business support services, education opportunities, and/or access to testing, fabrication, or manufacturing facilities and equipment.

The policy approval included the use of fifty-five million (\$55,000,000) appropriated to the NJEDA’s ERF for the purpose of developing Strategic Innovation Centers in accordance with the policies. The 2023, 2024 and 2025 State appropriations acts allocated an additional seventy million (\$70,000,000), seventy-five million (\$75,000,000), and fifty

million (\$50,000,000) respectively. In March 2025, EDA, with approval from the Joint Budget Oversight Committee (JBOC), reallocated seven million eight hundred fifteen thousand dollars (\$7,815,000) from the closeout of the Edison Loan Program to the Strategic Innovation Center initiative, bringing the total amount to two-hundred fifty million eight hundred fifteen thousand dollars (\$257,815,000) available for Strategic Innovation Center (SIC) investments. NJEDA's policy anticipates capturing a 4.5% administrative fee at approval of each project, in accordance with Board approved program policy. Additionally, the ERF statute authorizes the use of ERF funding for the costs of a project, including legal expenses (including special counsel retained by the Attorney General's Office). Inclusive of the commitments itemized below and associated administrative fee there remains available \$110,965,000 of unallocated SIC funds before approval of the NJ Coriell Labs Innovation Center.

To date, the Members have approved the following use of SIC funding:

- Investment in HAX, LLC (approved October 13, 2021): \$25,000,000
- Investment in Helix (DevCo) (approved December 8, 2021): \$10,000,000
- Allocation to Maternal and Infant Health Innovation Center (approved May 8, 2024): \$3,000,000
- Investment in NJ FAST powered by Plug and Play (approved July 17, 2024): \$17,100,000
- Investment in Atlantic County NJ Aerospace LLC (approved December 19, 2024): \$8,600,000
- Allocation to Maternal and Infant Health Innovation Center (approved February 24, 2025): \$7,000,000
- Investment in NJ AI Hub LLC (approved April 9, 2025): \$15,000,000
- Investment in NJII Venture Studio (approved April 9, 2025): \$5,800,000
- Investment in NJ Bell Labs Venture Studio (approved May 13, 2025): \$15,000,000
- Investment in NJ Nokia Innovation Center (approved May 13, 2025): \$10,000,000

The approved policies for Strategic Innovation Center projects consider how NJEDA staff will:

1. Address opportunities for the Authority to take a lead role in developing Strategic Innovation Centers such as building and/or overseeing the operations of the Strategic Innovation Center or collaborating with another party through an early investment that serves as a catalyst for the project.
2. Consider unsolicited proposals or investment opportunities for Strategic Innovation Center projects in the State. In all cases, funding is limited to twenty-five million (\$25,000,000) for any single project with a requirement for matching private capital, and the project must align with the ERF targeted industries¹ or demonstrate that it will meaningfully support increasing diversity and inclusion within the State's entrepreneurial economy. Additionally, all

¹ "Targeted industry" means any industry identified from time to time by the Authority which shall initially include advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-retail food and beverage businesses including food innovation, and other innovative industries that disrupt current technologies or business models.

Strategic Innovation Center projects using ERF funds under these policies must be approved by the Board.

Following evaluation (Confidential Appendix C), EDA staff has determined the project, herein, the NJ Coriell Labs Innovation Center LLC, meets the outlined policy requirements for a SIC investment given that it directly supports R&D, innovation and entrepreneurship for start-up companies in the Life Science industry.

Background on NJ Coriell Labs Innovation Center, LLC

Coriell Institute for Medical Research, a New Jersey limited liability company, submitted a proposal for a Strategic Innovation Center investment to the NJEDA in July 2024, for the NJ Coriell Labs Innovation Center, LLC. In February 2025, Coriell and the NJEDA announced a non-binding letter of intent to establish the Innovation Center.

Virologist, Dr. Lewis L. Coriell, founded the Coriell Institute for Medical Research (Coriell) in 1953 as the South Jersey Medical Research Foundation, later renamed in honor of his contributions to biomedical science and the Camden community. Following this legacy, today, Coriell is home to some of the most famous biobanking collections representing human disease and population diversity in the world. In addition to the biobanks, the facilities house laboratories dedicated to many programs, including genetics and epigenetics, cancer research, personalized medicine, cell biology, cytogenetics, and induced pluripotent stem cell science.

Coriell is in process to build and outfit a new medical research campus in Camden, New Jersey, close to its current location that will serve as its new headquarters, the Lewis L. Coriell Medical Research Center, and the location for the Innovation Center. This new bioscience hub will promote scientific and biomedical innovation in the South Jersey region. Coriell is uniquely positioned as a partner in this initiative following from decades-long experience setting up and operating laboratories and providing high-quality, expert laboratory and biobanking services to sponsors and clients, including at the NIH. Successfully accelerating innovation requires partnerships with universities, industrial enterprises, and venture capital to build an advanced translational medicine life science ecosystem that enables rapid growth. The NJ Coriell Labs Innovation Center will provide that environment. It is proposed that Coriell and NJEDA form a 50/50 real estate venture to serve as a Strategic Innovation Center to provide approximately 45,000 square feet of a turnkey co-working and incubation facility within the Lewis L. Coriell Medical Research Center in Camden, NJ. A new biomedical research facility and incubator space in Southern New Jersey, as proposed by the establishment of the Innovation Center, offers many benefits to the city of Camden, the State of NJ and will serve as a regional draw of early-stage companies in the life sciences space.

After review of the SIC proposal, Staff's recommendation is to provide financial support in the form of an equity investment into the Innovation Center pursuant to the Strategic Innovation Center policy, as the project aligns with the objectives of the Strategic Innovation Centers initiative (Confidential Appendix C).

Strategy

The Company is relocating its headquarters from 403 Haddon Avenue in Camden, New Jersey, to a new state-of-the-art facility at 1301 Walnut Street in Camden. The new medical research campus is strategically located next to major highways (I-95, I-676, and Route-30) and a few minutes away from downtown Philadelphia. Construction is expected to take

20 months from ground-breaking with an anticipated opening at the end of 2027. This strategic location, adjacent to the Subaru and Campbell Soup North American headquarters, will help attract researchers from NJ, Delaware, and PA and companies looking for incubator space predominantly from the overextended Philadelphia incubator market.

Coriell has acquired 4.6 acres of land in Camden, New Jersey. The campus will be able to accommodate at least two four-story buildings with a central courtyard. With site preparation complete, Coriell plans to break ground for the first building (provisionally named Lewis L. Coriell Medical Research Center - 92,500 sq ft) in the fall of 2025. Coriell's new state-of-the-art first building, Phase 1 of a planned multi-phase development on the campus, will be four floors. Coriell will occupy the first floor of the building for their new headquarters. The 3rd and 4th floors will house the Innovation Center with a proposed incubator and vivarium spaces that will be occupied by other biotech companies in a shared or co-working arrangement. The second floor is planned to be kept aside for a Phase 2 expansion unrelated to the Innovation Center.

There is a shortage of known life science incubator spaces available for lease in the South Jersey area. Most local biotech companies in need of lab and office space, or companies wanting branches in this region, rely on Philadelphia for their current needs. Available vacancies for such spaces are minimal, and there is significant demand from interested parties seeking space. This bioscience hub with incubator space and expansion labs will attract new biotech companies to Camden, creating jobs, driving economic growth, and advancing scientific innovation and research in Southern New Jersey. The Innovation Center is expected to generate 160 new high-paying research jobs in Camden. It will feature state-of-the-art lab equipment, office and support spaces, and access to dedicated scientific cores, as well as a vivarium. Additional amenities include group meeting spaces, conference/break rooms, and community areas. Much of the lab and office space will be built as a modular and expandable area, allowing tenants to acquire more space as they grow. Coriell anticipates that the incubator space will become operational as soon as the building is suitable for occupancy.

The Innovation Center will serve as a hub for scientific innovation, collaboration, knowledge exchange, and supporting research and discovery. Researchers and professionals from diverse backgrounds will share insights and expertise, leading to an enhanced understanding of biology and disease and enabling drug discovery, therapeutics, and translational medicine. This environment will cultivate a sense of camaraderie and inspiration that will drive researchers to push the boundaries of biomedical research, improve understanding of disease, identify new treatments, and ultimately advance patient care. Additionally, Coriell and this facility will provide opportunities for educational outreach and engagement with up-and-coming young scientists, giving meaningfully back to the local community and state.

Community Engagement and Economic Development

The Lewis L. Coriell Medical Research Center will serve as a hub for engaging with the broader New Jersey scientific, business, and academic communities. From Camden, Coriell will build on its existing partnerships and forge new ones. Engagement will not be limited to established companies and institutions; Coriell plans to use these new facilities to support the launch of new ventures in New Jersey.

Coriell will build on its existing partnerships and forge new ones. Coriell will plan to utilize the new facilities as fertile ground to host entrepreneurs, students and industry colleagues and see the acceleration and incubation of new homegrown ventures in New Jersey. Coriell has committed to undertake community engagement efforts, as will further be drawn out in the Operator service agreement, and provide specific reporting with regard to those efforts and tracking of demographic data of the tenants.

The Innovation Center will work with NJEDA to secure the full menu of services available from NJEDA including angel tax credits and the Evergreen Fund match to supercharge portfolio companies. Coriell and the Operator will coordinate with NJEDA to support community engagement, including participation at NJ Founders & Funders, office hours, sharing reporting/qualitative insights to enhance efforts. Community engagement efforts are documented in the operating agreement (Appendix A).

Coriell agrees in the operating agreement to coordinate with NJEDA to support community engagement, including participation at office hours, sharing reporting/qualitative insights to enhance efforts. The Authority will receive periodic reporting from the JV, including quarterly financial statements and annual audited financial statements.

Structure

As outlined in the Operating Agreement, the proposed ownership for the Innovation Center is a limited liability company with two members: the Authority and Coriell, each owning 50% of the Innovation Center. As permitted by the Innovation Center Build to Suit Lease (Confidential Appendix B), the Innovation Center will develop and pay for the right to utilize up to 46,000 square feet of the Lewis L. Coriell Center for Medical Research for shared laboratory and office spaces for innovative businesses to conduct R&D and commercialize translational medicine within co-working lab and office spaces, with access to a vivarium, spaces for conferences, lectures, classes, product launches, and other special purposes, which will promote the creation and growth of technology enterprises in the central and southern New Jersey regions and the Camden community. Coriell shall contribute \$21,000,000 towards construction and operations of the Innovation Center in addition to a financing package of \$44,000,000 for building construction. NJEDA will invest up to \$20,000,000 as presented to fund the fit-out and operations of the Innovation Center based on a predetermined investment schedule, funded through milestones, as drawn out in the operating agreement.

Rents received by the Innovation Center from the co-research partners, seed stage companies or other occupants will be distributed on a quarterly basis, first to NJEDA as a priority distribution until NJEDA receives, a 3% return on the NJEDA investment contributed at such time, which will accrue during the Innovation Center Lease Term as a first-priority distribution. Thereafter, Nokia will be entitled to a 3% catch-up on its investment, if available, but otherwise accruing during the Innovation Center Lease Term. All distributable income from operations, income and gain from any disposition, and each item of income, deduction or credit of the Innovation Center SIC will be allocated in proportion to each party on a 50/50 basis. NJEDA, will not share in any operating losses of the Innovation Center.

Coriell will serve as the Managing Member of the JV as drawn out in the operating agreement. The Board of Managers will comprise representatives from the Authority, Coriell, plus an additional independent member to be named. This board will have the

authority to approve major decisions such as admitting new members, issuing debt, selling or transferring the project, and executing mergers, consolidations, and liquidations.

The Innovation Center will seek to contract with an Operator through a service agreement, following identification of the Operator. The Operator shall be selected by the Managing Member and approved by the NJEDA. The Operator will provide services with respect to marketing and management of the Innovation Center including screening tenants, reporting, leasing and rent collection, inspections, communication, programming and ecosystem engagement.

Recommendation:

- A Strategic Innovation Center investment of up to \$20 million in a newly formed two-member New Jersey limited liability company, NJ Coriell Labs Innovation Center, LLC (“Innovation Center”), in partnership with Coriell Institute for Medical Research (“Coriell”) that will enter into a real estate lease for a minimum of 45,000 square feet of fully equipped and fitted-out co-working laboratory and office space at the newly constructed Lewis L. Coriell, Medical Research Center (“LMR”) in Camden, New Jersey.
- Authorization to the CEO of the New Jersey Economic Development Authority (“Authority” or “NJEDA”) to execute all documents required, including the Operating Agreement attached as Appendix A to this memo in substantially final form.
- The Members are also asked to approve a 4.5% administrative fee to NJEDA for administrative costs plus associated Authority legal costs as allowed through the Economic Recovery Fund (“ERF”) statute.



Tim Sullivan, CEO

Prepared by:

Ram Akella – EVP, Innovation Impact

Tim Rollender – Senior Advisor, Strategic Innovation Initiatives

Attachment:

Appendix A – NJ Coriell Labs Innovation Center LLC Operating Agreement

Appendix B – **CONFIDENTIAL** Innovation Center Build to Suit Lease

Appendix C – **CONFIDENTIAL** Strategic Innovation Center Documentation, Eligibility and Evaluation Checklist

APPENDIX A – NJ Coriell Labs Innovation Center Operating Agreement

OPERATING AGREEMENT

of

NJ CORIELL LABS INNOVATION CENTER LLC

Membership Interests in the Company have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or the state securities laws of any state. Without such registration, Membership Interests may not be sold, pledged, hypothecated, or otherwise transferred by a Member at any time whatsoever except upon delivery to the Company of either an opinion of counsel satisfactory to the Company that registration is not required for such transfer or the submission to the Company of such other evidence as may be reasonably satisfactory to the Company to the effect that any such Transfer will not violate the Securities Act of 1933, as amended, and/or applicable state securities laws, and/or any rule or regulation promulgated thereunder. In addition, any sale or other Transfer of Membership Interests is subject to certain restrictions that are set forth in this Agreement.

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- Exhibit A – List of Members, Initial Membership Interests and Capital Contributions
- Exhibit A-1 – Capital Commitments
- Exhibit A-2 – NJEDA Investment Milestones
- Exhibit B – Reporting to NJEDA
- Exhibit C – Insurance

**OPERATING AGREEMENT
OF
NJ CORIELL LABS INNOVATION CENTER LLC**

This Operating Agreement (this “**Agreement**”) of NJ Coriell Labs Innovation Center LLC, a New Jersey limited liability company (the “**Company**”), dated as of _____, 2025 (the “**Effective Date**”) is made and entered into by and among Coriell Institute for Medical Research, a New Jersey limited liability company, having an address at 403 Haddon Avenue, Camden, New Jersey 08103 (the “**Managing Member**” or “**Coriell**”) and New Jersey Economic Development Authority, a body corporate and politic of the State of New Jersey (“**NJEDA**”), having an address at 36 West State Street, Trenton, New Jersey 08625. The Managing Member and NJEDA are collectively referred to as the “**Members**” and each individually as a “**Member**.”

RECITALS

WHEREAS, the Company has been formed to operate an innovation hub focused on life sciences at a biomedical sciences campus to be constructed by Managing Manager located at 1301 Walnut Street, Camden, New Jersey, which innovation hub (the “**Innovation Center**”) shall be comprised of 2 floors within the building constituting approximately 45,306 square feet, of which approximately 13,149 square feet shall be common and auxiliary space, 17,845 square feet shall be wet labs fitted for a co-working laboratory, 9,152 square feet shall be office spaces and 3,238 square feet shall be a vivarium (the “**Building**”); and

WHEREAS, the Company shall lease the Innovation Center from the Managing Member pursuant to the Lease between the Managing Member and Company, which shall have an initial term of no less than fifteen (15) years; and

WHEREAS, the Members are entering in this Agreement to provide for their relative rights and obligations as Members of the Company.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE I
THE COMPANY**

Section 1.01 Formation of the Company. The Company was formed pursuant to and in accordance with the provisions of the New Jersey Revised Uniform Limited Liability Company Act, N.J.S.A. 42:2C-1 *et. seq.*, as the same may be amended from time to time (hereinafter “the **Act**”) by the filing of a certificate of formation (the “**Certificate of Formation**”) with the Department of the Treasury, Division of Revenue and Enterprise Services (“**DORES**”) on [DATE]. The rights, powers, duties, obligations, and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations, and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

Section 1.02 Name of the Company. The name of the Company is NJ CORIELL LABS INNOVATION CENTER LLC, and the business of the Company shall be conducted under that name or such other name as the Managing Member may from time to time deem appropriate.

Section 1.03 Purpose of the Company. The Company shall engage in any lawful activity for which limited liability companies may be organized under the Act and to engage in any and all necessary or incidental activities, for the protection and benefit of the Company, including, without limitation, to enter into the Lease, to operate the Innovation Center, and to directly acquire, purchase, own, hold, manage, develop, operate, improve, rent, lease, fund, finance, encumber, sell, transfer, exchange, dispose of, invest in or otherwise deal with the Innovation Center and any other Company assets and any direct or indirect interest therein.

Section 1.04 Powers of the Company. The Company shall have all the powers and rights necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Act and this Agreement.

Section 1.05 Principal Place of Business. The principal place of business of the Company shall be at 1301 Walnut Street, Camden, New Jersey. The Company may locate its principal place of business at any other place or places, within the State of New Jersey as shall be designated, from time to time, by the Managing Member.

Section 1.06 Registered Office; Registered Agent.

(a) The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the Managing Member may designate from time to time in the manner provided by the Act, this Agreement and applicable law.

(b) The registered agent for service of process on the Company in the State of New Jersey shall be the initial registered agent named in the Certificate of Formation or such other Person as the Managing Member may designate from time to time in the manner provided by the Act, this Agreement and applicable law.

(c) In the event of a change in the registered office or agent of the Company, the Managing Member shall promptly file a statement of change with DORES in the manner provided by the Act.

Section 1.07 Term. The term of the Company shall be concurrent with the term of the Lease and shall initially be no less than fifteen (15) years, subject to extension as permitted under the terms of the Lease, unless the Company is dissolved, wound up or terminated sooner pursuant to this Agreement or the Act. In addition, the term of the Company may be extended to allow for the payment in full of the each of NJEDA Member's and the Managing Member's Preferred Distribution.

Section 1.08 Exclusive Activities of the Company. Except as otherwise provided in this Agreement, the Company shall not engage in any other activity or business other than the purpose specified under Section 1.03, and no Member shall have any authority to hold itself out as the

agent of any other Member or as a Member of the Company with respect to any other business or activity.

Section 1.09 The Lease. The Managing Member will enter into the Lease for the 3rd and 4th floor of the Building, which floors comprise the Innovation Center. The NJEDA must approve the initial Lease and any amendments or extensions thereto. The commencement date of the Lease will be effective upon the Leased Premises being in occupancy condition.

Section 1.10 Tenant Leases. The Company will use the Leased Premises to provide incubator space and step-out labs to biotech companies and promote overall scientific collaboration in the State of New Jersey and shall enter into the Tenant Leases.

Section 1.11 Innovation Center Operator. The Managing Member shall cause the Company to enter into the Operations Agreement with the Operator to provide various services with respect to marketing and securing Innovation Center Tenants. The Operator shall be selected by the Managing Member and approved by the NJEDA. At all times during the term of the Company there shall be an Operator. The Operator shall further provide various services with respect to marketing and Innovation Center Tenants, including, but not limited to:

Screening tenants: underwrite for credit quality and strategic fit of prospective tenants;

Marketing: market vacant rentals to maximize the financial return for the Company;

Reporting: provide reports on occupancy rates, collections and such other reports and recordkeeping as reasonably requested;

Leases: draft, sign and renew Tenant Leases on behalf of the Company; the initial form of such leases shall be approved by the NJEDA.

Rent collection: oversee all credit and collections services including collecting rent from tenants;

Inspections: conduct regular inspections for landlord notification to ensure the Innovation Center stays up to standard;

Communication: handle communication with tenants;

Programming: promote ecosystem engagement and support innovation programming to engage tenants and members; and

Coordinating: regular coordination and meeting with the NJEDA and the Managing Member with respect to community engagement and public relations to support engagement within targeted industries through events and other media.

(a) Additional services including providing introductions to academic partners, strategic partners, capital providers, staff support, and facilities maintenance and

administration shall be provided by the Operator under an Operations Agreement or a Services Agreement, if applicable.

(b) Any operations services not provided by the Operator shall be provided directly by, or otherwise provided for by, the Managing Member.

Section 1.12 Branding, Community Engagement, and Marketing.

(a) The Members and the Operator shall work together to establish relationships for guidance purposes with New Jersey locally elected officials, academic institutions, non-profit organizations, community development institutions, and other similar groups. The Operator and NJEDA shall meet at least monthly to best ensure regular information sharing relevant to support the Innovation Center Tenants. The Operator will facilitate introductions between NJEDA and the Innovation Center Tenants. The Operator shall cause a representative of the Operator to convene regular in-person office hours (or virtual) to support engagement within the targeted industries in New Jersey on a regular basis and shall provide a roster of events and participants to NJEDA. The estimated frequency and format of events shall be presented for NJEDA's review and approval at least annually in advance of January 1st of each calendar year during the term of the Company.

(b) The Managing Member shall undertake commercially reasonable efforts to utilize its network within the startup ecosystem to market and raise awareness for the Innovation Center. All use of the NJEDA Marks must be (a) in accordance with NJEDA's branding and ethics guidelines or policy, which may change from time to time and (b) approved by an authorized representative of NJEDA in advance. The Operator will not register any trademark or name relating to NJEDA without the prior approval of NJEDA. In all instances, the Operator will request written permission from NJEDA to use the NJEDA Marks and will not use such NJEDA Marks until permission is granted. The request for permission and the grant of permission may be delivered and received via email from an authorized NJEDA representative. NJEDA shall retain all and any intellectual property rights, title or interest in or to any of the NJEDA Marks.

ARTICLE II DEFINITIONS

Section 2.01 General Terms. The following defined terms used in this Agreement shall have the meaning given to such term below, if not otherwise defined herein:

"Academic Agreements" shall have the meaning set forth in Section 7.07.

"Additional Capital Contribution" shall mean Capital Contributions to be made by Managing Member in excess of the Capital Commitment of the Managing Members set forth in Exhibit A-1.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year (as defined herein) or as of any other relevant determination date, after giving effect to the following adjustments:

(a) credit to such Capital Account of any amounts which such Member is obligated to restore (pursuant to the terms of this Agreement or otherwise) or is deemed to be

obligated to restore pursuant to the penultimate sentences of Regulations Section 1.704-1(b)(2)(ii)(c), Regulations Section 1.704-2(g)(1), and Regulations Section 1.704-2(i)(5) after taking into account any net decrease in a Member's share of Partnership Minimum Gain or Partner Nonrecourse Debt Minimum Gain that has occurred as of the relevant determination date; and

(b) debit to such Capital Account of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Agreement" shall have the meaning set forth in the Recitals.

"Allocation of Net Income and Net Loss" Except as provided in Section 4.03, items of Net Income and Net Loss in each Fiscal Year shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after giving effect to such allocation, is, as nearly as possible, equal (proportionately) to the amount of the distribution that would be made to such Member if: (a) the Company were dissolved and terminated; (b) the affairs of the Company were wound up and each Company asset was sold for cash equal to its Gross Asset Value (except that any Company asset actually sold during the current year shall be treated as sold for the actual proceeds of the sale); (c) all Company liabilities were satisfied; and (d) the net assets of the Company were distributed to the Members in accordance with Section 6.01 immediately after giving effect to such allocation. To the extent that any loss or deduction otherwise allocable to a Member causes such Member to have an Adjusted Capital Account Deficit as of the end of the Fiscal Year to which such loss or deduction relates, such loss or deduction shall instead be allocated to the other Member(s) in proportion to positive Capital Account balances until their Capital Accounts are all reduced to zero, then the remainder shall be allocated by Membership Interests.

"BBA" shall have the meaning set forth in Section 8.09(a).

"BBA Procedure" shall have the meaning set forth in Section 8.09(b).

"Board" and **"Board Member"** shall have the respective meaning to such terms in Section 7.01.

"Breaching Party" shall have the meaning set forth in Section 13.09(a).

"Building" shall have the meaning set forth in the Recitals hereto.

"Capital Account" shall have the meaning set forth in Section 4.05.

"Capital Commitment" shall mean, with respect to each Member, the aggregate amount of cash, or in the case of the Managing Member, amounts contributed to the construction of the Building, agreed by such Member from time to time pursuant to the terms of this Agreement as specified on Exhibit A-1.

"Capital Contributions" shall collectively mean all capital contributions made by a Member to the Company.

"Capital Reserve" shall have the meaning set forth in Section 4.09.

“Certificate of Formation” shall mean the Certificate of Formation forming the Company filed with DORES on [DATE].

“Claims” shall have the meaning set forth in Section 3.07(b).

“Code” shall mean the Internal Revenue Code of 1986, as amended (or any corresponding provision or provisions of any succeeding law).

“Company” shall have the meaning set forth in the Recitals.

“Coriell” shall have the meaning set forth in the Recitals.

“Cure Period” shall have the meaning set forth in Section 13.09(a).

“Depreciation” shall mean, with respect to any Company asset for each Fiscal Year or other period, the amount of depreciation, amortization, or other cost recovery deduction allowable with respect to such asset for such Fiscal Year or other period, except that: (a) if the Gross Asset Value of an asset differs from its adjusted basis for Federal income tax purposes at the beginning of any such Fiscal Year or other period, Depreciation with respect to such asset for such Fiscal Year or other period shall be an amount which bears the same ratio to such beginning Gross Asset Value as the Federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or period bears to such beginning adjusted tax basis; and (b) if an asset has a zero adjusted basis for Federal income tax purposes, Depreciation shall be determined under any reasonable method selected by the Members which is in accord with Federal income tax accounting principles applicable to assets of similar character having a positive adjusted basis for Federal income tax purposes.

“Designated Individual” shall have the meaning set forth in Section 8.09(c).

“DORES” shall have the meaning set forth in Section 1.01.

“Effective Date” shall have the meaning set forth in the Recitals.

“Fiscal Year” shall have the meaning set forth in Section 8.07.

“Free Cash Flow” shall mean gross cash or property received by the Company from all sources other than Capital Contributions, increased by reductions in Reserves, and reduced by the portion used (i) to pay Company expenses, including debt service, (ii) to make investments and capital expenditures, (iii) fund Reserves and (iv) repay any loans made by any Member as provided herein.

“Gross Asset Value” shall mean, with respect to any asset, the asset's adjusted basis for Federal income tax purposes, subject to the following:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset as reasonably determined in good faith by the Members;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined in good faith by the Members, as of the following times: (i) the acquisition of an additional Interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration

for Membership Interests in the Company; (iii) the grant of Membership Interests in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a member capacity or by a new Member acting in a member capacity or in anticipation of being a Member, in the case of (i), (ii), and (iii), if the Members reasonably determine in good faith that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company; and (iv) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution, as reasonably determined by the Members in good faith;

(d) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) if or to the extent that the Members determine that an adjustment pursuant to subparagraph (b) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d); and

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (a), (b) or (d) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Loss.

“Indemnified Party” or ***“Indemnified Parties”*** shall have the meaning set forth in Section 3.07(a).

“Innovation Center” shall have the meaning set forth in the Recitals hereto.

“Innovation Center Tenant” shall mean any biotech, research or other company leasing incubator lab or office space within the Innovation Center pursuant to a Tenant Lease.

“IP” shall have the meaning set forth in Section 11.01(j).

“IRS” shall mean the Internal Revenue Service or any division thereof or any succeeding or successor agency.

“Lease” shall mean the real estate lease for the 3rd and 4th floor of the Building constituting the Innovation Center dated as of _____, 2025 between Managing Member as landlord and Company, as tenant.

“Leased Premises” means the real property subject to the Lease located in the Building, as set forth in Exhibit A to the Lease.¹

“Major Decision” shall have the meaning set forth in Section 7.03.

“Managing Member” shall have the meaning set forth in the Recitals.

“Material Breach” means (i) any Member’s material non-compliance with any material provision of this Agreement (ii) any Member’s conviction for fraud, gross negligence, willful

¹ Note to Draft: Is there a difference between the Leased Premises and the Innovation Center?

misconduct, or violations of securities laws, (iii) the insolvency or bankruptcy of any Member, including becoming the subject matter of any proceeding relating to its bankruptcy, insolvency, receivership, liquidation, dissolution, winding up or entering into a plan of arrangement or similar agreement with its creditors or (iv) either party failing to make its Capital Contributions when due.

“Member(s)” shall have the meaning set forth in the Recitals.

“Membership Interests” shall have the meaning set forth in Section 4.01(d).

“Net Income” or “Net Loss” shall mean for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from Federal income tax and not otherwise included (net of related expenses not otherwise deducted) in computing Net Income or Net Loss pursuant to this definition shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, shall be subtracted from such taxable income or loss;

(c) If the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) or (c) set forth within the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interests, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(g) Notwithstanding any other provision of ARTICLE V, any items which are specially allocated pursuant to Section 4.03 shall not be taken into account in computing Net Income or Net Loss.

“NJEDA” shall have the meaning set forth in the Recitals.

“NJEDA Indemnitees” shall mean the NJEDA, the State of New Jersey, and each of their respective officers, directors, members, commissioners, employees and representatives.

“NJEDA Marks” shall mean any logo, trademark or service mark of the NJEDA authorized by the NJEDA for use by Company.

“Non-Breaching Party” shall have the meaning set forth in Section 13.09(a).

“Nonrecourse Deductions” shall have the meaning set forth in Regulations Section 1.704-2(c).

“OFAC” shall have the meaning set forth in Section 13.18.

“Officers” shall have the meaning in Section 7.04.

“Operator” shall mean _____.

“Operations Agreement” shall mean the [Operations Agreement] dated as of _____, 2025 between the Company and Operator.

“OSC” shall have the meaning set forth in Section 13.14(d).

“Partner Nonrecourse Debt Minimum Gain” shall have the meaning of the term “partner nonrecourse debt minimum gain” set forth in Regulations Section 1.704-2(i)(2).

“Partner Nonrecourse Deductions” shall have the meaning set forth in Regulations Section 1.704-2(i)(2).

“Partnership Minimum Gain” shall have the meaning set forth in Regulations Section 1.704-2(b)(2).

“Partnership Representative” shall have the meaning set forth in Section 8.09(a).

“Person” shall mean an individual, entity, including, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, cooperative, or association, government, territory and other political entity and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so requires.

“Preferred Distributions” shall mean a distribution to each Member equal to three percent (3%) of the Unreturned Capital Contributions of such Member. Preferred Distributions shall be considered payments to the applicable Member with respect to their Capital Contributions. No Member shall be entitled to receive any Preferred Distributions unless and until the Innovation Center achieves Stabilization.

“Public Records Acts” shall have the meaning set forth in Section 13.14(d).

“Regulations” shall mean the final and temporary Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Reserves” shall have the meaning set forth in Section 4.09.

“Services Agreement” shall mean the [Services Agreement], if any, between Company and Operator or such other approved service provider providing support services to Company.

“Stabilization” shall mean the date upon which the Innovation Center, for ninety (90) consecutive days after the Innovation Center receives a certificate of occupancy and has maintained operating income for such period equal to or exceeding operating expenses for such period.

“Substituted Member” shall have the meaning set forth in Section 9.06.

“Tenant Leases” shall mean each sublease agreement entered into between the Company and an Innovation Center Tenant for the use and occupancy of the Innovation Center subject to the terms and conditions of such sublease.

“Tort Claims Act” shall have the meaning set forth in Section 3.07(c).

“Transfer” shall have the meaning set forth in Section 9.01.

“Transferee” shall have the meaning set forth in Section 9.01.

“Unreturned Capital Contributions” shall mean, with respect to a Member, as of the date of determination, an amount equal to all Capital Contributions made by a Member less the total amount of any distributions such Member has received as of the date of determination (excluding the value of any Preferred Distributions to a Member).

“Voting Requirement” shall have the meaning set forth in Section 3.03.

ARTICLE III MEMBERS

Section 3.01 Admission of New Members.

(a) New Members may be admitted from time to time with the unanimous consent of the Members or in connection with a Transfer, subject to compliance with the provisions of this Agreement, including, without limitation Section 7.03, as well as compliance with the provisions of this Section 2.01.

(b) In order for any Person or entity not already a Member of the Company to be admitted as a Member in accordance with and subject to the requirements of this Agreement, such Person or entity shall have executed and delivered to the Company a written joinder to this Agreement. Upon the amendment of **Exhibit A**, attached hereto, by the Members and the satisfaction of any other applicable conditions, such Person or entity shall be admitted as a Member and deemed listed as such on the books and records of the Company.

(c) Notwithstanding anything herein to the contrary, no new Member may be admitted as a member of the Company without the written consent of all Members.

Section 3.02 Compensation of Members and Member Affiliates. Except as provided in this Agreement, no Member shall be entitled to any fees or compensation from the Company.

Section 3.03 Meetings and Votes of the Board Without a Meeting. The Board shall meet at such times and at such places as the Board may designate. Except as otherwise set forth in this Agreement, all action to be taken by the Board shall be taken at a meeting of the Board by the affirmative vote (a **“Voting Requirement”**) of a majority number of the Board Members. Any

Board Member shall have the right to propose a Major Decision. If action is to be taken at a duly called meeting of the Board, notice of the time, date, and place of meeting shall be given to each Board Member by the Managing Member or the Board Member(s) calling the meeting by personal delivery, telephone, or fax sent to the address of each Board Member at least five (5) Business Days in advance of the meeting; provided, however, no notice need be given to a Board Member who waives notice before or after the meeting or who attends the meeting without protesting at or before its commencement the inadequacy of notice to him or her. The Board Members may attend a meeting in person or by proxy, and they may also participate in the meeting by means of conference call or similar communications equipment that permits all Board Members to hear and speak to each other. A chairman selected by the Managing Member shall preside over all meetings of the Board. The chairman shall determine the order of business and the procedures to be followed at each meeting of the Board. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if one or more written consents to such action shall be signed by the requisite number of Board Members required for a Voting Requirement. Such written consents shall be delivered to the Managing Member at the principal office of the Company and, unless otherwise specified, shall be effective on the date when the first consent is executed. To the extent that this Agreement permits the Board to request materials, reports, information, or clarifications, such request may be made by any individual Board Member without further action by the Board.

Section 3.04 Other Activities. Any Member may engage in or possess an interest in other business ventures of any nature or description, independently or with others, whether presently existing or hereafter created, including those in competition with the operations of the Company, and neither the Company nor any other Member shall have any rights in or to such independent ventures or the income or profits derived therefrom as a result of being a Member in the Company.

Section 3.05 No Personal Liability.

(a) Except as otherwise provided in the Act, by applicable law or expressly in this Agreement, no Member nor any officers, employees, commissioners, directors, members, representatives and agents thereof will be obligated personally for any debt, obligation or liability of the Company or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

(b) Except as otherwise expressly provided in the Act, the liability of the Members shall be limited to the amount of Capital Contributions made by the Members pursuant to this Agreement and the other obligations of the Members as set forth herein.

(c) Nothing in this Agreement shall require any Member to take any action or fail to take any action, in either case, for the benefit of any creditor of the Company.

(d) A Member that rightfully receives the return of any portion of a Capital Contribution is liable to the Company only to the extent now or hereafter provided by the Act. A Member that receives a distribution made by the Company in violation of this Agreement or made when the Company's liabilities exceed its assets (after giving effect to such distribution) shall be liable to the Company for the amount of such distribution.

(e) Except as expressly provided in this Agreement, no Member is an agent of the Company solely by virtue of being a Member, and no Member has authority to sign, act for or bind the Company solely by virtue of being a Member, all of such powers being vested in the Managing Member (subject to the terms of this Agreement). Any Member that executes any document or instrument or otherwise takes any action to bind the Company in violation of this Section 2.05 shall be solely responsible for any losses that the Company, or such other Member, as the case may be, may at any time become subject to or liable for by reason of the actions specified above.

Section 3.06 No Interest in Company Property. No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. The Members shall use the Company's credit and assets solely for the benefit of the Company. No asset of the Company shall be transferred or encumbered for or in payment of any individual obligation of any Member.

Section 3.07 Indemnification of Members.

(a) To the extent of the Company's assets, the Company agrees to indemnify the Members and their officers, directors, partners, shareholders, members, advisors, agents and affiliates (each, an “**Indemnified Party**,” and, collectively, the “**Indemnified Parties**”) to the fullest extent permitted by the Act from and against any and all Claims incurred in connection with or resulting from any claim, action or demand arising out of or in any way relating to the Company or any of its assets or properties, including amounts paid in settlement or compromise (if recommended by the Company's counsel) of any such claim, action, or demand and all fees, costs, and expenses (including reasonable attorneys' fees) in connection therewith. Notwithstanding the foregoing, indemnification shall not be available or paid to any Indemnified Party with respect to any matter as to which such Indemnified Party shall have committed an act or omission (where such Indemnified Party had a contractual duty to act) involving willful misconduct, fraud, gross negligence, or a material violation of this Agreement. The indemnification provided pursuant to this Section 3.07 shall be in addition to any other rights to which an Indemnified Party may be entitled under any agreement or vote of the Members, as a matter of law or equity, or otherwise, and shall continue as to an Indemnified Party who is a Member but who has ceased to serve in that capacity, and shall inure to the benefit of the heirs, successors, assigns, and administrators of the Indemnified Parties.

(b) To the extent not provided in Section 2.07(a), the Managing Member agrees to defend, indemnify, and hold harmless NJEDA Indemnitees from and against any and all claims, damages, losses, judgments, expenses (including without limitation, reasonable attorneys' fees and costs) and liabilities (collectively, “**Claims**”), incurred in connection with or resulting from any claim, action or demand arising out of or in any way relating to (i) injuries to persons natural or otherwise, and including without limitation, death and other damages, and (ii) material misrepresentation, gross negligence, malfeasance, fraud, theft, misappropriation, willful misconduct, if and to the extent the same results from any act, omission, negligence, fault or default of the Managing Member or any third party, including, without limitation, the Company's contractors or subcontractors, or their agents, employees, servants, independent contractors or subcontractors, and from any Claims against or incurred by the NJEDA Indemnitees by reason of claims against the Managing Member or any third party, including, without limitation, the Company's contractors or subcontractors or their respective employees, agents, servants,

independent contractors or subcontractors, for any matter whatsoever in connection with the development, construction, management and operation of the Company and services contemplated by this Agreement, including, but not limited to, claims for compensation, injury or death, and agrees to reimburse the NJEDA Indemnitees for reasonable attorneys' fees and costs incurred by any of the NJEDA Indemnitees in connection with the above.

(c) Nothing in this Agreement shall be deemed to waive or limit any requirements or defenses that may be available to NJEDA or the Managing Member against any third party claimant under the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. (as may be amended, restated or supplemented, the "**Tort Claims Act**").

Section 3.08 Insurance. The Managing Member and the Company will procure and maintain standard commercial general liability, commercial auto liability, workers compensation, umbrella/excess liability (if applicable), professional liability (if applicable), business interruption and other insurances outlined in Exhibit C. NJEDA shall advise the Managing Member on the minimum amounts required and which New Jersey entity (if any) will be named as the additional insured.

Section 3.09 Certain Duties and Obligations of the Members.

(a) The Members shall take all action which may be reasonably necessary or appropriate (i) for the formation and continuation of the Company as a limited liability company under the Act and (ii) for the development, maintenance, preservation and operation of the business of the Company and Company assets in accordance with the provisions of this Agreement.

(b) No Member shall take any action so as to cause the Company to be classified for Federal income tax purposes as an association taxable as a corporation and not as a partnership.

(c) The provisions of this Agreement, to the extent that they restrict or reduce the duties and/or liabilities of a Member otherwise existing at law or in equity (including under the Act), shall replace the other duties and liabilities of such Member (as the case may be).

ARTICLE IV CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 4.01 Capital Contributions.

(a) The Members have agreed to make Capital Contributions to the Company as set forth on Exhibit A, which also sets forth the initial Capital Contributions, subsequent Capital Contributions and Capital Commitment. As of the date hereof, the Members have made the initial Capital Contributions towards their Capital Commitment as set forth on Exhibit A, which also establishes the percentages of Membership Interests.

(b) NJEDA shall contribute up to twenty million dollars (\$20,000,000) for the construction of the Leased Premises but shall have no obligation to make any Capital Contribution

above the NJEDA Capital Commitment. The NJEDA Capital Commitment shall be disbursed pursuant to milestones set forth on Exhibit A-2 and paid quarterly in arrears.

(c) Provided that Coriell expends no less than sixty-six million dollars (\$66,000,000) towards construction of the Building, of which no less than twenty-one million one hundred sixty-six thousand seven hundred twenty dollars (\$21,166,720.00) is expended on the construction of the Leased Premises, Coriell will be deemed to have contributed (\$21,166,720.00) to the Company as Capital Contribution and shall be solely obligated to fund as Additional Capital Contribution the costs of any cost overruns, other capital expenditures or operating deficits required to be funded by the Company.

(d) The limited liability company membership interests (the “**Membership Interests**”) of the Members shall be stated as a percentage of the total Membership Interests. Each Member shall at all times hold fifty percent (50%) of the total Membership Interests.

(e) The Managing Member shall update Exhibit A to reflect Additional Capital Contributions made by the Managing Member including, without limitation, contributions to be funded as part of the Capital Commitments of the Members.

(f) Capital Contributions shall be credited to the contributing Member's Capital Account at the time of such contribution to the Company.

(g) Under no circumstances shall NJEDA share in (i) any out-of-pocket cost in respect of the Innovation Center in excess of its Capital Commitment; or (ii) any losses from the operation of the Innovation Center.

Section 4.02 Additional Capital Contributions.

(a) No Member is required to make any capital contributions in excess of the Capital Commitments set forth on Exhibit A-1. Notwithstanding the foregoing, in the event that the Managing Member determines that additional Capital Contributions (“**Additional Capital Contributions**”) are needed, the Managing Member shall make such Additional Capital Contributions to the Company. For the avoidance of doubt, NJEDA is not required to make any Additional Capital Contributions in excess of its Capital Commitment set forth on Exhibit A-1.

(b) If Additional Capital Contributions are made by the Managing Member pursuant to this Section 3.02(a), no adjustment of the Managing Member’s Membership Interests will be made as a result of an Additional Capital Contribution by the Managing Member pursuant to this paragraph. The Company will use all Additional Capital Contributions made by the Managing Member pursuant to this paragraph to pay losses, operating deficits or Innovation Center cost overruns.

Section 4.03 Withdrawal and Return of Capital to Members. Except with respect to Preferred Distributions (as defined herein) no Member shall have priority over any other Member, whether for the return of a Capital Contribution or for Net Income, Net Loss or a distribution. Except as otherwise provided in this Agreement: (a) no Member may withdraw any portion of the capital of the Company; (b) no Member shall be entitled to demand the return of its Capital

Contribution; (c) under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive property other than cash; and (d) no interest shall be paid on any Capital Contribution to the Company.

Section 4.04 Title to Company Property. All Company assets shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in the Company assets in its individual name or right, and each Member's Membership Interests in the Company shall be personal property for all purposes.

Section 4.05 Maintenance of Capital Accounts. The Company shall establish and maintain for each Member a separate capital account (a “**Capital Account**”). Said Capital Account shall be kept in accordance with the provisions of Section 1.704-1(b)(2)(iv) of the Regulations. Without limiting the foregoing, each Member's Capital Account shall be (a) increased by the net agreed value of each Capital Contribution made by such Member, allocations to such Member of the Net Income and any other allocations to such Member of income and gain pursuant to Section 4.02, and (b) decreased by the net agreed value of each distribution made to such Member by the Company, allocations to such Member of Net Losses and other allocations of loss and deduction to such Member pursuant to Section 4.02.

Section 4.06 No Obligation to Restore Negative Balances in Capital Accounts. No Member shall have an obligation, at any time during the term of the Company or upon its liquidation, to pay to the Company or any other Member or third party an amount equal to the negative balance in such Member's Capital Account. For avoidance of any doubt, notwithstanding anything to the contrary contained herein, except for allocation of Net Losses for tax and book purposes, no Member shall have any liability or obligation to make a Capital Contribution to fund any Net Losses of the Company.

Section 4.07 Transfers. Upon a permitted sale or other Transfer of an Interest (or portion thereof), the Capital Account (or portion thereof) of the Member transferring its Interest shall become the Capital Account of the Person to whom such Interest (or portion thereof) is sold or transferred in accordance with Section 1.704 1(b)(2)(iv) of the Regulations.

Section 4.08 Modifications. The manner in which Capital Accounts are to be maintained pursuant to this Agreement is intended to comply with the requirements of Section 704(b) of the Code. If the Managing Member (with an opinion of tax counsel) determines in writing that the manner in which Capital Accounts are to be maintained pursuant to this Agreement should be modified to comply with Section 704(b) of the Code, then the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

Section 4.09 Reserves. The Company shall establish and maintain adequate reserves for capital expenses (the “**Capital Reserve**”) and for working capital expenses, all as deemed necessary or desirable by the Managing Member (collectively, the “**Reserves**”); provided that the Capital Reserve shall be funded in the first year of Innovation Center operations, and replenished thereafter if and when necessary, as approved by the Board, at an amount not to exceed \$500,000,

unless a higher reserve is recommended by the Managing Member and agreed to by the NJEDA Member.

ARTICLE V ALLOCATIONS

Section 5.01 Special Allocations. Prior to making any allocations pursuant to Section 4.02, items of Company income and loss shall be allocated in the following order and priority:

(a) **Decrease in Partnership Minimum Gain.** If there is a net decrease in Partnership Minimum Gain during any Fiscal Year, there shall be allocated to each Member (before any other allocation provided by this ARTICLE V is made) items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Sections 1.704-2(g)(1) and (2). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). This Section is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) **Decrease in Partner Nonrecourse Debt Minimum Gain.** If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Fiscal Year, there shall be allocated to each Member (before any other allocation provided by this ARTICLE V is made, other than an allocation made pursuant to clause (a) above) items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt (as defined in the Regulations), determined in accordance with Regulations Section 1.704-2(i). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i). This Section is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i) and shall be interpreted consistently therewith.

(c) **Adjusted Capital Account Deficit.** In the event in any Fiscal Year any Member has an Adjusted Capital Account Deficit resulting from an unexpected adjustment, allocation, or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such Fiscal Year) shall be specially allocated to such Member in an amount and manner sufficient to eliminate as quickly as possible such Member's Adjusted Capital Account Deficit without creating or increasing an Adjusted Capital Account Deficit of any other Member. If more than one of the Members has an Adjusted Capital Account Deficit resulting from such unexpected adjustment, allocation, or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Company income and gain shall be allocated to the Members having Adjusted Capital Account Deficits in proportion to their respective Adjusted Capital Account Deficits. This Section is intended to constitute a "qualified income offset" under Regulations Section 1.704-1(b)(2)(ii)(d).

(d) **Deficit Capital Account.** In the event any Member has a deficit Capital Account at the end of any Company Fiscal Year which is in excess of the sum of: (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement; and (ii) the

amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company gross income and gain in an amount and manner sufficient to eliminate such excess as quickly as possible.

(e) **Adjustment to Adjusted Tax Basis.** To the extent that an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b), or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Regulations Section.

(f) **Nonrecourse Deductions.** Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in the same ratio as Net Income for such Fiscal Year or other period is allocated among the Members.

(g) **Partner Nonrecourse Deductions.** Partner Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members who bear the economic risk of loss with respect to the loan to which such item of deduction is attributable. This Section is intended to comply with the provisions of Regulations Section 1.704-2(i) and shall be interpreted in accordance therewith. To the extent that any Company expenditure is disallowed as a deduction for purposes of computing the Company's taxable income under Code Section 704 and instead is treated as a distribution to the payee pursuant to Code Section 731(a), then there shall be a special allocation of Company items of income to the payee (or an affiliate thereof) in an amount equal to the amount of the payments received so treated as a distribution pursuant to Section 731(a).

Section 5.02 Allocations to Assigned Interests. In the event of a transfer of any Membership Interests during any Fiscal Year made in compliance with the provisions of ARTICLE IX, items of income, gain, loss, and deduction of the Company attributable to such Interests for such Fiscal Year shall be determined using the interim closing of the books method.

ARTICLE VI DISTRIBUTIONS

Section 6.01 Distributions Generally. Distributions pursuant to this Article VI shall be made from the Company to the Members at such times as the Managing Member may determine. As part of the distributions made pursuant to Section 6.02, the Managing Member shall utilize commercially reasonable efforts to cause the Company to make a distribution on or before the expiration of ninety (90) days following the end of each Fiscal Year in amount sufficient to pay the accrued and unpaid Preferred Distributions to which a Member is entitled for the recently completed calendar year.

Section 6.02 Member Distributions. Distributions shall be made commencing no sooner than nine (9) months following Stabilization from Free Cash Flow to the Members as follows:

(a) First, to the extent that there are accrued but unpaid Preferred Distributions to the NJEDA Member, until all unpaid Preferred Distributions have been paid to the NJEDA Member; and

(b) Second, to the extent that there are accrued but unpaid Preferred Distributions to the Managing Member, until all unpaid Preferred Distributions have been paid to the Managing Member;

(c) Third, the balance to the Members, on a pro-rata basis, 50% to each Member.

The NJEDA is a body corporate and politic duly organized or formed and validly existing and in good standing under the State of New Jersey, and therefore is not subject to any state, local or foreign tax law. If any amounts are withheld or required to be withheld pursuant to the Code or any provision of any state, local, or foreign tax law with respect to any payment, distribution, or allocation to the Company or any Member and treated by the Code (whether or not withheld pursuant to the Code) or any such tax law as amounts payable by or in respect of any Member or any Person owning an interest, directly or indirectly, in such Member shall be treated as amounts distributed to the Member with respect to which such amount was withheld pursuant to this [Section 6.02](#) and Section 10.03 for all purposes under this Agreement. The Managing Member is authorized to withhold from distributions, or with respect to allocations, to the Members and to pay over to any federal, state, local, or foreign government any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state, local, or foreign law and shall allocate any such amounts to the Member with respect to which such amount was withheld..

Section 6.03 Tax Distributions. The Managing Member shall utilize commercially reasonable efforts to cause the Company to make distributions pursuant to Section 6.02, on or prior to April 15th of a calendar year, in an amount sufficient to provide the Members with sufficient cash to allow the Members to pay taxes on any Net Income allocated to them for the previous calendar year pursuant to Article V, if either Member determines that such allocable Net Income is subject to taxation.

Section 6.04 Limitations on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution to Members if such distribution would violate N.J.S.A. 42:2C-35 or other applicable law.

ARTICLE VII MANAGEMENT

Section 7.01 Establishment of Board of Managers. The Company shall establish a Board of Managers (the “**Board**”), which shall consist of three (3) members (each a “**Board Member**”), one (1) of whom shall be appointed by the NJEDA, one (1) of whom shall be appointed by the Managing Member, and one (1) independent member who shall be appointed by mutual written consent of the Members. The initial Board Members shall continue to hold their positions as Board Members until such time as: (a) such Board Member no longer employed with the respective Member, (b) such Board Member tenders written notice of resignation to the Board, (c) such Board Member is legally incompetent or has died. Each vacant Board seat may be replaced

by the appointing Member or mutual written consent with respect to the independent member in accordance with the procedures outlined in this Section 7.01.

Section 7.02 Control and Management. Except as otherwise provided herein, the business and affairs of the Company shall be managed by the Managing Member in accordance with the Act. The Managing Member shall manage the business and affairs of the Company in accordance with this ARTICLE VII and the Act. Except as otherwise provided in this Agreement, including, without limitation, as provided in Section 7.03, the Managing Member shall have sole and exclusive control over the Company, and the Managing Member shall have the power and authority to take such action from time to time as the Managing Member may deem to be necessary, appropriate, or convenient in connection with the management and conduct of the business and affairs of the Company.

Section 7.03 Restrictions on Authority of Managing Member. Notwithstanding anything in this Agreement to the contrary, for as long as the NJEDA is a Member of the Company, the Managing Member shall not have authority to do or take any of the following actions (each a “**Major Decision**”) without the unanimous prior written consent of the Board:

- (a) amend the Certificate of Formation, or this Agreement;
- (b) admit additional Members;
- (c) agree to any merger, consolidation, liquidation, dissolution, or sale of substantially all assets;
- (d) create or authorize the creation or issuance of any new class or series of Membership Interests or any other security convertible into or exercisable for any equity;
- (e) cause the Company to become obligated to incur any indebtedness, pledge or grant liens on any assets or guarantee, assume, endorse or otherwise become responsible for the obligations of any other Person;
- (f) any Transfer, redemption, or repurchase any Membership Interests;
- (g) incur any material liability other than in the ordinary course of business;
- (h) commence insolvency or bankruptcy proceedings;
- (i) make any material change in tax policy or tax elections of the Company;
- (j) cause any fundamental change in the business of the Company;
- (k) any liquidation, merger or amalgamation, or the sale of all or substantially all of the assets of the Company, including ownership interests of Innovation Center Tenants, if any, other than assets sold in the ordinary course of business

- (l) change any external auditors of the Company, other than to one of the “big four” national auditing firms, the auditing firm used by the Managing Member or a regional auditing firm with a major presence in New Jersey;
- (m) approve or amend any Academic Agreements;
- (n) approve the Operator of the Innovation Center, terminate the Operator, or engage a new Operator;
- (o) approve or amend any Operations Agreement;
- (p) approve the Lease or any amendments to the Lease;
- (q) approve or amend any Services Agreement; or
- (r) permit the Company to purchase an equity position in Innovation Center Tenants in accordance with the terms of Exhibit D to be attached hereto after mutual agreement by the parties of the terms thereto.

Section 7.04 Officers. The Managing Member may appoint individuals as officers of the Company (the “**Officers**”) as the Managing Member deems necessary or desirable to carry on the business of the Company and may delegate to such Officers such power and authority as the Managing Member deems advisable. An Officer is not required to be a Member of the Company. Any individual may hold two or more offices of the Company. Each Officer shall hold office until such Officer’s successor is designated by the Managing Member or until such Officer’s earlier death, resignation, or removal. Any Officer may resign at any time upon written notice to the Managing Member. Any Officer may be removed the Managing Member at any time, with or without cause. A vacancy in any office occurring because of death, resignation, removal or otherwise may, but need not, be filled by the Managing Member. Regardless of appointment of Officers, the Managing Member shall designate to the NJEDA Member one individual who shall be responsible for coordinating all of the services to be rendered by the Managing Member in regard to the Company and who shall be NJEDA’s normal point of contact with the Managing Member on matters relating to the Company or the Innovation Center. The Managing Member may from time to time change this designation. Likewise, the NJEDA Member shall designate to the Managing Member one individual who shall serve as NJEDA’s representative and normal point of contact for the Managing Member regarding the Company and the Innovation Center and Managing Member’s services and obligations to the Innovation Center. The NJEDA may from time to time, change this designation.

Section 7.05 Devotion of Time and Duties of Managing Member. The Managing Member shall devote such care, time, and attention to the affairs of the Company as may be reasonably necessary for the proper performance of its duties hereunder. In addition to, and without limiting, the customary duties and obligations of a Managing Member of a limited liability company, the Managing Member shall:

(a) To the extent Company funds are available, pay all Company expenses and Company debts and satisfy all obligations and liabilities of the Company (other than those being contested in good faith);

(b) Use all reasonable efforts to cause the Company at all times to perform and comply with the provisions of any loan commitment, agreement, mortgage, lease, or other contract, instrument, or agreement to which the Company is a party, including but not limited to the obligations; and

(c) Deliver to the Members all reports required pursuant to this Agreement.

Section 7.06 Replacement and Resignation of Managing Member.

(a) The Managing Member may be removed at any time by the unanimous consent of the Board or pursuant to Section 13.09.

(b) Following the Managing Member's removal, a successor manager shall be appointed by the unanimous consent of the Board. The removal of the Managing Member shall not constitute a withdrawal by such Member from the Company.

Section 7.07 Academic Partner(s). As of the Effective Date, the Managing Member has caused the Company to enter into written arrangements ("**Academic Agreements**") with at least two (2) of New Jersey's universities, including Rutgers University and Rowan University, on terms reasonably satisfactory to the NJEDA. The Company shall maintain arrangements with at least two of New Jersey's universities for a period of time of no less than fifteen (15) years after Stabilization. In the event that the Managing Member wishes to enter into Academic Agreements with other academic institutions, subject to the approval of the NJEDA, such academic agreements must be for the duration of the term of the Company.

ARTICLE VIII ACCOUNTING; REPORTING; TAX MATTERS

Section 8.01 Company Accounting Practices. The Managing Member shall maintain or cause to be maintained at all times true and correct books, records, reports, and accounts in which shall be entered fully and accurately all transactions of the Company. The books and records of the Company shall be kept by the Managing Member in accordance with generally accepted accounting principles, consistently applied, unless otherwise required under the Code or unless otherwise directed by the unanimous approval of the Board. The accountants for the Company shall be selected by the Managing Member.

Section 8.02 Reporting to the NJEDA. During term of the Company the Managing Member shall furnish written updates to the NJEDA Member, in the form attached hereto as Exhibit B, at such times, no more frequently than monthly, as may be required by the NJEDA Member from time to time and shall schedule progress meetings with the NJEDA Member at such times as the NJEDA Member may reasonably request. The Managing Member shall also furnish to the NJEDA a copy of the Company's most recent annual audited financial report within a reasonable time of the Managing Member's receipt of same.

Section 8.03 Income Tax Information. Within ninety (90) days after the end of each taxable year of the Company, the Managing Member shall send to each of the Members all information necessary for the Members to complete their federal, state, and local income tax or information returns, including a copy of Schedule K-1 to Internal Revenue Service Form 1065 (or any successor form) indicating such Member's share of the Company's income, loss, gain, expense and other items relevant for federal income tax purposes and corresponding analogous state and local tax forms, as well as a copy of the Company's federal, state, and local income tax or information returns for such year. The Managing Member shall cause the Company to provide each Member, at such Member's cost, upon reasonable request, with such information as shall be reasonably required by such Member in order to enable it to file any of its tax returns and shall also from time to time furnish such other information available to the Company as such Member may reasonably request for the purpose of enabling it to comply with any reporting, filing, or other requirements imposed by any statute, rule, regulation, or otherwise by any governmental agency or authority or with its own internal rules, regulations, and policies generally applicable with respect to investments of this nature. Each Member agrees not to, except as otherwise required by applicable law or regulatory requirements, (i) treat, on such Member's individual income tax returns, any item of income, gain, loss, deduction or credit relating to such Member's interest in the Company in a manner inconsistent with the treatment of such item by the Company as reflected on the Schedule K-1 or other information statement furnished by the Company to such for use in preparing such Member's income tax returns or (ii) file any claim for refund relating to any such item based on, or which would result in, such inconsistent treatment. In respect of an income tax audit of any tax return of the Company, the filing of any amended return or claim for refund in connection with any item of income, gain, loss, deduction or credit reflected on any tax return of the Company, or any administrative or judicial proceedings arising out of or in connection with any such audit, amended return, claim for refund or denial of such claim, (A) the Partnership Representative shall be authorized and required to act for and to represent the Company in connection with all examinations of the Company's affairs by any federal, state, local or foreign taxing authority, and its decision shall be final and binding upon, the Company and all Members, (B) all expenses incurred by the Partnership Representative or Designated Individual in connection therewith (including attorneys', accountants' and other experts' fees and disbursements) shall be expenses of, and payable by, the Company and (C) no Member other than the Partnership Representative shall have the right to (1) participate in the audit of any Company tax return, or (2) participate in any administrative or judicial proceedings conducted by the Company arising out of or in connection with any such audit.

Section 8.04 Company Tax or Information Returns. The Managing Member shall cause to be prepared and timely filed all tax returns required to be filed for the Company. For as long as NJEDA is a Member of the Company, at least thirty (30) days before filing any such tax return, the Managing Member shall submit a draft thereof to NJEDA for its review and comment, which comments shall be provided within fifteen (15) days after receipt thereof. For as long as NJEDA is a Member of the Company, with the approval of NJEDA, the Managing Member may retain, at the Company's expense, any reputable third-party company in the business of preparing and filing tax returns to prepare and file the Company's tax returns. The Managing Member shall send to each Member a copy of the approved Company's federal, state, and local income tax or information returns for the then previous taxable year at least thirty (30) days prior to the due date therefor.

Section 8.05 Banking. The Managing Member shall open and thereafter maintain one or more separate bank accounts in the name of the Company with a federally insured reputable bank or other financial institution in which there shall be deposited funds of the Company. No other funds shall be deposited in said accounts. The funds in said accounts shall be used solely for the business of the Company, and all withdrawals therefrom are to be made only by the Managing Member or such other Persons as the Managing Member may from time to time designate.

Section 8.06 Financial Reports. The Managing Member shall be responsible, at the expense of the Company, for the preparation of financial reports of the Company and the coordination of financial matters of the Company with the Company's accountants. Within sixty (60) days after the end of each Fiscal Year and within thirty (30) days after the end of each fiscal quarter, the Managing Member, at the expense of the Company, shall cause each Member to be furnished with a copy of the balance sheet of the Company as of the last day of the applicable period, and a statement of income or loss for the Company for such period.

Section 8.07 Fiscal Year. The “Fiscal Year” of the Company shall be the calendar year, unless otherwise approved by the Board, or as otherwise required pursuant to the Code and the Income Tax Regulations promulgated thereunder. As used in this Agreement, a Fiscal Year shall include any partial fiscal year at the beginning and end of the Company term.

Section 8.08 Income Tax Status. It is the intent of the Company and the Members that the Company shall be treated as a partnership for U.S. federal, state, and local income tax purposes. The Partnership Representative (as hereinafter defined) is hereby authorized and shall take all actions necessary to qualify the Company as a partnership for federal income tax purposes in accordance with Regulation Section 301.7701-3 (and/or comparable provisions of state and local law).

Section 8.09 Partnership Representative.

(a) **Appointment; Resignation.** The Managing Member shall be designated as the “partnership representative” (the “**Partnership Representative**”) as provided in Code Section 6223(a) (as amended by the Bipartisan Budget Act of 2015 (“**BBA**”). The Partnership Representative may resign at any time if there is another Member to act as the Partnership Representative. The Partnership Representative can be removed at any time by a vote of a majority of the other Members, and shall resign if it is no longer a Member. In the event of the resignation or removal of the Partnership Representative, a majority of the other Members shall select a replacement Partnership Representative.

(b) **BBA Elections.** To the extent permitted by applicable law and regulations, the Partnership Representative on behalf of the Company shall annually elect out of the partnership audit procedures enacted under Section 1101 of the BBA (the “**BBA Procedures**”) pursuant to Code Section 6221(b), as amended by the BBA. For any year in which applicable law and regulations do not permit the Company to elect out of the BBA Procedures, then within forty-five (45) days of any notice of final partnership adjustment, the Company shall elect the alternative procedure under Code Section 6226, as amended by the BBA, and furnish to the Internal Revenue Service and each Member (including former Members) during the year or years to which the notice

of final partnership adjustment relates, a statement of the Member's share of any adjustment set forth in the notice of final partnership adjustment.

(c) Such Partnership Representative shall designate a “designated individual” of the Partnership Representative from time to time (such individual, the “**Designated Individual**”). Each Member hereby approves of such designation and agrees to execute, certify, acknowledge, deliver, swear to, file, and record at the appropriate public offices such documents as may be deemed necessary or appropriate to evidence such approval, including statements required to be filed with the tax returns of the Company in order to effect the election and designation of the foregoing Partnership Representative.

ARTICLE IX TRANSFERS

Section 9.01 Prohibited Transfers. Without the prior written consent of all the Members, except as permitted pursuant to this ARTICLE IX, no Member shall sell, hypothecate, pledge, encumber, assign, or otherwise transfer (a “**Transfer**”), with or without consideration, all or any portion of its Membership Interests in the Company to any other Person or entity (a “**Transferee**”). No Transfer of Interests to a Person not already a Member of the Company shall be deemed completed until the prospective Transferee is admitted as a Substituted Member of the Company in accordance with Section 9.06 hereof.

Section 9.02 Reserved.

Section 9.03 Prohibition on Assignments Violating Securities Laws. No transfer or assignment of any Member's Membership Interests shall be made if counsel for the Company shall be of the opinion that such transfer or assignment would be in violation of any federal or state securities laws applicable to the Company.

Section 9.04 Transfers in Violation of Restrictions Void. Any assignment, sale, exchange, or other transfer in contravention of any of the provisions of this ARTICLE IX shall be void and of no force or effect, and shall not bind or be recognized by the Company.

Section 9.05 Transfer of Entire Interest. For the avoidance of doubt, any Transfer of a Member's Membership Interests permitted by this Agreement shall be deemed a sale, transfer, assignment, or other disposal of such Member's Membership Interests in its entirety as intended by the parties to such Transfer, and shall not be deemed a sale, transfer, assignment, or other disposal of any less than all the rights and benefits of a Member, unless otherwise explicitly agreed to by the parties to such Transfer.

Section 9.06 Substituted Members. Subject to the provisions of this ARTICLE IX, any Transferee may become a “**Substituted Member**” (herein so called) when all the following conditions have been satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the Membership Interests being

assigned and set forth the intention of the assignor that the Transferee succeed to the assignor's Membership Interests as a Substituted Member;

(b) A duly executed joinder agreement in a form acceptable to the Managing Member under which the Transferee agrees to be bound by all of the provisions of this Agreement as if the Transferee was a direct signatory to this Agreement;

(c) The assignor and Transferee shall have executed such other instruments as the Managing Member may deem necessary or desirable to effect such substitution, including the written acceptance and adoption by the Transferee of the provisions of this Agreement;

(d) The Transferee has complied with the requirements of Section 10.01; and

(e) The other provisions of this ARTICLE IX shall have been complied with.

ARTICLE X DISSOLUTION AND LIQUIDATION

Section 10.01 Dissolution and Winding Up. The Company shall be dissolved, and its affairs shall be wound up, upon the occurrence of any of the following events:

(a) The expiration of the term in accordance with Section 1.07.

(b) A written consent to dissolution is signed by all of the Members.

(c) The expiration of the term set forth in the Certificate of Formation, if any, including any extensions thereof.

(d) A decree of judicial dissolution is entered under N.J.S.A. 42:2C-48.

Section 10.02 Responsibility for Winding Up. Upon the dissolution of the Company, the affairs of the Company shall be wound up by the Managing Member.

Section 10.03 Liquidation and Distribution. Notwithstanding anything set forth in this Agreement to the contrary, the Persons responsible for winding up the affairs of the Company pursuant to Section 10.02 shall take full account of the Company's assets and liabilities, shall liquidate the assets of the Company as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds in the following order of priority (with non-cash items being valued at fair market value, as reasonably determined by the Persons responsible for the winding-up):

(a) First, to pay all outstanding third-party debts and liabilities of the Company (to the extent that such debts and liabilities are then due);

(b) Second, to fund a reasonable reserve for contingent liabilities of the Company (after passage of a reasonable time the balance, if any, in said reserve shall be distributed as set forth below);

(c) Third, all remaining proceeds shall be distributed pro rata to the Members in accordance with Section 5.02. Such distribution required by this Section 10.03(c) shall be made by the end of the Fiscal Year in which such dissolution occurs, or, if later, within ninety (90) days after the date of such dissolution.

Section 10.04 Requirements Upon Liquidation. Notwithstanding anything set forth in this Agreement to the contrary, in the event the Company is “liquidated” (or any Member's Membership Interests in the Company is “liquidated”) (as that term is defined in Regulation Section 1.704-1(b)(2)(ii)(g)) and any Member's Capital Account (or, as the case may be, the Capital Account of the Member whose Interest is “liquidated”) has a deficit balance, such Member shall have no obligation to restore such deficit balance or otherwise contribute to the capital of the Company.

Section 10.05 Cancellation of Certificate of Formation. Upon the completion of the winding up of the Company's affairs, the Company shall be terminated and the Members conducting the winding up of the Company's affairs shall cause the cancellation of (a) the Certificate of Formation by filing a certificate of dissolution and termination with the DORES; and (b) all other qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the State of New Jersey and shall take such other actions as may be necessary to terminate the Company.

ARTICLE XI

MEMBER REPRESENTATIONS AND COVENANTS

Section 11.01 Each Member represents, warrants, covenants, acknowledges and agrees that:

(a) It has all requisite power and authority to enter into this Agreement, to acquire and hold its Membership Interests and to perform its obligations hereunder; and the execution, delivery and performance of this Agreement has been duly authorized.

(b) This Agreement and all agreements, instruments and documents herein provided to be executed or caused to be executed by it are duly authorized, executed and delivered by and are and will be binding and enforceable against it.

(c) Its execution and delivery of this Agreement and the performance of its obligations hereunder will not conflict with, result in a breach of or constitute a default (or any event that, with notice or lapse of time, or both, would constitute a default) or result in the acceleration of any obligation under any of the terms, conditions or provisions of any other agreement or instrument to which it is a party or by which it is bound or to which any of its property or assets are subject, or violate any statute or any order, rule or regulation of the State of New Jersey, that would materially and adversely affect the performance of its duties hereunder; such Member has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by such Member of its obligations hereunder.

(d) There is no action, suit or proceeding pending or, to its knowledge, threatened against it in any court or by or before any other governmental entity that would prohibit its entry into or performance of this Agreement.

(e) This Agreement is a binding agreement on the part of such Member enforceable in accordance with its terms against such Member.

(f) It has been advised to engage, and has engaged, its own counsel (whether in-house or external) and any other advisors it deems necessary and appropriate. By reason of its business or financial experience, or by reason of the business or financial experience of its own attorneys, accountants and financial advisors (which advisors, attorneys and accountants are not affiliates of the Company or any other Member), it is capable of evaluating the risks and merits of an investment in the Interest and of protecting its own interests in connection with this investment. Nothing in this Agreement should or may be construed to allow any Member to rely upon the advice of counsel acting for another Member or to create an attorney-client relationship between a Member and counsel for another Member.

(g) In connection with the operation of the Innovation Center and the Company, it shall comply with all applicable laws (including applicable federal, state, and local laws, statutes, ordinances, rules, and regulations). This includes, but is not limited to, compliance with all relevant industry standards and regulatory requirements.

(h) It has obtained and shall maintain all necessary licenses, permits, approvals, and authorizations required by law to conduct its business and perform its obligations under this Agreement. Each Member further warrants that it shall comply with all terms and conditions of such licenses and permits.

(i) In connection with the operation of the Innovation Center and the Company, it shall comply with all applicable laws (including applicable New Jersey laws) and regulations regarding non-discrimination and contractor and supplier diversity. This includes, to the extent legally permissible, adherence to laws and policies that promote equal opportunity and prohibit discrimination based on race, color, religion, sex, national origin, age, disability, or any other protected characteristic. To the extent legally permissible, each Member shall also take affirmative steps, to the extent required or permitted by applicable laws, to ensure diversity among its contractors and suppliers.

(j) In the event the Company owns any intellectual property (“IP”) that all of the Members agree would be in the best interests of the Company to sell, each Member shall have the first right to offer to purchase such IP. The Company shall notify all Members in writing of its intention to sell the IP, providing a detailed description of the IP and the terms of the proposed sale. Each Member shall have a period of thirty (30) days from the date of such notice to submit a bid to purchase the IP. The Member who submits the highest bid within this period shall be entitled to purchase the IP on the terms specified in their bid; *provided*, that such terms are acceptable to the Company. In the event a Member purchases IP, the Company shall carry out the sale in a way that is tax efficient for all Members as determined by the Managing Member. If no Member submits a bid within the specified period, or if the highest bid is not acceptable to the Company, the Company shall then be free to accept a third party bid or offer the IP for sale to the public or

any third party as approved by the Members; *provided*, that to the extent the Company receives any offers from the Members, the Company may only accept a bid from a third party that is higher than the highest bid received from the Members. This covenant shall ensure that the Members have the first opportunity to acquire any IP produced by the Company before it is made available to the public, thereby preserving the value and potential benefits of the IP within the Company's membership. The Company shall have no rights to pre-existing IP of any of the Members or IP developed independently of the Company and any involvement of the other Members. The Company shall have no rights to IP developed by any Member(s) using Company resources (including, but not limited to, Company space, funding, or computing resources) except to the extent expressly provided for in a separate written agreement among the Company and such Member(s) that developed such IP. For the avoidance of doubt, absent such a separate written agreement governing research and IP, ownership of IP developed using Company resources shall follow inventorship (for patentable IP) or authorship (for copyrightable IP), as the case may be, and neither the Company nor any Member shall have rights to IP developed by another Member or another Member's personnel solely by virtue of the use of the Company's or other Member's resources (including, but not limited to, space, funding, or computing resources).

Section 11.02 Managing Member and Company Representations. The Managing Member and the Company each represent and warrant to the NJEDA on the date hereof that:

(a) The Company and the Managing Member have been duly formed and are validly existing and in good standing in the State of New Jersey.

(b) To the knowledge of the Managing Member, this Agreement and its exhibits and schedules, taken as a whole, do not, as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(c) The execution, delivery and performance of this Agreement and the offer and sale of limited liability company interests to the NJEDA pursuant thereto will not (i) result in the violation of any of the terms or conditions of any agreement or instrument to which the Managing Member or the Company, is bound or affected, the result of which would be a material breach of such agreement or instrument (ii) violate any order, writ, judgment or decree by which the Managing Member or the Company is bound or affected, or (iii) require the filing or registration with, or the approval, authorization license or consent of, any court or governmental department, agency or authority which has not already been duly and validly obtained, except in the case of this clause (iii) (A) where the failure of which would not have a material adverse effect on the condition, financial or otherwise, of the Managing Member and/or the Company and (B) notice filings under applicable securities laws.

ARTICLE XII POINTS OF CONTACT INFORMATION

Section 12.01 Contacts. The Managing Member and the Company each shall designate one individual who shall be responsible for coordinating all services to be provided to the Company and who will be NJEDA's normal point of contact. The same individual may be the

point of contact for both the Managing Member and the Company. NJEDA shall designate one individual who will serve as NJEDA's representative and who will be the normal point of contact with the Company. Both the Company and NJEDA may change this designation from time to time.

ARTICLE XIII MISCELLANEOUS

Section 13.01 Notices. Unless specifically stated otherwise in this Agreement, all notices, waivers, and demands required under this Agreement shall be in writing and delivered to all other parties at the addresses set forth in the Preamble, by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the business day following deposit with the courier for next business day delivery; (c) Registered U.S. Mail, signature required and postage-prepaid, whereby delivery is deemed to have occurred on the third business day following deposit with the United States Postal Service; or (d) electronic transmission (facsimile or email) provided that the transmission is completed no later than 4:00 p.m. Eastern Standard Time on a business day and the original also is sent via overnight courier or U.S. Mail, whereby delivery is deemed to have occurred at the end of the business day on which electronic transmission is completed. Any party shall change its address for purposes of this Section 13.01 by giving written notice as provided in this Section 13.01.

Section 13.02 Complete Agreement; Amendments and Modifications; Partial Invalidity; Waivers.

(a) This Agreement may be executed in counterparts, and when executed and delivered by all parties in person, by facsimile, or email pdf, shall become one (1) integrated agreement enforceable on its terms. This Agreement supersedes all prior agreements between or among the parties with respect to the subject matter hereof and all discussions, understandings, offers, and negotiations with respect thereto, whether oral or written. This Agreement shall not be amended or modified, except in a writing signed by each party hereto. All exhibits that are referenced in this Agreement or attached to are incorporated herein and made a part hereof as if fully set forth in the body of the document.

(b) Any term or provision of this Agreement, which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

(c) Any waiver of any provision or of any breach of this Agreement shall be in writing and signed by the party waiving said provision or breach. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

Section 13.03 Third-Party Beneficiary; Successors and Assigns.

(a) This Agreement is an agreement solely for the benefit of the Members (and their permitted successors and/or assigns). No other Person, party, or entity shall have any rights hereunder nor shall any other Person, party, or entity be entitled to rely upon the terms, covenants, and provisions contained herein. The provisions of this Section 13.03 shall survive the termination of this Agreement or dissolution of the Company.

(b) This Agreement and all its covenants, terms, and provisions shall be binding on and inure to the benefit of each party and its permitted successors and assigns.

Section 13.04 Further Assurances. Each Member agrees to do such things, perform such acts, and make, execute, acknowledge, and deliver such documents as may be reasonably necessary and customary to carry out the intent and purposes of this Agreement, so long as any of the foregoing do not materially increase any Member's obligations hereunder or materially decrease any Member's rights hereunder.

Section 13.05 Dispute Resolution. The Members and the Managing Member each agree to initially attempt to resolve any dispute through direct negotiation with persons fully authorized to resolve the dispute or through non-binding mediation utilizing a mediator agreed to by the parties, rather than through litigation. Each party agreed that no formal proceedings for the judicial resolution of any such dispute, except for the seeking of equitable relief or those required to avoid non-compliance with the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., may begin until either the parties conclude, after a good faith effort to resolve the dispute, that resolution through continued discussion is unlikely.

Section 13.06 Days; Performance on a Saturday, Sunday, or Holiday. Whenever the term "day" is used in this Agreement, it shall refer to a calendar day unless otherwise specified. Should this Agreement require an act to be performed or a notice to be given on a day other than a business day, the act shall be performed or notice given on the following business day.

Section 13.07 Governing Law; Jurisdiction. This Agreement shall be enforced, governed, and construed in all respects in accordance with the internal laws of the State of New Jersey, without giving effect to the choice of law or conflict of law rules or laws of such jurisdiction. Each Member agrees that any litigation, claim, or lawsuit directly or indirectly arising out of or related to this Agreement shall be instituted exclusively in the courts of the State of New Jersey, and nowhere else. Each Member further agrees that, notwithstanding the foregoing, any such litigation, claim, or lawsuit as to which there is federal jurisdiction, by reason of diversity, federal question or otherwise, shall be instituted exclusively in the federal district court of New Jersey. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court or that any such suit, action, or proceeding that is brought in any such court has been brought in an inconvenient form. Service of process, summons, notice, or other document by registered mail to the address set forth in Section 13.01 shall be effective service of process for any suit, action, or other proceeding brought in any such court.

Section 13.08 Authority; Sovereign Immunity; Indemnification.

(a) The Managing Member and the Company acknowledge and agree that the authority and powers of the NJEDA are and shall be governed by the provisions of the New Jersey Economic Development Authority Act (N.J.S.A. 34:1B-1 et seq.; P.L. 1974, c.80, as amended and supplemented) and shall be construed in accordance with New Jersey law.

(b) The Managing Member and the Company each acknowledge that the NJEDA reserves all immunities, defenses, rights and actions arising out of its status as a sovereign state or entity, including those under the Eleventh Amendment of the United States Constitution and the laws and Constitution of the State of New Jersey. No waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the NJEDA entering into this Agreement, by any express or implied provision thereof, or by any actions or omissions to act by the NJEDA or any representative or agent of the NJEDA, whether taken or omitted to be taken pursuant to this Agreement or prior to the entry by the NJEDA into this Agreement.

(c) The NJEDA hereby represents to the Managing Member and the Company that, under the laws of the State of New Jersey, the NJEDA is not authorized to indemnify the Managing Member and its affiliates. Based on the foregoing, the Managing Member and the Company each agree that, notwithstanding the provisions of this Agreement, this Agreement shall not impose any indemnification obligations on the NJEDA or be applied or construed to require the NJEDA to provide indemnification to any person or entity thereunder, including, but not limited to, the Managing Member, the Company, or any of their respective affiliates.

Section 13.09 Default.

(a) Either Member (the “**Non-Breaching Party**”) may provide written notice to the other Member (the “**Breaching Party**”) of the Breaching Party’s Material Breach. The Breaching Party shall have 90 days to cure such Material Breach, if curable (provided that if such Material Breach cannot be cured within such 90-day period, the cure period shall be extended, provided that the Breaching Party commences to cure within the 90-day period and diligently proceeds to cure) (“**Cure Period**”).

(b) If Managing Member is the Breaching Party, the Board may replace Coriell as the managing member or manager, only if (i) Coriell fails to cure a Material Breach within the Cure Period and (ii) solely with respect to any material non-compliance with any material provision of this Agreement, such non-compliance resulted in a material adverse effect on the Company. If NJEDA replaces Coriell as the Managing Member, Coriell shall, in NJEDA’s discretion, either (1) continue as a non-voting Member or (2) be fully redeemed from the Company at fair market value. In the event of a Material Breach by NJEDA, NJEDA shall, in Coriell’s discretion, either (1) continue as a non-voting Member or (2) be fully redeemed from the Company at fair market value. The Company shall include in any Operator agreement similar “Material Breach” provisions and shall enforce same such that any Operator shall be removed by Company for any uncured cause-event.

Section 13.10 Equitable Remedies. Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other parties, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

Section 13.11 Ownership of Project; Right of Partition. The interest of each Member in the Company shall be personal property for all purposes. No Member shall have any right to partition the Property or any assets of the Company and each Member hereby irrevocably waives any and all right to partition, or to maintain any action for partition or to compel any sale with respect to its interest in any assets or properties of the Company except as expressly provided in this Agreement.

Section 13.12 Cumulative Remedies; Waiver of Consequential Damages. Except as otherwise expressly provided herein, the rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any Member shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Members may have by law or otherwise; provided, however, in no event shall any Member be liable to the other or to the Company for any indirect, consequential, special, incidental or punitive damages of any kind or nature whatsoever, or for any lost profits, lost revenues or for other similar costs arising out of or in connection with this Agreement.

Section 13.13 Rules of Construction. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text hereof. This Agreement is not subject to the principle of construing its meaning against the party that drafted it, and each Member acknowledges that it was represented by its own counsel in connection with its negotiation and drafting. Wherever in this Agreement any Member is permitted or required to make a decision or determination (including any direction, vote, election, action, consent or approval), (a) such Member may make that decision or determination in its sole and absolute discretion (except as otherwise expressly provided herein), and (b) without limiting the generality of the foregoing, in making such decision or determination, such Member is entitled to consider, favor and further only such interests and factors as it desires, including its own interests, and has no duty or obligation to consider, favor or further any other interest of the Company or any other Member.

Section 13.14 NJEDA Provisions.

(a) The Managing Member and the Company shall comply with all applicable laws, regulations, and NJEDA policy relating to taxes, whistleblowing/anti-fraud, public officers, ethics and conflict of interest, political contribution disclosure, and such other regulations or policies as NJEDA advises or provides to the Managing Member.

(b) All contracts and subcontracts for construction, reconstruction, demolition, alteration, repair work, maintenance work or construction related to the installation of equipment shall be subject to NJEDA's prevailing wage and affirmative action requirements. All contracts and subcontracts for building services (i.e., cleaning and routine building maintenance work) performed at the Innovation Center shall be paid not less than the prevailing wage rate as determined by the Commissioner of Labor and Workforce Development. In performing, requiring, or paying in whole or in part for, any work for the Innovation Center under a construction contract, as that term is defined in N.J.A.C. 19:30-3.1 and -4.1, or in performing, requiring, or paying in whole or in part for, any cleaning or building maintenance related to the Innovation Center, including sweeping, vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse or trash, window cleaning, engineering, securing, patrolling, or other work in connection with the care, securing or maintenance of the innovation Center, the Managing Member on behalf of the Company shall comply, and the Company shall cause its contractors and subcontractors to comply, with all applicable prevailing wage requirements (including, but not limited to, N.J.S.A. 34:11-56.25 et seq., N.J.S.A. 34:1B-5.1, N.J.A.C. 19:30-4.1 et seq., and N.J.S.A. 34:11-56.48 et seq.) and affirmative action requirements (including, but not limited to, N.J.S.A. 34:1B-5.4 et seq. and N.J.A.C. 19:30-3.1 et seq.), which require, among other things, including mandatory language from NJEDA in the construction contracts and subcontracts. Further, the Managing Member by itself and on behalf of the Company, and the Company's contractors and subcontractors, shall comply with the provisions of the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., where applicable, including, but not limited to, the requirement that all contractors, subcontractors and lower tier subcontractors who bid on or engage in any contract for "public work" as defined in N.J.S.A. 34:11-56.26 be first registered with the New Jersey Department of Labor and Workforce Development.

(c) This transaction is subject to the Open Public Records Act (OPRA), N.J.S.A. 47:1A-1.1 et seq., and any review and approval by the NJEDA Board shall be in a public meeting pursuant to the Open Public Meetings Act (OPMA), N.J.S.A. 10:4-6 et seq.

(d) The NJEDA represents that it is a governmental entity and instrumentality subject to New Jersey state laws, regulations and policies and applicable case law which could result in the disclosure of information regarding the Company and any investment of the Company that is provided to the NJEDA, including, without limitation, the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.) and the Open Public Meetings Act (N.J.S.A. 10:4-6 et seq.) as each may be amended from time to time (together, including all applicable regulations and policies and applicable case law, and the New Jersey common law right to know, the "**Public Records Acts**"). Because the NJEDA is subject to the Public Records Acts, the Managing Member acknowledges and agrees that the NJEDA may, with or without the receipt of a specific information request, disclose or report to the public, on its website or otherwise, identifying information about the Company, which shall be limited to a brief description of the Managing Member; the Managing Member's logo, if any; a link to the Managing Member's website, to the extent such website is operational and available to the public; vintage year; name and address of Company; and the Company's purpose (e.g., venture capital, buyout, etc.).

(e) Contract records related to NJEDA's Capital Commitment, including but not limited to records related to disbursement and use by the Managing Member on behalf of the Company in connection with the Innovation Center, are subject to audit or review by the New

Jersey Office of the State Comptroller (“OSC”) pursuant to N.J.S.A. 52:15C-B et seq. In accordance with the provisions of said statute, the Managing Member shall maintain all documentation related to this Agreement for a period of five (5) years after the date of final disbursement of NJEDA’s Capital Commitment. Such records shall be made available to the OSC and NJEDA upon reasonable advance notice and written request.

(f) All tort claims against NJEDA shall be governed by the Tort Claims Act, and all contract claims asserted against NJEDA shall be governed by the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).

(g) Appropriate records and books of account shall be kept, on the accrual basis, at the principal place of business of the Company during the term of the Company and for at least five years following the dissolution of the Company. Upon ten (10) days prior written notice to the Managing Member, at any time while the Company continues and for five years thereafter, the NJEDA (or any Person designated by the NJEDA, including but not limited to the New Jersey Office of the State Comptroller) may fully examine and/or audit, during normal business hours and without undue disruption, the Company’s books, records, accounts, assets, including bank balances, and such other information as is reasonably necessary to enable the NJEDA (or such designated Person) to review the state of the activities of the Company and may make, or cause to be made, any such examination or audit at the NJEDA’s expense.

(h) The Managing Member will cause a representative of the Managing Member or delegate to participate in New Jersey’s semi-annual NJ Founders & Funders Event or another NJEDA sanctioned event related to the entrepreneurial community in New Jersey.

(i) The Managing Member agrees that for purposes of any provision of this Agreement requiring the delivery of an opinion of counsel by the NJEDA, the opinion may be rendered by the Attorney General of the State of New Jersey or such special counsel designated by the Office of the Attorney General.

(j) The Managing Member and the Company each represent and warrant that, to its knowledge, the Company, the Managing Member, any affiliates of the foregoing, their respective partners, directors, officers, or employees have not employed or retained any company, person or other entity to solicit or secure the NJEDA’s investment in the Company, and none of the aforementioned parties had paid or agreed to pay any company, person, or other entity any fee, commission, percentage, brokerage fee, gift, political contribution, charitable contribution or any other compensation contingent upon or resulting from the NJEDA’s investment in the Company.

(k) Expenses.

i. The Managing Member and the Company each acknowledge that the people responsible for managing the NJEDA and its investments (the “NJ Managers”) are employees of the State of New Jersey and are subject to certain New Jersey ethical laws, regulations and guidelines (the “NJ Ethics Requirements”). In an effort to ensure compliance with the NJ Ethics Requirements, the NJEDA has requested clarification with regard to the treatment of certain expenses relating to conferences, seminars and meetings which the NJ Managers attend.

ii. From time to time, the Managing Member or the Company may pay the NJEDA's expenses in attending conferences, seminars and meetings relating to the Company, including annual meetings of the Company, which may include the cost of meals, transportation and accommodations. For the avoidance of doubt, such expenses, if paid by the Managing Member or the Company, shall be deemed to be services to be provided by the Managing Member under this Agreement, for which the Managing Member is being compensated in accordance with this Agreement. Such expenses, if paid by the Company, shall be deemed to be Company expenses, allocated to the NJEDA in accordance with this Agreement. For the avoidance of doubt, this paragraph will not be deemed to create any obligation on the part of the Managing Member or the Company to pay any of the NJEDA's expenses unless otherwise required under this Agreement.

iii. The NJEDA has advised the Managing Member that the NJEDA is a tax-exempt entity under United States federal, state and local laws, and has never been subject to, and is unlikely to be subject to, any tax withholding requirements of the United States federal, state or local laws. Based on the foregoing, before withholding and paying over to any United States federal, state or local taxing authority any amount purportedly representing a tax liability of the NJEDA, the Managing Member shall provide the NJEDA with written notice of the claim of any such United States taxing authority that such withholding and payment is required by law and shall provide the NJEDA with the opportunity to contest such claim during any period. To the extent that such contest subjects the Company to any potential liability to such taxing authority or any other governmental authority for any withholding payment, interest, or penalties thereon, the NJEDA consents to such withholding and payment. If withholding is made, the Managing Member shall use its commercially reasonable efforts to apply for and obtain a refund of amounts that are withheld as to the NJEDA, based on the NJEDA's tax-exempt status, provided that the NJEDA cooperates in such efforts and agrees to reimburse the Company for reasonable out-of-pocket expenses incurred by the Company in connection therewith.

(l) The Managing Member acknowledges that: (i) it may be required by N.J.S.A. 19:44A-20.27 (L. 2005, c. 271) and regulations promulgated thereunder to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission; (ii) it is the responsibility of the Managing Member to determine whether such filing is necessary; and (iii) failure to make such filing, if required, can result in the imposition of financial penalties by the New Jersey Election Law Enforcement Commission.

(m) The Managing Member agrees to use commercially reasonable efforts to provide the NJEDA with prompt notice of (a) any material public media attention or material public scrutiny of which the Managing Member is aware and which, in the Managing Member's reasonable judgment, is reasonably likely to have a material adverse effect on the public profile of the Company or the NJEDA, and (b) any event or activity of the Company which requires a publicly available filing with a securities regulatory authority or other governmental agency to be made by the Company or the Managing Member that discloses the NJEDA's name. For greater certainty, such events and activities do not include routine filings of the Company including beneficial ownership reports, insider reports or filings related to licenses to carry on business in local jurisdictions.

(n) The Managing Member agrees that it will not unreasonably withhold its consent to any assignment or transfer by the NJEDA of its Interest in the Company to affiliates of the NJEDA.

Section 13.15 No Waiver. Any waiver of compliance with the terms and conditions hereof, or regarding any breach by either Member under this Agreement, shall not affect similar rights subsequently arising, nor operate as a waiver of subsequent breaches of the same or similar kinds, nor as a waiver of the clause or condition under which said rights arose or said breach occurred. Similarly, any inspection, review, observation, or any other notice whereby a Member knew or should have known of a breach by another Member shall not operate as a waiver of such breach, or of any subsequent or similar breach, or as a waiver of the clause or condition under which said rights arose or said breach occurred.

Section 13.16 Listed and Prohibited Transactions. The Managing Member and the Company (i) shall use its commercially reasonable efforts to assure that any investment is not a “listed transaction” as defined in U.S. Treasury Regulation Section 1.6011-4(b)(2), and (ii) shall not knowingly make an investment that is (x) a “prohibited reportable transaction” as defined by Section 4965(e) of the Code, or (y) a “reportable transaction” as defined by Section 6707A(c)(1) of the Code (except that the Company may, directly or indirectly, enter into any such reportable transaction (other than a listed transaction or prohibited reportable transaction) if it complies with the reporting requirements of Treasury Regulation Section 1.6011-4(d)). If the Managing Member becomes aware that the Company becomes, or has engaged directly or indirectly in a transaction that is, a listed transaction, a reportable transaction (other than a reportable transaction (which is not a listed or prohibited reportable transaction) for which it complied with the reporting requirements of Treasury Regulation Section 1.6011-4(d)) or a prohibited reportable transaction, it shall promptly notify the Members.

Section 13.17 FCPA. The Managing Member is familiar with and shall comply with (and shall cause their officers, directors and employees to comply with) the U.S. Foreign Corrupt Practices Act of 1977, as amended, and other relevant bribery and/or corruption laws and regulations.

Section 13.18 OFAC/PATRIOT ACT Compliant Investments. The Managing Member shall take reasonable measures to avoid any investment in the Company by a Person, and shall avoid transactions, that would violate (a) any relevant anti-money laundering legislation, rules or regulations, including the USA PATRIOT Act or (b) any rules, regulations or orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”), including any investment in the Company by or transaction with (i) any Person appearing on OFAC’s Specially Designated Nationals and Blocked Persons List, (ii) any Person headquartered in or organized under the laws of a country subject to comprehensive sanctions, (iii) any Person owned or controlled by any one or more Persons described in the foregoing, or (iv) any other Person with whom a transaction is prohibited by OFAC. For purposes of this paragraph 2317, the Managing Member’s obtaining and good faith reliance on representations and warranties made by any Person at or before the time of the Person’s investment in the Company or at the time of such transaction, as applicable, shall constitute reasonable inquiry.

Section 13.19 Force Majeure. Performance by any of the Members may be excused upon the occurrence of a “force majeure” event which prevents such Member from reasonably performing its undertakings under this Agreement, including without limitation any strike, labor dispute, war, sabotage, pandemic, natural disaster, act of God, prolonged failure of power, governmental directive, regional or national economic depression, or inability to obtain materials or services, provided such event or a Member’s inability to perform was not the fault of the Member seeking protection and further provided that such Member reasonably attempted to avoid or mitigate the impacts of the event which delayed or hindered that Member’s performance. The Member so delayed shall be entitled to a reasonable extension of the applicable time for performance commensurate with the length of the force majeure delay.

[SIGNATURE PAGE ONLY TO FOLLOW]

APPENDIX A – NJ Coriell Labs Innovation Center Operating Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement of NJ Coriell Labs Innovation Center LLC as of the date set forth above.

CORIELL INSTITUTE FOR MEDICAL RESEARCH

By:
Name:
Title:

**NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____
Tim Sullivan
Chief Executive Officer

EXHIBIT A

**LIST OF MEMBERS, INITIAL MEMBERSHIP INTERESTS,
AND CAPITAL CONTRIBUTIONS**

Name of Member	Initial Contribution	Membership Interests
Coriell Institute for Medical Research	\$_____	50%
New Jersey Economic Development Authority	\$_____*	50%

* To be funded as provided on Exhibit A-2

EXHIBIT A-1

Name of Member	Capital Commitment
Coriell Institute for Medical Research	\$21,166,720*_____
New Jersey Economic Development Authority	\$20,000,000

* Subject to requirement to fund Additional Capital Contributions, if necessary

EXHIBIT A-2

Milestones	Milestone Completion	NJEDA Investment	Comments/Documentation
<p>Executed documents supporting the full capital stack to fund 100% of project costs, inclusive of NJEDA's commitment; Preconstruction analysis & documentation; Site Remediation; Land Title; Miscellaneous expenses (legal, consultants, etc.).</p> <p>Services Agreement shall be approved and executed by the Parties.</p>	December 31, 2025	\$3,512,084	EDA Investment is contingent on the milestones being satisfied on or before Milestone Completion Date
	March 31, 2026	\$3,418,052	EDA Investment is contingent on the milestones being satisfied on or before
	June 30, 2026	\$3,359,854	EDA Investment is contingent on the milestones being satisfied on or before
	September 20, 2026	\$3,382,211	EDA Investment is contingent on the milestones being satisfied on or before
	December 31, 2026	\$4,455,670	EDA Investment is contingent on the milestones being satisfied on or before
	Jan 31, 2027	\$1,872,130	EDA Investment is contingent on the milestones being satisfied on or before
Total EDA Equity Investment		\$20,000,000	In no instance shall EDA funding exceed

EXHIBIT B
Reporting to NJEDA

Reporting

1. The Innovation Center shall monthly prepare and submit detailed, written progress reports to NJEDA. Annually, the Innovation Center shall provide audited financials prepared by a qualified accounting firm approved by Board of Directors.

These reports will include:

Program overview and development

Upcoming list of activities and programs

Identify risks and plans to mitigate such risks

Summary of program results and metrics, including:

- i. Funding raised by tenant companies (e.g., grants, venture capital)
- ii. Mentorship network
- iii. Tenant company failure rate (starting in Year 2)
- iv. Related jobs created in the State of New Jersey from tenant companies
- v. Demographic profile of each tenant, including (i) geographic origin of the company and (ii) whether any company is a State-certified minority- or women-owned business enterprise
- vi. Media coverage of activity and events
- vii. Thought leadership activity via events, web visits, web blogs, YouTube, social media & podcasts

2. The Operator will provide to the NJEDA, not less often than quarterly, reporting on the following items:

i. The Operator's efforts to identify New Jersey-based businesses to become Innovation Center Tenants including its ongoing outreach efforts in New Jersey to identify New Jersey entities, the origin of referrals, and the nature of any gaps or problems in identifying New Jersey businesses for possible participation in the Innovation Center

ii. Information regarding the number and nature of New Jersey-based entities considered and onboarded by the Innovation Center, the life cycle stage of such entities, and the estimated number of jobs created in New Jersey from such entities' participation in the Innovation Center (to the extent such an estimate can be reasonably determined).

iii. Other information as may be reasonably requested by the NJEDA.

3. Managing Member will cause the Company to report, not less often than annually, on diversity and inclusion with respect to the Innovation Center Tenants to the extent investment diversity and inclusion statistics or policies are reasonably available. The Managing Member shall cause the Company to provide such information, on the form provided by the NJEDA to the Managing Member, to each Innovation Center Tenant to complete in order to compile the information called for by this paragraph; provided, however that the NJEDA acknowledges and understands that the completion of this form by each such Innovation Center Tenant shall be voluntary.

Exhibit C

Insurance

Insurance Provisions for NJ Coriell Biomedical SIC²

The Company shall secure and maintain in force, at their own expense, for the term of the Company insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company.

All Members of the Company shall be included as Insureds on all policies, either within the policy form definition of an Insured or via endorsement to the policy.

All policies must be endorsed to provide 30 days' written notice of cancellation or material change to the NJEDA at the address shown below. If the insurer cannot provide 30 days' written notice, then it will become the obligation of the Company to provide the same to the NJEDA within forty-eight (48) hours of receipt of notification from their insurance company.

The Company shall provide the NJEDA with current certificates of insurance for all coverages and applicable renewals thereof. Renewal certificates shall be provided within 30 days of the expiration of the insurance. No work is permitted to begin until evidence of the required insurance is provided. The certificates of insurance shall indicate the Contract number or purchase order number and title of the Contract in the Description of Operations box and shall list the NJEDA in the Certificate Holder box. The certificates and any notice of cancellation shall be mailed to the Authority at: New Jersey Economic Development Authority, PO Box 990, 36 West State Street, Trenton, NJ 08625-0990.

The Company and any Subcontractors hereby waives all rights of subrogation against the NJEDA for recovery of damages to the extent those damages are covered by any insurance policies the Company/Subcontractor is required to maintain as set forth herein. The Company/Subcontractor agrees to obtain, at its own cost, any endorsement necessary to provide such a waiver under the applicable insurance coverage.

The Company shall maintain the following insurance coverages for the term of the Company:

Article I. **COMMERCIAL PROPERTY**

Commercial Property Insurance Commercial Property Insurance in an amount equal to 100 percent of the full replacement cost of the Business Personal Property and Tenant Improvements & Betterments (if applicable) and providing for protection against the perils insured under the ISO special causes of loss form CP 10 30 00 (or a substitute providing equivalent terms and conditions), including flood and earthquake (if available), with a deductible amount of not more than \$5,000. Any coinsurance requirement in the policy shall be eliminated through the attachment of an agreed amount endorsement, the activation of an agreed value option, or as is otherwise appropriate under the particular policy form.

² Exhibit C under review by the parties.

Article II. **COMMERCIAL GENERAL LIABILITY**

The Company shall maintain Commercial General Liability (CGL) insurance, with a limit of not less than ***\$1,000,000 each occurrence*** and ***\$2,000,000 general aggregate*** limit. Insurance shall be written on an ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising out of, occasioned by, or resulting from: bodily injury, property damage, products/completed operations, personal injury and advertising injury, premises operations, independent contractors, and liability assumed under an insured contract. Any deductible, or self-insured retention, applicable to the aforementioned insurance shall be written using ISO endorsement CG 03 00 (or a substitute form providing equivalent coverage) which otherwise requires the Company to be responsible for the deductible or retention.

Article III. **WORKERS COMPENSATION**

Either the Company or the Members supplying employees to the company will maintain Worker's Compensation applicable to the laws of the State of New Jersey and shall include an endorsement to extend coverage to any State, which may be interpreted to have legal jurisdiction and Employer's Liability Insurance with limits of no less than ***\$100,000/\$500,000/\$100,000***.

Article IV. **UMBRELLA/EXCESS LIABILITY**

The Company shall maintain Umbrella/Excess Liability providing limits in addition to, and following form over: Employers' Liability, Commercial General Liability, and Automobile Liability. Limits of no less than ***\$10,000,000 each occurrence and in the aggregate***. If such insurance contains a general aggregate limit, it shall apply separately to the specified premises/project. All endorsements (additional insured, primary non-contributory and Waiver of Subrogation) will follow the underlying policy form or be endorsed accordingly.

Article V. **DIRECTORS & OFFICERS LIABILITY**

Directors & Officers Liability, with limits of not less than ***\$1,000,000 each occurrence and aggregate***, providing coverage to past and present directors and officers of the Company for allegations of negligent acts, errors or omissions. Coverage may be provided on a claims-made basis as long as the retroactive date is prior to commencement of work at the site (must be indicated on certificate of insurance) and continuous coverage is maintained, or an extended discovery period exercised for a period of five (5) years beginning from the time the policy is terminated.

Article VI. **EMPLOYMENT PRACTICES LIABILITY**

Either the Company or the Members supplying employees to the Company will maintain, Employment Practices Liability with limits of not less than ***\$1,000,000 each occurrence and aggregate***. Coverage may be provided on a claims-made basis as long as the retroactive date is prior to commencement of work at the site (must be indicated on certificate of insurance) and

continuous coverage is maintained, or an extended discovery period exercised for a period of five (5) years beginning from the time the policy is terminated.

MEMORANDUM

TO: Members of the Authority

FR: Tim Sullivan
Chief Executive Officer

DA: July 23, 2025

RE: Approval of \$15,000,000 Allocation from the State of New Jersey Fiscal Year 2025 Appropriations Act to New York / New Jersey 2026 FIFA World Cup Host Committee

Summary

The Members of the Board are asked to approve an allocation of \$15,000,000 to the New York / New Jersey 2026 FIFA World Cup Host Committee, funded through the Fiscal Year 2025 Appropriations Act, to support the planning and implementation of public programming and activations related to the 2026 FIFA World Cup.

Additionally, Staff requests delegated authority to the CEO to execute the attached grant agreement, which is in substantially final form, upon it being agreed to and finalized.

Background

The State of New Jersey Fiscal Year 2025 Appropriations Act, signed into law by Governor Phil Murphy on June 30, 2024, included a \$19,000,000 appropriation to the New Jersey Economic Development Authority (NJEDA) for Events Attraction and Marketing. This flexible funding line was designed to support public-facing initiatives that promote New Jersey's economy and drive statewide visibility and growth, leveraging major events, targeted marketing campaigns, and place-based programming as tools for economic development.

In conjunction with the Fiscal Year 2026 Appropriations Act, the New Jersey State Legislature passed a Fiscal Year 2025 Omnibus Supplemental Bill, which included statutory language guiding the intended use of the Events Attraction and Marketing appropriation. The supplemental language specified that, notwithstanding any law or regulation to the contrary, up to \$15,000,000 of the appropriation shall be allocated to the New York / New Jersey 2026 FIFA World Cup Host Committee through the NJEDA. The language directed NJEDA to utilize these funds to support the implementation of a series of events and activations that promote statewide tourism and drive economic development by attracting visitors, stimulating local business activity, and generating revenue that leads to job creation and community investment.

In alignment with this directive, NJEDA will administer a \$15,000,000 grant to the New York / New Jersey 2026 FIFA World Cup Host Committee, a bi-state nonprofit entity responsible for organizing public programming, fan activations, and stakeholder coordination in advance of and during the 2026 FIFA World Cup. The Committee is tasked with maximizing the long-term economic potential of the tournament, with a focus on downtown activation, small business support, tourism engagement, and further elevating New Jersey's position as a global destination for major sporting events.

New Jersey's selection as the host site for the final match of the 2026 FIFA World Cup—the most-watched sporting event in the world—presents an unprecedented opportunity to translate global attention into sustained economic impact. Through strategic investment in public programming, community-facing events, and small business engagement, the state can ensure that the economic benefits of the tournament are shared broadly and equitably across communities statewide.

The Host Committee's scope of work will include a broad portfolio of statewide programming designed to activate public spaces, engage local communities, and maximize New Jersey's visibility. Planned initiatives

include large-scale fan festivals and FIFA viewing zones, cultural showcases, live entertainment, downtown programming, and small business engagement strategies, all aimed at attracting visitors, activating public spaces, driving local spending, and providing an economic boost to downtowns and main streets.

Grant Agreement Disbursements and Uses

The Authority will enter into a grant agreement with the New York / New Jersey 2026 FIFA World Cup Host Committee to govern the use of the \$15,000,000 allocation. The agreement will define eligible uses, disbursement terms, reporting requirements, and compliance provisions. The agreement will require that the Host Committee undertake at least one (1) Fan Festival which is defined as a large-scale multi-day public event organized in coordination with FIFA guidelines and the Host Committee to create an official, themed experience for the 2026 FIFA World Cup. Fan Fests typically feature live match broadcasts, entertainment, and cultural programming, and are designed to attract large crowds and maximize community participation.

The permitted uses of the funds would be any costs not specifically prohibited but relate to the planning and implementation of a statewide portfolio of public-facing programming and activations tied to the 2026 FIFA World Cup.

This funding is intended to support a comprehensive portfolio of statewide activations that maximize the economic benefits of New Jersey's role as a World Cup host. Anticipated initiatives may include large-scale FIFA-sanctioned fan festivals and viewing zones, cultural and entertainment programming, community-based watch parties, wayfinding and public signage, small business support efforts, and statewide tourism and marketing campaigns. The goal of these efforts is to drive foot traffic, stimulate local spending, and showcase communities across New Jersey to a global audience.

Funds may not be used for stadium-related expenses or permanent capital improvements.

At the Authority's discretion and subject to internal approval, the full \$15,000,000 may be disbursed as an initial payment following execution of the grant agreement and submission of a detailed, itemized budget and implementation plan. All disbursements will be contingent upon compliance with the executed agreement, including the submission of satisfactory documentation and adherence to approved scopes of work.

Reporting

Given the scale and accelerated timeline of World Cup planning, the Host Committee will be required to submit monthly written reports to NJEDA throughout the duration of the grant term. This cadence is intended to ensure consistent oversight and timely updates as preparations intensify ahead of July 2026.

Each report must include a summary of major activities and public programming, budget-to-actual comparisons, cumulative expenditures to date, and progress against implementation timelines and key milestones. NJEDA staff will review all submissions to monitor compliance, track performance, and ensure alignment with the terms of the grant agreement.

In addition, reports will provide narrative updates on community engagement and outreach efforts, as well as any observed or anticipated impacts on local economic activity or small business participation. This reporting structure is designed to promote transparency, uphold fiscal oversight, and ensure the effective use of state funds for this historic event.

Delegated Authority

Staff requests delegated authority to the CEO to execute the attached grant agreement, which is in substantially final form, upon it being agreed to and finalized.

Recommendation

Staff recommends the Board authorize the Authority to enter into a grant agreement with the New York / New Jersey 2026 FIFA World Cup Host Committee and approve the allocation of \$15,000,000—funded through the Fiscal Year 2025 Appropriations Act—to support the planning and execution of public programming and activations associated with the 2026 FIFA World Cup.

Furthermore, Staff requests delegated authority to the CEO to execute the attached grant agreement, which is in substantially final form, upon it being agreed to and finalized.



Tim Sullivan, CEO

Prepared by: E. Corrado, Chief of Staff

Attachment:

Grant Agreement between the NJEDA and the New York / New Jersey 2026 FIFA World Cup Host Committee

GRANT AGREEMENT
BETWEEN
THE NEW YORK / NEW JERSEY 2026 FIFA WORLD CUP HOST COMMITTEE, INC.
AND
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Grant Agreement (“Agreement”), entered into on _____, 2025, is between **THE NEW YORK / NEW JERSEY 2026 FIFA WORLD CUP HOST COMMITTEE**, a 501(c)(3) organization duly organized and existing under the laws of the State of New Jersey, having its principal offices at 100 Mulberry Street, Newark, NJ 07012 and doing business as **“NY/NJ 2026 FIFA Host Committee”** (“Host Committee” or “Grantee”), and the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY** (the “Grantor” or “Authority”), a body corporate and politic organized and existing under the authority of N.J.S.A. 34:1B-1 et seq., having principal offices at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625-0990 (each a “Party” and collectively “the Parties”).

WHEREAS, The New York / New Jersey 2026 FIFA World Cup Host Committee is a nonprofit entity established to plan, coordinate, and implement regional efforts in support of the 2026 FIFA World Cup. Representing a partnership between the States of New Jersey and New York, the Host Committee is responsible for delivering a world-class experience for fans, players, and stakeholders through a range of public programming, fan engagement, and operational readiness activities. Its scope of work includes fan festivals, cultural showcases, business engagement, stakeholder coordination, community outreach, and legacy planning — all designed to maximize the tournament’s impact and ensure long-term economic and social benefits across the region; and

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, on June 30, 2024, Governor Murphy signed into law the New Jersey Fiscal Year 2025 Appropriations Act, P.L.2024, c.22 (hereinafter the “FY 2025 Budget”), which appropriated \$19,000,000 to the New Jersey Economic Development Authority (NJEDA) for Events Attraction and Marketing; and

WHEREAS, pursuant to supplemental budget language included in the Fiscal Year 2025 Omnibus Bill, up to \$15,000,000 of the Events Attraction and Marketing appropriation was designated to support the New York / New Jersey 2026 FIFA World Cup Host Committee for the planning and implementation of public-facing events and activations that promote tourism, attract visitors, and generate statewide economic impact in connection with the 2026 FIFA World Cup; and

WHEREAS, based on this directive, NJEDA will enter into a grant agreement with the Host Committee in an amount not to exceed \$15,000,000 to support programming such as fan festivals, cultural showcases, community activations, and statewide engagement efforts designed to maximize New Jersey’s role as a host destination for the 2026 FIFA World Cup; and

WHEREAS, the Parties wish to set forth their understandings with respect to this budget appropriation, how it may be used and other terms and conditions; and

WHEREAS, this Agreement would benefit the mission and goals of the Parties as well as the State of New Jersey; and

NOW THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Definitions:**

- a. **“Activations”** means temporary programming or public-facing experiences designed to engage residents and visitors, promote tourism, and support economic activity. Activations may include pop-up installations, performances, viewing areas, community events, vendor markets, interactive exhibits, and other short-term experiences tied to the 2026 FIFA World Cup.
- b. **“Fan Festival” or “Fan Fest”** means a large-scale multi-day public event organized in coordination with FIFA guidelines and the Host Committee to create an official, themed experience for the 2026 FIFA World Cup. Fan Fests typically feature live match broadcasts, entertainment, and cultural programming, and are designed to attract large crowds and maximize community participation.
- c. **“Host Committee”** means the New York / New Jersey 2026 FIFA World Cup Host Committee, a regional nonprofit entity established to coordinate public programming, fan engagement, and stakeholder collaboration in connection with the 2026 FIFA World Cup.
- d. **“Eligible Activities”** means any public programming, cultural showcases, fan zones, community engagement, temporary infrastructure, or marketing efforts undertaken by the Host Committee to promote and support New Jersey’s participation in the 2026 FIFA World Cup, as further defined in the approved grant agreement.
- e. **“Public Programming”** means events, festivals, performances, or activities that are open to the public and are designed to drive economic activity, community engagement, or tourism as part of New Jersey’s 2026 FIFA World Cup activation strategy.
- f. **“Monthly Report”** means a report submitted by the Host Committee to the Authority by the tenth calendar day of each month, detailing major activities completed, budget-to-actual comparisons, expenditures to date, updates on vendor and community engagement, and progress against milestones.
- g. **“Effective Date”** shall mean the date when this Agreement has been signed by all Parties.
- h. **“Eligible Expenses”** shall mean normal and customary costs incurred by the Grantee in connection with the planning and implementation of public programming and activations related to the 2026 FIFA World Cup. These may include expenses related to fan festivals and viewing zones, cultural and community events, temporary infrastructure, marketing and promotional campaigns, small business engagement, and other operational activities necessary to execute the approved scope of work. Eligible Expenses shall not include costs associated with permanent capital improvements or stadium-related expenditures.
- i. **“Grant Award”** shall mean the Grant funds available to Grantee pursuant to Section 4A below.
- j. **“Grant Term”** shall have the meaning set forth in Section 2 below and shall include any approved Term Extension.

2. **Grant Term:** The term of this Agreement shall begin on the Effective Date and continue for one (1) year. Grantor, in its sole discretion, may approve a six (6) month extension of the Term (“Term Extension”), provided that the Grantee makes an extension request in writing within forty-five (45) days prior to the expiration of the Term.

3. **Conditions Precedent:** Prior to the Authority making any Grant Payments, the Grantee must supply the following, which shall be in form and content satisfactory to the Authority:
 - a. Executed Agreement;
 - b. Current New Jersey Business Tax Clearance Certificate listing the Authority as the agency for which the document is being issued (not more than 180 days old);
 - c. Resolution of the governing body of Grantee authorizing Grantee to enter into this Agreement and to accept Grant payments.
4. **Grant:**
 - a. **Grant Award:** The grant award available to Grantee is up to a maximum amount of \$15,000,000.00.
 - b. **Grant Use:** The Grantee shall expend the entirety of the Grant Award on Eligible Activities by the expiration of the Term, including any approved extension. The Authority reserves the right to seek recapture and/or reimbursement from the Grantee of all or part of the Grant Award should the Grantee fail to utilize the full Grant Award by the expiration of the Term or utilize the Grant Award for ineligible uses. Specifically, the Grantee shall use Grant Award funds disbursed pursuant to this Agreement to plan and implement a statewide portfolio of public-facing programming and activations tied to the 2026 FIFA World Cup and, at a minimum, provide at least one (1) Fan Festival in New Jersey. These activities may include but are not limited to:
 - i. Fan Festivals and official FIFA viewing zones that attract visitors and create vibrant community hubs;
 - ii. Cultural showcases, live performances, and local programming that highlight New Jersey's diversity and strengthen local engagement;
 - iii. Small business integration initiatives, and downtown activations aimed at driving economic activity;
 - iv. Marketing and promotional efforts designed to elevate New Jersey's visibility during the tournament and reinforce the state's global brand.
 - c. **Grant Payment:** The Authority shall provide the Grantee with a single disbursement of the full Grant Award upon execution of this Agreement and submission of a detailed budget and implementation plan, subject to internal approvals. All disbursements shall be contingent upon compliance with this Agreement and submission of satisfactory documentation, as determined by the Authority.
 - d. **Grant Revocation:** Notwithstanding anything to the contrary herein, Grantee understands and acknowledges that the Authority shall be under no obligation to make any Grant Award disbursement if Grantee is in default pursuant to Section 11 ("Events of Default") below.
 - e. **Ineligible Uses.** Grantee shall not use the funds on ineligible uses which include, but are not limited to, stadium-related costs, costs for permanent capital improvements, or other construction work that would be subject to N.J.A.C. 19:30–4.1 et seq.
5. **Reporting Requirements:** The Grantee shall submit monthly written reports to the Authority beginning the month following execution of the Grant Agreement and continuing throughout the duration of the Grant Term. These reports must be submitted no later than the tenth (10th) day of each month and shall include:
 - a. A narrative summary of major activities completed or currently underway at the time of the report;

- b. Budget-to-actual expenditure comparisons and cumulative expenditures to date;
- c. Updates on implementation timelines and progress against key milestones;
- d. Community engagement efforts and any observed or anticipated local economic impacts.

All reporting shall be reviewed by Authority staff to assess compliance, monitor performance, and ensure alignment with the objectives of this Grant Agreement. The Authority reserves the right to request additional documentation as needed to validate reported activities or expenditures.

- 6. **Contract Description:** Under this agreement, the New York / New Jersey 2026 FIFA World Cup Host Committee will plan and execute a broad portfolio of public-facing events and community activations designed to support New Jersey's role as a host location for the 2026 FIFA World Cup. This includes the development and implementation of statewide programming such as large-scale fan festivals, FIFA viewing zones, cultural showcases, live performances, and small business engagement efforts. The Host Committee will also lead coordination efforts with local municipalities, public safety officials, and tourism stakeholders to ensure seamless event execution and maximize the tournament's visibility and economic impact across the state. All activities must align with the terms and priorities outlined in the grant agreement and must directly support New Jersey's hosting of the 2026 FIFA World Cup.

7. **Representations and Warranties of Grantee:**

Grantee represents and warrants that:

- a. It is duly qualified to do business in the State of New Jersey;
- b. It is and will remain throughout the Term, a duly organized, validly existing 501(c)(3) non-profit corporation, in good standing under the laws of the State of New Jersey, and governed by a non-compensated Board of Advisors, whose officers are selected from its member institutions;
- c. It has the corporate power and authority and legal right to execute and perform its obligations under this Agreement, and has taken all necessary corporate action to authorize its execution and performance of obligations under this Agreement;
- d. To the best of the Grantee's knowledge, and upon due inquiry, there is no action or proceeding pending or threatened against the Grantee before any court or administrative agency that might adversely affect the ability of the Grantee to perform its obligations under this Agreement and all consents, authorizations, and approvals of governmental bodies or agencies required in connection with the performance of the Grantee's obligations under this Agreement have been obtained and will be obtained whenever required hereunder or by law.
- e. Neither the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any state statute or regulation or any evidence of indebtedness, agreement, or instrument of whatever nature to which the Grantee is bound, or constitutes a default under any of the foregoing.
- f. All statements, representations and warranties made by Grantee in its application to Grantor, and in any materials furnished in support of that application were true when made, are true, in all material respects, as of the date hereof, and shall remain

and be true and correct during the term of this Agreement, it being understood by Grantee that all such statements, representations and warranties have been relied upon by the Authority as an inducement to make the Grant Award and shall continue to be relied upon by Grantor in administering the Grant Award. Grantee further understands and agrees that, if, during the term of this Agreement, any such statements, representations and warranties become untrue or false, it shall have a duty to immediately notify the Authority in writing of such fact.

- g. The principal office of Grantee is located at 100 Mulberry Street, Newark, NJ 07102. Grantee shall maintain all books and records at 100 Mulberry Street, Newark, NJ 07102. The Grantee shall notify the Authority in writing prior to any change in the location of such books and records.
- h. Grantee has, at all times relevant to this Agreement, been represented by advisors of its own selection, including, but not limited to, attorneys at law and/or certified public accountants; that it acknowledges that it is informed by its advisors of its respective rights, duties, and obligations with respect to the transaction which is the subject of this Agreement under all applicable laws, and that it has no set-offs, defenses or counterclaims against the Authority with respect to the transaction which is the subject of this Agreement.
- i. If during the Term, the Grantee becomes aware of any facts, occurrences, information, statements, or events that render any of the representations or warranties herein untrue or materially misleading or incomplete, Grantee shall immediately notify the Authority in writing of such facts, occurrences, information, statements, or events.
- j. Grantee (1) is not in violation of any statute administered by the New Jersey Department of Labor and Workforce Development ("LWD") or the New Jersey Department of Environmental Protection ("DEP"); (2) is not in violation of any rule or regulation issued by the LWD or DEP; and (3) does not have any unpaid fines or penalties or otherwise have any outstanding payment due to the LWD or DEP that is not subject to a payment plan approved by LWD or DEP.
- k. Grantee has not violated N.J.S.A. 52:13D-19, which forbids any "New Jersey State officer or employee" from entering into a contractual agreement with the State of New Jersey to execute any contract or agreement with a value of \$25 or more, made, entered into, awarded or granted by any New Jersey State agency. The term "New Jersey State officer or employee" includes that employee or officer's partners, any other person undertaking or executing said agreement for the use or benefit of the employee or officer or on his or her account, and any corporation which that employee or officer controls or in which they own or control more than one (1) percent of the stock.
- l. Grantee acknowledges that pursuant to The New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12, et seq., State employees are prohibited from representing a party other than the State before any State agency; and representation includes a prohibition against making personal appearances before any State agency on behalf of a party other than the State, writing letters, sending emails, or making phone calls to any State agency on behalf of a third party, and includes a ban on signing any documents or applications submitted to any State agency on behalf of a party other than the State including, but not limited to, this Agreement.

- m. Grantee has paid any application fee, approval fee, or any other fee required by the Authority to be considered and/or approved for the grant award described in this Agreement.
- n. In compliance with N.J.S.A. 24:6I-49(b)(2), Grantee: (i) has neither applied for nor received from the New Jersey Cannabis Regulatory Commission (“NJ CRC”) either a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; or (ii) is not a private property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer or cannabis delivery service, or to employ a certified personal use cannabis handler to perform work on behalf of a cannabis establishment, distributor, or delivery services pursuant to N.J.S.A. 24:6I-49(b)(2)(b).

Grantee acknowledges an on-going obligation to immediately report to the Authority any change to this representation and warranty.

Grantee acknowledges that the issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or the issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service to a person or entity that has been awarded a State or local economic incentive shall invalidate the right of the Grantee to benefit from the economic incentive as of the date of issuance of the license or certification; and that the issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service at a location that is the subject of a State or local economic incentive shall invalidate the right of the non-governmental Grantee property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license or certification.

The representations and warranties made in this Section 7 shall survive the expiration or termination of this Agreement.

8. **Obligations of Grantee:**

- a. Grantee shall always, during the Term, comply with the terms of this Agreement and satisfactorily follow the Agreement requirements.
- b. Grantee, upon finalization of a draft report, must provide the Authority with the draft for review, including a 30-day window for comments and consultations.
- c. To the extent that Grantee is permitted to and utilizes the services of any third parties to carry out activities funded under this Agreement, any contract entered into with third parties shall contain a provision that the third parties shall hold Grantee and the Authority harmless and defend and indemnify Grantee and the Authority from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the third parties’ performance or nonperformance of their duties and obligations under their contracts with the Grantee in support of this Agreement.

- d. Grantee has disclosed and shall continue to disclose any potential conflict of interest that exists between itself and any contracted third party or subcontractors of third parties that are engaged by Grantee to support the planning or execution of the programming and activities funded by this Grant. Grantee has disclosed and shall disclose any potential conflict of interest that exists between itself and the Authority and has disclosed and shall disclose any potential conflict of interest that exists between the Authority and any contracted third party or subcontractors of third parties that are engaged in any work related to this Grant. The existence of actual conflicts of interest shall be determined by the Authority in its sole discretion. This obligation to disclose potential conflicts of interest shall continue throughout the Grant Term. The Authority reserves the right, in its sole discretion, to require the conflicted individual or individuals to be immediately removed from the work funded by this Grant and to suspend or cancel future Grant Payments or recapture all or a portion of the Grant Payments made.
 - e. If compliance is required with N.J.S.A. 52:32-60.1, et seq., which prevents the Authority from certain dealings with businesses engaged in prohibited activities in Belarus or Russia and requires the New Jersey Department of the Treasury (“Treasury”) to create a list of persons engaged in such prohibited activities, the Grantee agrees that by signing this Agreement that the Grantee may be required to certify that it is not engaged in prohibited activities and would not be identified on Treasury’s list of entities engaged in prohibited activities in Russia or Belarus (<https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf>), and that if this statement is willfully false, Grantee shall be subject to penalty.
9. **Publicity:** The Grantee grants the Authority and the State of New Jersey the right to use the Grantee’s name and logo: (a) in public communications, press releases, or promotional materials announcing or reporting this Agreement and related activities; and (b) on the Authority’s and the State’s official websites and digital platforms in connection with New Jersey’s participation in the 2026 FIFA World Cup.

The Grantee may only use the Authority’s or the State’s name, logo, or official marks in any public communications, promotional content, or marketing materials related to the activities funded under this Agreement with the prior written approval of the Authority. All such materials must be consistent with the terms of this Agreement and the Authority’s branding and publicity guidelines.

10. **Records, Access and Maintenance:** Grantee shall establish and maintain, during the Term and for five (5) years after the date of the final Grant payment, all documents related to this Agreement and any records required by the Authority herein, along with all relevant supporting documentation. Records required by the Authority with respect to any questioned costs, litigation, or dispute between the Authority and the Grantee arising out of this Agreement shall be maintained for the time needed to fully resolve such matters. If, for any reason, the Authority requires a review of the records related to this Agreement, the Grantee shall, at its own cost and expense, provide all such records to the Authority.

Grantee shall maintain and organize its records in such form that, in the event of a review or audit, it can readily verify and document the use of Grant funds in connection with the programming, planning, and implementation of World Cup-related activities supported by this Grant. Grantee agrees that its books and records related to this Agreement shall be subject to review and audit by the Authority, the Office of the State Comptroller, and any

other agency or department of the State of New Jersey in relation to this transaction. The provisions of this Section 10 shall survive the expiration or termination of this Agreement.

11. **Events of Default:** Any one or more of the following shall constitute an event of default (“Event of Default”) if during the Term the default is not cured within thirty (30) business days after written notice of the default. Notwithstanding the foregoing, if the cure of such default requires more than thirty (30) business days after written notice as determined by the Authority, and Grantee demonstrates it has promptly initiated reasonable steps to cure the default within the initial cure period, and is proceeding with due diligence and in good faith to cure the default, then the Authority may, at its sole discretion, extend the time necessary to cure such default by a reasonable period as determined by the Authority for Grantee to cure such default. If such default is not cured within the initial or extended cure period, the Authority may terminate this Agreement and avail itself of the remedies in Section 12 of this Agreement.
 - a. If Grantee has breached or failed to perform in any material respect any term or condition of this Agreement.
 - b. If any representation or warranty made by Grantee in any report, certificate, financial statement or other instrument furnished in connection with the subject matter of this Agreement is false or misleading in any material respect.
 - c. If Grantee fails to timely submit the reports, documents, materials, and information required to be submitted pursuant to this Agreement.
 - d. If the Authority has made a determination of debarment as to Grantee pursuant to its debarment/disqualification regulations set forth in N.J.A.C. 19:30-2.1 to -2.7, as amended from time to time.
 - e. If Grantee has ceased to operate its business without prior written notice to the Authority.
 - f. If Grantee sells, assigns or otherwise transfers its rights and obligations under the Agreement, without the prior written consent of the Authority.
 - g. A declaration of default or an event of default under any existing assistance and any future assistance provided by the Authority and/or the State to the Grantee and/or any of its affiliates, including, but not limited to, entities that have common principals. For purposes of this cross-default, a principal of an entity shall be any executive officer, director, or general partner of the entity; any person or other entity directly or indirectly controlling the entity; or a person or other entity directly or indirectly owning or controlling ten (10) percent or more of the entity’s ownership interest.
12. **Remedies Upon Default:** Upon the occurrence of any Event(s) of Default, the Authority may, in its sole discretion, invoke any of the following remedies, alone or in combination with others, after having first given Grantee notice and opportunity to cure the default in accordance with Section 11 above:
 - a. withhold any future Grant payment under this Agreement;
 - b. require Grantee to repay a portion or all of the Grant Award previously paid to Grantee under this Agreement;
 - c. consider the Event of Default as a disqualification under the Agreement and other Authority programs in the future;
 - d. terminate this Agreement; and

- e. take any and all actions available under applicable law or in equity necessary to enforce performance and observance of any obligation, warranty, agreement, or covenant of Grantee under this Agreement.

The Authority's rights under this Section 12 shall survive expiration or termination of the Agreement.

13. **Taxes and Other Charges:** During the Term, Grantee shall pay as the same become due, all taxes, assessments and governmental charges which may be required by law or contract to be paid by Grantee. Grantee may in good faith contest such taxes and governmental charges and such taxes and charges may remain unpaid during the period of such contest.
14. **Audits and Inspections:** At any time during normal business hours upon written notice and as often as the Authority may reasonably deem necessary, the Grantee shall make available to the Authority, for examination, and to appropriate State agencies or officials, all of its records with respect to matters related to this Agreement and shall permit the Authority to audit, examine and make excerpts or transcripts from such records. The Grantee shall maintain records to adequately verify all information required under this Agreement. The provisions of this Section 14 shall survive the expiration or termination of this Agreement.
15. **Assignment:** Grantee may not sell, assign, or otherwise transfer its rights and obligations under this Agreement without the Authority's prior written consent.
16. **Forbearance Not a Waiver:** No act of forbearance or failure to insist on the prompt performance by Grantee of its obligations pursuant to this Agreement, either express or implied, shall be construed as a waiver by the Authority of any of its rights hereunder. In the event that any provision of this Agreement should be breached by Grantee and the breach may thereafter be waived by the Authority, such waiver shall be limited to the particular breach waived by Authority and shall not be deemed to waive any other breach.
17. **Indemnification:** Grantee covenants and agrees to indemnify and hold harmless the Authority, the State of New Jersey, and their respective members, agents, officers, employees, and servants from all losses, claims, damages, liabilities, and costs whatsoever (including all costs, expenses, and reasonable counsel fees incurred in investigating and defending such losses and claims, etc.), brought by any person or entity, and caused by, related to, arising or purportedly arising out of, or from: (i) the condition, use, possession, conduct, management, implementation, and financing of the World Cup-related programming supported under this Agreement; (ii) the performance by Grantee of its obligations under this Agreement; (iii) any loss, damage or injury to, or death of, any person occurring at or about, or resulting from, the operations of the Grantee under this Agreement; and (iv) any damage or injury to property of the Grantee or to the agents, servants, or employees of Grantee caused by the negligence, gross negligence, or willful misconduct of any person, except for losses; claims, damages, liabilities, and costs to the extent they arise from the gross negligence or willful misconduct of the Authority or its respective members, agents, officers, employees, and servants. The provisions of this Section 17 shall survive expiration or termination of this Agreement.

18. **Compliance with Laws:** Grantee shall comply with all applicable federal, state and local laws and regulations.
19. **Licenses and Permits:** Grantee shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform its obligations under this Agreement. At the Authority's request, Grantee shall supply the Authority with evidence of all such licenses, permits, and authorizations for the Grantee and any third parties contracted by the Grantee to support the implementation of World Cup-related programming and activities. All costs associated with any such licenses, permits, and authorizations must be considered by the Grantee in its project planning and budget.
20. **Applicability of Disqualification Regulations to Entities:** The Authority's disqualification/ debarment regulations, which are set forth in N.J.A.C. 19:30-2.1 through 2.7, shall be applicable to Grantee and any entities with which Grantee merges, consolidates or combines. In the event that the Authority makes a determination to disqualify any such entity from participation in this Agreement based upon such regulations, then, notwithstanding anything contained in the Agreement to the contrary, no Grant payment will be made to Grantee.
21. **Open Public Records Act:** Grantee acknowledges that any information collected in the course of Grantee's participation in this Agreement will be available, upon request, for public inspection. The Authority, as an instrumentality of the State of New Jersey, is subject to the "New Jersey Open Public Records Act," N.J.S.A. 47:1A-1, et seq., as amended and including all applicable regulations, policies and case law, including New Jersey right-to-know common law.
22. **Governing Law:** This Agreement shall be governed by the laws of the State of New Jersey, without giving effect to its conflict of law principles.
23. **Forum and Venue:** The forum for any actions related to this Agreement shall be in a court of competent jurisdiction in the State of New Jersey and the venue shall be the County of Mercer.
24. **Severability:** If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable, and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included. Notwithstanding the foregoing, if the Authority deems the invalidated provision essential to the accomplishment of the public purposes served by this Agreement, then the Authority may terminate this Agreement and all benefits provided to Grantee hereunder upon thirty (30) calendar days prior written notice.
25. **Notices:** All legal notices required by this Agreement shall be in writing and by courier or by registered or certified United States mail, return receipt requested, to the other Party's address set forth below. The Parties will notify each other in writing of any designated contact change within ten (10) business days of such change:

THE AUTHORITY	NY/NJ FIFA 2026 World Cup Host Committee
Name: Tim Sullivan Title: Chief Executive Officer Address: NJEDA 36 West State Street P.O. Box 990 Trenton, NJ 08625-0990	Name: Lauren Nathan-LaRusso Title: Co-Host City Manager & General Counsel Address: NY/NJ FIFA 2026 World Cup Host Committee, 100 Mulberry St., Newark, 07012 Email: LLaRusso@NYNJFWC26.com Phone Number: 732-233-0342

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

THE AUTHORITY	NY/NJ FIFA 2026 World Cup Host Committee
Name: Emma Corrado Title: Chief of Staff Address: NJEDA 36 West State Street P.O. Box 990 Trenton, NJ 08625-0990 Email: Emma.Corrado@njeda.gov Cell: (609) 477-3929	Name: Lauren Nathan-LaRusso Title: Co-Host City Manager & General Counsel Address: NY/NJ FIFA 2026 World Cup Host Committee, 100 Mulberry St., Newark, 07012 Email: LLaRusso@NYNJFWC26.com Phone Number: 732-233-0342

27. **Headings:** Section headings contained in this Agreement are inserted for convenience only and shall not define, limit, or otherwise affect the meaning of any provisions of this Agreement.
28. **Contractual Liability Act:** The rights and remedies of the Grantee under this Agreement shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 to 14-4.
29. **Tort Claims Act:** The rights and remedies of the Grantee under this Agreement shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 to 12-3.
30. **Counterparts:** This Agreement may be executed and signatures exchanged by facsimile or other electronic means and in any number of counterparts, each of which shall constitute an original, and all of which, when taken together shall constitute one document.
31. **Successors and Assigns:** This Agreement shall be binding upon the successors and assigns of the Parties.

32. **Third-Party Beneficiaries:** This Agreement has been entered into solely for the benefit of the parties, and there are no third-party beneficiaries, except as otherwise expressly provided in this Agreement.
33. **Electronic Signatures:** Electronic signature of this Agreement shall be deemed to be valid execution as though it was an original document signed with ink. The parties explicitly consent to the electronic delivery of this Agreement and affirm that their electronic signatures indicate a present intent to be bound by the terms of the Agreement.
34. **Personal Liability of Individual Representatives:** No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of any corporate Party in his or her individual capacity, and neither the officers of any Party nor any official executing this Agreement shall be personally liable with respect to this Agreement or be subject to any personal liability or accountability under this Agreement by reason of the execution and delivery of this Agreement.
35. **Limitation on Liability:** NJEDA shall not be responsible for special, indirect, incidental, consequential, punitive or other similar damages that any other Party may incur or experience in connection with this Agreement, however caused and under whatever theory of liability, even if NJEDA has been advised of the possibility of such damages.
36. **Insurance:** Grantee and any contractors or subcontractors hired to assist Grantee shall provide Workers' Compensation Insurance coverage, including Employer's Liability insurance, for their respective employees involved in the performance of Grantee's obligations under this Agreement. Grantee shall at all times during the Term carry general liability insurance coverage with insurance companies licensed to do business in New Jersey in such a manner and against such loss, damage and liability to third parties as is customary with companies in the same or similar business, and shall name NJEDA as an additional insured party under such policy.
37. **Order of Precedence:** In the event of a conflict between the terms of this Agreement and the terms in any attachment or document referenced in this Agreement, the terms of this Agreement shall control.
38. **Independent Contractor:** Nothing contained in this Agreement is intended to create or establish an employer/employee relationship between the Parties. Each party is an independent contractor in the performance of its obligations under this Agreement, and as such, is not responsible for wages, insurance or any other costs and expenses associated with the other party's employees, contractors and agents.
39. **Inducement; Entire Agreement; Modification:** Grantee has not been induced to enter into this Agreement by any representation or warranty that is not contained in this Agreement. This Agreement, its attachments, and any documents referred to herein constitute the entire agreement of the Parties relating to this Agreement, and it supersedes and overrides any and all prior agreements and understandings, either oral or written, between the Parties with respect to the subject matter of this Agreement. This Agreement may only be modified or amended by a writing executed by both Parties.

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY	NY/NJ FIFA 2026 World Cup Host Committee
Name: Tim Sullivan	Name: Lauren Nathan-LaRusso
Title: Chief Executive Officer	Title: Co-Host City Manager & General Counsel
Signature:	Signature:
Date:	Date:

MEMORANDUM

TO: Members of the Authority

FR: Tim Sullivan
Chief Executive Officer

DA: July 23, 2025

RE: 2026 North to Shore Festival

Summary

The Members of the Board are asked to approve the Authority entering into the attached Grant Agreement with NJPAC to support the 2026 North to Shore Festival using the appropriation of \$2 million from the FY 2026 State Appropriations Act.

Background

The State of New Jersey Fiscal Year 2026 Appropriations Act, signed into law by Governor Phil Murphy on June 30, 2025, includes a \$2,000,000 allocation to the New Jersey Economic Development Authority (NJEDA) for transfer to the New Jersey Performing Arts Center (NJPAC) in support of the 2026 North to Shore Festival (N2S), a statewide summer series that positions New Jersey as a premier destination for arts, culture, and innovation.

Launched in 2023, the North to Shore Festival serves as a key component of New Jersey's strategy to elevate arts and culture as drivers of economic activity and community engagement. The Festival is designed to showcase the state's cultural vitality while driving foot traffic into local downtowns through a mix of major concerts, comedy shows, innovation events, and community programming across three host cities: Newark, Asbury Park, and Atlantic City. Since its inception, North to Shore has generated over \$25,000,000 in ticketed-event revenue and has attracted more than 500,000 attendees across more than 650 performances.

The 2025 Festival, which took place this past June, featured headliners such as Jon Stewart, Amy Poehler, Tina Fey, Pete Davidson, Stone Temple Pilots, Third Eye Blind, George Clinton & Parliament Funkadelic, Bleachers, Lawrence, and the Rock the Bells Festival. Additionally, extensive community programming activated key venues across Newark, Asbury Park, and Atlantic City, culminating in 48 Community Arts Awards and nearly \$400,000 in direct support for local artists and nonprofit organizations. In Atlantic City, a new year-long community arts series invested \$176,000 in the local creative economy and activated dozens of free events continuing through May 2026.

Building on this momentum, the 2026 Festival will once again feature world-class entertainment, community-driven programming, and innovation focused events across all three cities, generating statewide visibility and economic impact.

Disbursements and Uses

The Authority will enter into a grant agreement with NJPAC to govern the use of the \$2,000,000 appropriation for the planning and delivery of the 2026 North to Shore Festival. The agreement will define eligible uses, disbursement terms, and reporting obligations.

The grant will support NJPAC's planning, production, and management of a multidisciplinary festival designed to showcase cutting-edge artists, live performances, technology, education, policy, research, and social impact. In doing so, North to Shore aims to grow New Jersey's innovation ecosystem and creative sector, while reinforcing the state's reputation as a premier destination for dynamic "live, work, play" communities.

Eligible costs include, but are not limited to: talent booking, venue deposits, production services, marketing and promotion, community programming, insurance costs, staffing and technical support, and costs associated with production in each of the host cities. Funds may not be used for capital improvements or property acquisition.

Disbursements will be milestone-based. An initial disbursement of up to \$1,000,000 will be made upon execution of the grant agreement and submission of a detailed budget, operational plan, and documentation of preliminary bookings and contracts. Remaining funds will be released in tranches not to exceed \$500,000, based on documentation of eligible costs incurred, demonstrated progress, and updated financial reporting. NJPAC may also be required to submit supplemental materials to document activity in specific cities or categories of use, as outlined in the grant agreement.

All disbursements will be contingent upon NJPAC's compliance with the executed grant agreement, including submission of satisfactory documentation and adherence to established reporting and milestone requirements.

Reporting

NJPAC will be required to submit monthly reports throughout the grant term. These reports will include updates on major activities, budget-to-actual comparisons, updated profit and loss summaries, sales reports, outside fundraising reports, venue and performance contracts, insurance coverage, and documentation of community arts funding. Reports must also include city-specific updates to ensure equitable programming and investment across Newark, Asbury Park, and Atlantic City. These reporting requirements will enable the Authority to track progress, maintain transparency, and ensure timely and balanced delivery of the initiative statewide.

Recommendation

The Members are asked to approve entering into the attached Grant Agreement with NJPAC to support the 2026 North to Shore Festival using the appropriation of \$2 million from the FY 2026 State Appropriations Act.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan
Chief Executive Officer



Prepared by: E. Corrado, Chief of Staff

Attachment:

Grant Agreement between the NJEDA and the New Jersey Performing Arts Center.

EXHIBIT A

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NEW JERSEY NORTH TO SHORE GRANT AGREEMENT

This Grant Agreement (hereinafter the “Agreement”) dated as of the Effective Date set forth below is between **NEW JERSEY PERFORMING ARTS CENTER** having its principal offices at **ONE CENTER STREET NEWARK**, New Jersey 07102 (hereinafter “NJPAC” or “Grantee”), and the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**, a body corporate and politic organized and existing under the authority of N.J.S.A. 34:1B-1 et seq., having its offices at 36 West State Street, PO Box 990, Trenton, New Jersey 08625-0990, (hereinafter referred to as the “Authority” or “Grantor”), (the Grantee and Grantor, collectively the “Parties”).

WITNESSETH:

WHEREAS, the FY 2026 Appropriations Act, P.L. 2025, c.74 (the “Act”) appropriated \$2,000,000 to the Authority for allocation to NJPAC for the North to Shore Festival (the “Festival”), an innovative music and technology festival in New Jersey; and

WHEREAS, pursuant to the Act, on August XX, 2025, the Grantee was be awarded a grant in the amount of \$2,000,000, which shall be used to fund eligible costs associated with the planning and operation of the Festival;

NOW THEREFORE, in consideration of the mutual promises and covenants made herein and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, is agreed as follows:

1. **Definitions.** The following terms shall have the following meaning when used in this Agreement, unless the context clearly indicates otherwise.

“Booking Costs” means i) funds required to secure contracts for the time and performance of individuals or groups who are identified by the Grantee as major performers, presenters, or speakers at the proposed event; ii) funds required to secure contracts for use of a specific venue or venues, in a New Jersey municipality, where speaking events, “North to Shore” presentations, or artistic performance or support services will be held as part of the Festival.

“Certification of Non-Involvement” means the Certification of Non-Involvement in Prohibited Activities in Russia or Belarus pursuant to N.J.S.A. 52:32-60.1.

“Conflict of Interest” means a conflict between the private interests and the official responsibilities of any personnel of the Grantee, or any personnel related to any contractor, vendor, or consultant being utilized by the Grantee in the performance of the Festival.

“Designated Project Manager” shall mean an employee of the Grantee listed as the Designated Project Manager for the duration of the Grant Term or until all Milestones as per Exhibit A and reporting required by this Agreement are met, whichever is later.

“Disbursement Documents” means the documents required to be submitted pursuant to Section 3 and **Exhibit A** of this Agreement as a precondition for receiving the First Payment or Secondary Payments.

“Effective Date” means the date last written below representing the date of execution of this Agreement by the respective Parties.

“Eligible Project Costs” means Operating Costs and Booking Costs, and normal and customary costs incurred in the production of the Festival not inclusive of permanent construction hard costs or property acquisition costs.

“Final Accounting” means a complete and cumulative accounting of the Eligible Project Costs funded by the Authority.

“First Payment” means the initial \$1,000,000 disbursement issued by the Grantor to the Grantee pursuant to the satisfactory submission of the items required under Section 3.2.

“Grantee” means NEW JERSEY PERFORMING ARTS CENTER and does not include the Strategic Partner(s).

“Grant Term” means nine months from the Effective Date, with a possible three-month extension in the sole discretion of the Authority.

“Invoice” means invoices, bills, and/or contracts that identify the date of issuance, the date of the delivery of the good or service, a summary of the type of good or service, itemized total of quantity and cost of the good or service, total costs of the good or service purchased, and the individual or company from whom the good or service was purchased.

“Milestones” means the funding, raising, booking, leasing, licensing, and permitting Milestones listed on **Exhibit A**.

“Monthly Report” means a report that is submitted before the tenth of the month commencing after the execution of this Agreement that includes, but is not limited to: Grant expenditures, a summary of activity related to the Festival operations, budget, profit and loss

statements, sales data, fundraising data, contracting data and community outreach reports.

“Operating Costs” means, but is not limited to contract fees, contract payments, venue and/or equipment deposits, inventory, supplies, salaries, costs related to professional services, costs related to governmental fees, utilities payments, and other customary costs related to operations. Operating Costs also mean normal and customary costs that are associated with the production and management of the Festival that may not be traditionally associated with operating costs. Operating Costs shall include the costs of instillation of temporary furniture, fixtures, equipment and other temporary improvements and shall not include construction hard costs for the purpose of adding or improving capital value of a property or property acquisition.

“Primary Relationship Officer” or **“PRO”** means the assigned Authority staff member responsible for engaging and directing the Grantee to perform the work and duties required for the Festival including but not limited to approving post-closing documentation, reviewing reports, and processing disbursement requests.

“Secondary Payments” means subsequent disbursements issued by the Grantor to the Grantee pursuant to the satisfactory submission of the items required under Section 3.3.

“Spending Plan” means a plan that identifies major cost centers and budgeted costs related to Booking Costs, Operating Costs, and any normal and customary costs associated with the planning, production, and management of the Festival.

“State” or **“NJ”** means the State of New Jersey as specifically referenced in this Agreement.

“Strategic Partner(s)” means an approved entity that assists in leveraging the external expertise to best achieve the goals of the Festival memorialized with a letter or letters of agreement. The Authority shall only have contractual privity with the Grantee.

“Strategic Partnership Agreement(s)” means the agreement(s) between the Grantee and Strategic Partner(s).

“Tax Clearance Certificate” means a current New Jersey Business Tax Clearance Certificate issued in the name of the Grantee.

“Treasury” means the New Jersey Department of the Treasury.

“Updated Fundraising Plan” means a plan that shows projected ticket sales, promotional financing, fees receivable, and any anticipated operating or non-operating revenue based on the confirmation of performers, presenters, speakers, or venues.

2. Grant Amount. Subject to the terms and conditions of this Agreement, the Authority agrees to grant up to \$2,000,000 to Grantee for Eligible Project Costs.

3. Grant Disbursements and Milestones as per Exhibit A.

3.1 The Authority will disburse up to a total of \$2,000,000 to the Grantee. All funds disbursed pursuant to this Agreement must be used for Eligible Project Costs. The First Payment and Secondary Payments shall be disbursed by the Authority during the Grant Term based on Grantee's satisfactory completion the relevant Milestones attached hereto as **Exhibit A**, as determined in the sole discretion of the Authority and as set forth below.

3.2 First Payment.

Upon satisfactory completion by the Grantee of the First Payment Milestones listed in **Exhibit A**, attached hereto, the Authority shall disburse the First Payment to the Grantee.

3.3 Secondary Payments.

Grantee must submit disbursement requests that include summaries of expenses to be funded with the requested disbursement. The Secondary Payments shall be disbursed in increments of no less than \$100,000 and no greater than \$500,000 . All funds disbursed as Secondary Payments must be used for Eligible Project Costs not covered by the First Payment and are subject to the satisfaction of the Milestones listed on **Exhibit A** for Secondary Payments, attached hereto.

3.4 Timing of Disbursement.

a. Disbursement will be made after the Authority's satisfactory receipt of documents listed in **Exhibit A**. Grantee must submit all Grant requests and documentation no later than 12 months from the Effective Date. Upon the determination, by the Authority in its sole discretion, that the Disbursement Documents, including but not limited to a current New Jersey Business Tax Clearance Certificate, are satisfactory to the Authority, the Grant will be disbursed directly to the Grantee.

b. Notwithstanding anything herein to the contrary, Grantee understands and agrees that Grantor shall be under no obligation to make any payment of the Grant if at the time of said payment of the Grant request the Grantee is in default under Section 10 hereof.

c. Notwithstanding anything in this Agreement to the contrary, in the event Grantor determines, in its sole discretion, that there is a significant deviation between actual and projected performance then Grantor shall have the right to deny, modify, recapture, or postpone any and all disbursements made pursuant to this Agreement.

4. **Reporting Requirements.** Grantee agrees to furnish to the Authority:

4.1 A Monthly Report which shall consist of:

- i. An operations report detailing major events during the reporting month
- ii. A revised budget as of last day of reporting month comparing projected to actual budget
- iii. A revised Profit and Loss Statement for reporting month and the Festival to date
- iv. A sales report for reporting month
- v. An outside fundraising report for reporting month
- vi. A report detailing major performer, speaker and/or presenter contracts
- vii. A report detailing major venue contracts signed during the reporting month
- viii. Insurance coverage report
- ix. Additional information necessary for the Authority to determine compliance with this Agreement.

4.2 Monthly Reports shall be sent to the Designated Project Manager no later than close of business of the 10th day of the following month or the next business day thereafter.

4.3 A Final Accounting which shall be electronically delivered to the Authority no later than ninety (90) calendar days after the expiration of the Grant Term. The Authority shall provide to the Grantee a template for the Final Accounting, which shall be prepared by the Grantee in the same manner and format.

4.4 A monthly summary on community impact measures as outlined in Exhibit A

5. **Grantee Performance Requirements.** Grantee hereby agrees to deliver, perform or adhere to the following:

- a. Maintain a Designated Project Manager with experience in the management of projects similar in scope and scale and having management authority;
- b. Provide the Authority with the Monthly Reports as set forth and defined herein;
- c. Provide notice to the Grantor within 48 hours of notice received by the Grantee, via email and telephone communication with the Designated Project Manager, of any and all

cancellation or cancellations, closures or other events impacting major performers,

presenters, and or venues that would cancel scheduled and ticketed event or events of the Festival.

- i. If the Festival has a cancellation, closure or other event impacting major performers, presenters, or venues that would halt a performance and the presenter, venue or other contracted service and has been submitted for or received payment as part of this grant; the Grantee must make a full accounting of the event with revisions to the monthly budget and P&L for the next monthly report. A narrative detailing recapture, reuse or reimbursement of the funds expended/requested for the performance, venue or event is due no later than 72 hours after the cancellation notice has been sent to the Grantee.
- d. Obtain the Authority's prior written consent for the right to use the State's or Authority's name and logo in public communications announcing or reporting this Agreement or the Grantee's participation in the Festival and on Grantee's website listing Grantee's transactions and news;
- e. Provide a complete Final Accounting report of final activity no later than ninety (90) calendar days following the end of the Grant Term to ensure all funding has been utilized as per this Agreement;
- f. Remove Grantor website and all Authority, New Jersey or other State branding at the earlier of (i) the end of the Festival, (ii) the termination of the Grantee's participation in the Festival, or (iii) upon written notification by Grantor to remove all Authority, New Jersey or other State branding;
- g. Provide Grantor media and performance recognition in equivalent frequency and volume, as well as ticket allocations for all events, performances and shows, in the same amount, as Grantee would allocate for a sponsorship of \$2,000,000;
 - i. The ticket allocation shall be for seventy (70) tickets.
- h. Outreach and marketing plan as outlined in the Grantee's proposal for award that shall consist of but is not limited to:
 - i. Print Advertising Campaign
 - ii. Direct Mail Advertising Campaign
 - iii. Outdoor Media Advertising Campaign
 - iv. Television and Radio Advertising Campaign
 - v. Online Marketing Campaign
 - vi. Brand Signage

vii. Public Relations and Design Professional services

6. **Covenants of Grantee.** Grantee covenants and agrees that:

6.1 Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. In the event that Grantee contracts with third parties to perform any of the services to be performed hereunder, such third parties shall at all times remain an “independent contractor” with respect to the provision of such services. The Authority shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers’ Compensation Insurance, with respect to such third-party contracts. Disbursement of the Grant shall not be deemed in any way whatsoever to establish any contractual or other relationships between the Grantor and the consultants and contractors hired by Grantee.

6.2 To the extent that Grantee is permitted to and utilizes the services of any third parties in performance of Grantee’s duties and obligations under this Agreement, any contract entered into shall contain a provision that the contractor and/or subcontractor shall hold Grantee and the Authority harmless and defend and indemnify Grantee and the Authority from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the contractor and/or subcontractor’s performance or nonperformance of the services. In addition, Grantee hereby agrees to hold the Authority harmless and defend and indemnify the Authority from any and all claims, actions, suits, charges and judgments whatsoever that arise out of this Agreement or the Festival.

6.3 Grantee and any contractors or subcontractors working on the Festival shall provide Workers’ Compensation Insurance coverage, including Employer’s Liability, for all of its employees involved in the performance of this Agreement.

6.4 Grantee shall ensure Strategic Partners will operate in accordance with the applicable compliance process of the Grantee and be responsible for collecting compliance documentation from the Strategic Partners including but not limited to prevailing wage and affirmative action compliance documentation.

6.5 Grantee has heretofore disclosed any Conflict of Interest that exists with its personnel, or any personnel related to any contractor, vendor, or consultant being utilized by the Grantee in the performance of the Festival. Should an undisclosed Conflict of Interest be found to exist, whether real or perceived, the Grantor, at a minimum, reserves the right in its sole discretion to require the individual or individuals to be immediately removed from the Festival. The Grantor shall also have the right to deny, modify, recapture or postpone any and all disbursements to be made hereunder.

6.6 The Grantee will comply where applicable with and require all contractors

performing work in relation to the Festival to comply with the State prevailing wage rate where applicable, together with the other Authority prevailing wage requirements set forth in N.J.S.A. 34:1B-5.1 and the affirmative action rules and regulations in connection with any construction contracts for the Festival as set forth in N.J.S.A. 34:1B-5.4 and implementing regulations set forth in N.J.A.C. 19:30-3.1 et seq.

6.7 Insurance

- a. The Grantee shall secure and maintain in force , at its own expense, for the term of this Agreement, insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company.
- b. The Grantee will include all venues/vendors/subcontractors participating in the Festival under its insurance policies or will be responsible for maintaining separate certificates and endorsements for each entity.
- c. Insurance coverages for venues/vendors/subcontractors will be subject to the requirements stated herein, with limits deemed appropriate and agreed upon by Grantee and Authority.
- d. Within sixty (60) days of the scheduled first day of the Festival, Grantee will provide a detailed summary of the insurance program structure, including but not limited to, insurance carriers, program limits/deductibles and relevant exclusions/limitations for approval by the Authority.
- e. Final evidence of insurance coverage will be made available to the Authority no later than fifteen (15) days prior to each event of the Festival.
- f. By requiring insurance herein, Authority does not represent that coverage and limits are adequate to protect Grantee, and such coverage and limits shall not be deemed as a limitation on liability under the indemnities granted to Authority in this Agreement.
- g. Policies must be endorsed to provide 30 days' written notice of cancellation or material change to the Authority at the address shown below.
- h. If the Grantee's insurer cannot provide 30 days' written notice, then it will become the obligation of the Grantee to provide the same to the Authority within forty-eight (48) hours of receipt of notification from their insurance company.
- i. The Grantee shall provide the Authority with current certificates of insurance for all coverages and renewals thereof. Renewal certificates shall be provided within 30 days of the expiration of the insurance.
- j. Certificates of insurance shall specify the New Jersey North to Shore Festival, including

Festival dates and cities in the Description of Operations and shall list the New Jersey Economic Development Authority PO Box 990, 36 West State Street, Trenton, NJ 08625-0990 in the Certificate Holder box. The certificates and any relevant policy endorsements shall be emailed to the Authority at: Christina.Fuentes@njeda.gov

k. The insurance to be provided by the Grantee shall be as follows:

i. Commercial General Liability Insurance or Special Event Liability Insurance for the full duration of all operations pertaining to the Festival, including planning, set-up, and breakdown. The minimum limit of liability shall be agreed upon by Grantee and Authority, but no less than the limits currently purchased by Grantee, including but not limited to, coverage for death, bodily injury, property damage and personal/advertising injury. The above required Commercial General Liability Insurance policy or its equivalent shall name the New Jersey Economic Development Authority, its officers, and employees as “Additional Insureds” on a primary, non-contributory basis for both ongoing and completed operations through the use of a blanket additional insured endorsement, or its equivalent. The coverage to be provided under these policies shall be at least as broad as that provided by the standard Commercial General Liability coverage form or its equivalent currently in use in the State, which shall not be circumscribed by any endorsement limiting the breadth of coverage and shall include contractual liability coverage. High hazard activities, such as liquor sales, pyrotechnics, etc. must be included for coverage either as part of Commercial General Liability, or under a separate insurance policy.

ii. Automobile Liability Insurance which shall be written to cover any owned, hired, or non-owned automobiles/vehicles used by the Grantee or its staff. Limits of liability for bodily injury and property damage shall not be less than \$1,000,000 per occurrence as a combined single limit. The New Jersey Economic Development Authority must be named as an “Additional Insured” and a blanket additional insured endorsement, or its equivalent, must be provided when the services being procured involve vehicle use in conjunction with the Festival.

iii. Worker’s Compensation Insurance applicable to the laws of the State, including an endorsement to extend coverage to any state which may be interpreted to have legal jurisdiction, and Employer’s Liability Insurance with limits in an amount acceptable to the Authority.

iv. Umbrella/Excess Liability may be utilized to obtain the agreed upon limits for any of the policies in (i) through (iii) above; however, coverage must follow the underlying policy form, including, but not limited to any required endorsements.

l. Grantee hereby waives all rights of subrogation against the Authority for recovery of damages to the extent those damages are covered by any insurance policies the Grantee is required to maintain as set forth herein. Grantee agrees to obtain, at its own cost, any endorsement

necessary to provide such a waiver under the applicable insurance coverage.

7. Representations and Warranties of Grantee.

7.1 Grantee has been duly organized and validly exists as a 501c(3) corporation under the laws of the State of New Jersey, has power to enter into this Agreement and has authorized the taking of all action necessary to carry out and give effect to the transactions contemplated by this Agreement.

7.2 To the best of the Grantee's knowledge, and upon due inquiry, there is no action or proceeding pending or threatened against the Grantee before any court or administrative agency that might adversely affect the ability of the Grantee to perform its obligations under this Agreement and all consents, authorizations, and approvals of governmental bodies or agencies required in connection with the performance of the Grantee's obligations under this Agreement have been obtained and will be obtained whenever required hereunder or by law.

7.3 Neither the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any corporate restrictions or any evidence of indebtedness, agreement, or instrument of whatever nature to which the Grantee is bound, or constitutes a default under any of the foregoing.

7.4 All tax returns and reports of the Grantee required by law to be filed have been duly filed and all taxes, assessments, fees and other governmental charges upon Grantee or upon any of its respective properties, assets, income or franchises which are due and payable pursuant to any assessment received by the Grantee have been paid other than those which are presently payable without penalty or interest. Nothing in this subparagraph is intended to preclude Grantee from exercising its lawful right to contest any tax, assessment, fee or other governmental charge.

7.5 All statements, representations and warranties made by Grantee in its application to the Authority, and in any materials furnished in support of that application were true when made, are true, in all material respects, as of the date hereof, and shall remain and be true and correct during the term of this Agreement, it being understood by Grantee that all such statements, representations and warranties have been relied upon by the Authority and shall continue to be relied upon by the Authority in administering the Grant. Grantee further understands and agrees that, if, during the term of this Agreement, any such statements, representations and warranties become untrue or false, it shall have a duty to immediately notify the Authority in writing of such fact.

7.6 The principal office of Grantee is located at One Center Street in Newark. All of the Grantee's books and records relating to the Festival shall be located at

_____. The Grantee shall notify the Authority in writing of any change in the location of such books and records prior to any such relocation.

7.7 Grantee represents that it has at all times relevant to this Agreement been represented by advisors of its own selection, including, but not limited to, attorneys at law and/or certified public accountants; that it has not relied upon any statement, representation, warranty, agreement or information provided by the Authority; that it acknowledges that it is informed by its advisors of its respective rights, duties, and obligations with respect to the transaction which is the subject of this Agreement under all applicable laws, and that it has no set-offs, defenses or counterclaims against the Authority with respect to the Festival which is the subject of this Agreement.

7.8 Grantee shall be in compliance with the New Jersey Division of Taxation, New Jersey Department of Environmental Protection, and New Jersey Department of Labor and Workforce Development for the duration of the Compliance Term.

7.9 If during the duration of this Agreement the Grantee becomes aware of any facts, occurrences, information, statements, or events that render any of the foregoing representations or warranties herein untrue or materially misleading or incomplete, Grantee shall immediately notify the Authority in writing of such facts, occurrences, information, statements, or events.

7.10 The representations and warranties made in this Section 7 shall survive termination of this Agreement.

8. Publicity. Grantee grants the Authority and the State the right to use Grantee's name and logo in public communications announcing or reporting this Agreement and listing the name and logo of Grantee on the Authority's and State's website(s) in relation to Grantee's participation in the Festival. Grantee must request the Authority's prior written consent for the right to use the State's or Authority's name and logo in public communications announcing or reporting this Agreement or the Grantee's participation in the Festival and on Grantee's website listing Grantee's transactions and news.

9. Records, Access and Maintenance.

Grantee shall establish and maintain during the Grant Term such records as are required by the Authority hereof, and all relevant supporting documentation. The Parties further agree that records required by the Authority with respect to any questioned costs, litigation or dispute between the Authority and the Grantee shall be maintained for the time needed for the resolution of any such issue and that in the event of early termination of this Agreement, or if for any other reason the Authority shall require a review of the records related to the Festival, the Grantee shall, at its own cost and expense, segregate all such records from its other records, if any. The Grantee shall maintain and organize its records in such form so that, in case of a review of its records or audit, it is able to verify and document the information it provides in its weekly reports and Final Accounting pursuant to Section 4 hereof. The Grantee agrees to be subject to review and audit of

any Grant payments by the Authority, any other agency or department of the State of New Jersey, including but not limited to, the Office of the State Comptroller and the Department of Labor and Workforce Development. At Grantee's request, the Authority shall execute a non-disclosure agreement applicable to the Authority in a form satisfactory to the Authority. The provisions of this Section 9 shall survive termination of this Agreement for a period of five (5) years or any such later time period required by applicable law.

10. Default. Any one or more of the following shall constitute an event of default ("Event(s) of Default") if during the Grant Term the default is not cured within seven (7) business days after written notice of the default, provided, however, if the cure of such default reasonably requires more than seven (7) business days after written notice as aforesaid, and Grantee demonstrates it has promptly initiated steps reasonably sufficient to cure the default at its own cost, is proceeding with due diligence, in good faith and with continuity to complete the curing of such default, then the Authority may, at its reasonable discretion, extend the time necessary to cure such default by a reasonably practical period necessary for Grantee to cure such default. Notwithstanding the foregoing, if such default is not cured within said period as may be extended, termination shall, in the discretion of the Authority, be effective at the conclusion thereof.

- a. If Grantee has breached or failed to perform in any material respect any covenant or promise under this Agreement.
- b. If any representation or warranty made by Grantee herein, or, in any report, certificate, financial statement or other instrument furnished in connection with the subject matter of this Agreement is false or misleading in any material respect.
- c. If any of the following has occurred: 1) Grantee has applied for, or consented to, the appointment of a receiver, trustee, or liquidator of all or a substantial portion of Grantee's assets; 2) Grantee has admitted in writing the inability to pay Grantee's debts as they mature; 3) Grantee has made a general assignment for the benefit of creditors; 5) an order, judgment or decree has been entered, without the application, approval or consent of Grantee, by any court of competent jurisdiction approving a petition seeking reorganization of the Grantee, or appointing a receiver, trustee, or liquidator of Grantee or of a substantial part of its assets and such order shall continue unstayed and in effect for a period of forty-five (45) consecutive days; 6) Grantee has filed a voluntary petition in bankruptcy or has failed to remove an involuntary petition in bankruptcy within forty-five (45) days of the filing thereof.
- d. The failure of Grantee to timely submit the documents, materials, and information required to be submitted by this Agreement.
- e. The Authority has made a determination of debarment as to Grantee pursuant to its debarment/disqualification regulations set forth in N.J.A.C. 19:30-2.1 et seq. as amended from time to time.

f. If the Grantee has ceased to operate its business without prior written notice to and consent of the Authority.

g. If the Grantee has sold or assigned its operations of the Festival, or any rights contained in this Agreement, to another company, including a related company other than wholly owned subsidiaries, without the prior written consent of the Authority.

h. If the Strategic Partnership Agreement has been breached or terminated.

11. Remedies Upon Default.

11.1 Upon the existence of any Event or Events of Default, the Authority may, in its sole and absolute discretion, do any of the following, alone or in combination, after having first given Grantee notice and opportunity to cure the default in accordance with Section 10 hereof:

a. Require the Grantee to repay all or a portion of the Grant previously paid to Grantee under this Agreement.;

b. Terminate this Agreement;

c. Withhold disbursement of the Grant; and

d. Take any other action legally available to it.

11.2 The Authority's rights under this Section 11 shall survive termination of the Agreement.

12. Modifications. Grantee must obtain prior written approval when a revision or modification is purported to be necessary for changes in the scope, objective, key personnel, timing of the Festival, or deviation from the approved budget.

13. Taxes and Other Charges. Grantee shall pay during the duration of this Agreement as the same become due, all taxes, assessments and governmental charges which may be required by law or contract to be paid by Grantee. Nothing in this Section 13 is intended to preclude Grantee from exercising its lawful right to contest any tax, assessment, fee or other governmental charge and, if authorized under law, withholding payment of such tax, assessment, fee, or other governmental charge during the period of such contest.

14. Audits and Inspections. At any time during normal business hours upon written notice and as often as the Authority may reasonably deem necessary, the Grantee shall make available to the Authority, for examination, and to appropriate State agencies or officials, all of its records with respect to matters covered by this Agreement and shall permit the Authority to audit, examine and make excerpts or transcripts from such records. The provisions of this Section 14 shall survive termination of this Agreement for a period of five (5) years. Grantee shall maintain records to

adequately verify all information provided in any reports or schedules required under this Agreement.

15. Assignment. Grantee may not sell or assign its interests in this Agreement to another entity without the prior written consent of the Authority in its sole discretion. Unless otherwise indicated by the Authority in writing, any obligations hereunder shall become the obligations of any assignee or successor of the Grantee.

16. Forbearance Not a Waiver. No act of forbearance or failure to insist on the prompt performance by the Grantee of its obligations pursuant to this Agreement, either express or implied, shall be construed as a waiver by the Authority of any of its rights hereunder. In the event that any provision of this Agreement should be breached by Grantee and the breach may thereafter be waived by the Authority, such waiver shall be limited to the particular breach waived by Authority and shall not be deemed to waive any other breach. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any right and power may be exercised from time to time and as often as may be deemed expedient.

17. Indemnification. Grantee covenants and agrees to indemnify and hold harmless the Authority, the State and their respective members, agents, officers, employees and servants from all losses, claims, damages, liabilities, and costs whatsoever (including all costs, expenses and reasonable counsel fees incurred in investigating and defending such losses and claims, etc.), brought by any person or entity, and caused by, related to, arising or purportedly arising out of, or from: (i) the condition, use, possession, conduct, management, construction, and financing of the Festival; (ii) the performance by Grantee of its obligations under this Agreement; (iii) any loss, damage or injury to, or death of, any person occurring at or about or resulting from, the operations of the business at the Festival; and, (iv) any damage or injury to property of Grantee or to the agents, servants, employees of Grantee, caused by the negligence, gross negligence and willful misconduct of any person, except for: losses, claims, damages, liabilities and costs arising from the gross negligence or willful misconduct of the Authority and its respective members, agents, officers, employees and servants. The provisions of this Section 17 shall survive termination of this Agreement.

18. Applicability of Disqualification Regulations to Entities. The Authority's disqualification/ debarment regulations, which are set forth in N.J.A.C. 19:30-2.1 through 2.7, shall be applicable to any entities with which Grantee merges, consolidates or combines. In the event that, in accordance with the procedures and provisions set forth in such regulations, the Authority makes a determination to disqualify any entity, then, notwithstanding anything contained in the Agreement to the contrary, no disbursements of the Grant will be made after such disqualification. Based on the circumstances of (i) the disqualification and (ii) any previously disbursed Grant funds, the Authority may seek to recover some or all of such disbursements.

19. **Russia.** If compliance is required with N.J.S.A. 52:32-60.1, et seq., which prevents the Authority from certain dealings with businesses engaged in prohibited activities in Belarus or Russia and requires the New Jersey Department of the Treasury (“Treasury”) to create a list of persons engaged in such prohibited activities, the Borrower agrees that by signing this Agreement that the Borrower may be required to certify that it is not engaged in prohibited activities and would not be identified on Treasury’s list of entities engaged in prohibited activities in Russia or Belarus (<https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf>), and that if this statement is willfully false, Borrower shall be subject to penalty.

20. **Cannabis.** In compliance with N.J.S.A. 24:6I-49(b)(2), Grantee represents and warrants: (i) that it (a) has neither applied for nor received from the New Jersey Cannabis Regulatory Commission either a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; or (b) is not a property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service pursuant to N.J.S.A. 24:6I-49(b)(2)(b).

(ii) Grantee acknowledges an on-going obligation to report to the Authority any change to this statement.

(iii) The Grantee acknowledges that the issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or the issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service to a person or entity that has been awarded a State or local economic incentive shall invalidate the right of the Grantee to benefit from the economic incentive as of the date of issuance of the license or certification; and that the issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service at a location that is the subject of a State or local economic incentive shall invalidate the right of the Grantee property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license or certification.

21. **Miscellaneous.**

a. **Governing Law.** This Agreement shall be governed by the laws of the State of New Jersey.

b. Forum and Venue. All actions related to the matters which are the subject of this Agreement shall be forumed and venued in a court of competent jurisdiction in the County of Mercer in the State of New Jersey.

c. Entire Agreement. This Agreement and its exhibits and any documents referred to herein constitute the complete understanding of the Parties and merge and supersede any and all other discussions, agreements and understandings, either oral or written, between the Parties with respect to the subject matter of this Agreement.

d. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Agreement, unless the Authority shall in its sole and absolute discretion deem the invalidated provision essential to the accomplishment of the public purposes served by this Agreement, in which case the Authority has the right to terminate this Agreement and all benefits provided to Grantee hereunder upon the giving of thirty (30) calendar days prior notice as set forth in paragraph (e) of this Section 21.

e. Notices. All notices, consents, demands, requests and other communications which may be or are required to be given pursuant to any term of this Agreement shall be in writing and shall be deemed duly given when personally delivered or sent by United States mail, registered or certified, return receipt requested, postage prepaid, to the addresses set forth hereunder or to such other address as each party to this Agreement may hereafter designate in a written notice to the other party transmitted in accordance with this provision.

f. No Authorship Presumption: Each of the Parties has had an opportunity to review the language of this Agreement in consultation with legal counsel prior to its execution. No presumption shall arise, or adverse inference be drawn by virtue of authorship. Each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party who (or whose counsel) drafted that provision. The rule of no authorship presumption set forth in this paragraph is equally applicable to any person that becomes a party by reason of assignment and/or assumption of this Agreement and any successor to a signatory Party.

g. Prohibited Activity: Grantee is prohibited from using, and shall require that its contractors and sub-contractors, if any, are prohibited from using, the Grant provided herein or personnel employed in the administration of the Festival for political activities, inherently religious activities, lobbying, political patronage, nepotism activities, and supporting either directly or indirectly the enactment, repeal, modification or adoption of any law, regulation or policy at any level of government.

h. Personal Liability of Individual Representatives: No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of any corporate Party in his or her individual capacity, and neither the officers of any Party nor any official executing this Agreement shall be personally liable with respect to this Agreement or be subject to any personal liability or accountability under this Agreement by reason of the execution and delivery of this Agreement.

Authority: New Jersey Economic Development Authority
36 West State Street
PO Box 990
Trenton, NJ 08625-0990
Attention: Tai Cooper
Chief Community Development Officer
Telephone: 609-218-0851
Email: tai.cooper@njeda.gov and christina.fuentes@njeda.gov

Grantee: _____

i. Amendments or Modifications. This Agreement may only be amended in writing executed by both Parties. Such Amendments or Modifications shall become effective only upon execution of same by both Parties.

j. Headings. Section headings contained in this Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement.

k. Contractual Liability Act. The rights and remedies of the Grantee under this Agreement shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., the provisions of which are hereby incorporated herein by reference.

l. Tort Claims Act. The rights and remedies of the Grantee under this Agreement shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., the provisions of which are hereby incorporated herein by reference.

m. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This Agreement may be delivered by telecopier, e-mail, PDF or other facsimile transmission all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

n. Successors and Assigns. This Agreement shall be binding upon the successors and assigns.

o. No Third-Party Beneficiaries. This Agreement has been entered into solely by and among the Parties that have executed this Agreement; except as otherwise expressly provided in this Agreement, this Agreement will not be deemed to create any rights in third parties or create any obligations of any party hereto to any such third parties.

p. Electronic signature on this Agreement shall be deemed to be valid execution and delivery as though an original ink. The Parties explicitly consent to the electronic delivery of the terms of the transaction evidenced by this Agreement and affirm that their electronic signatures indicate a present intent to be bound by the electronic signatures and the terms of the Agreement. The electronic signature can be done either by ADOBE Acrobat or any other similar signature software that can be used for electronic signatures or by printing, manually signing, and scanning.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective signatories duly authorized as of the date and year last written below (“Effective Date”).

**GRANTOR:
NEW JERSEY ECONOMIC
DEVELOPMENT
AUTHORITY**

By: _____
Kamran Hashmi
VP-Product Operations

Date: _____

**GRANTEE:
NEW JERSEY PERFORMING ARTS CENTER**

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

Milestones

The successful completion of Milestones listed below will be used to evaluate the progress of the Grantee towards meeting the intended policy goals of the North to Shore Festival. The Designated Project Manager and /or designees of the Grantee and Authority staff will inquire and request reporting as to the progress in meeting these goals during the scheduled check in meetings. Capitalized terms used in this Exhibit A shall have the same meaning as ascribed to them in the Agreement relating to the New Jersey North to Shore Festival Grant unless expressly indicated otherwise.

The Milestones for the First Payment are as follows:

1. Resolution of the governing body authorizing (NEW JERSEY PERFORMING ARTS CENTER) to enter into the Agreement and to accept the payment of the Grant for the Festival
2. Executed Grant Agreement
3. Certification of Non-Involvement in Prohibited Activities in Russia or Belarus pursuant to L. 2022, c.3 (if applicable).
4. Current and valid New Jersey Tax Clearance Certificate not more than 180 days old
5. Timeline with projected dates for kickoff and performances
6. A plan for operations of the Festival that includes
 - a. Proposed dates and locations
 - b. Proposed performers/speakers
 - c. Proposed plan for advertising/promotion
 - d. Host community outreach plan Security plan
 - e. Transportation/parking plan
 - f. Health and Safety plan
 - g. Diversity and Inclusion Plan
 - h. Proposed budget
 - i. The proposed budget will demonstrate how all funding sources will be utilized, which shall include the Grant and other sources that may be generated from the Festival such as ticket sales, fundraising, and ancillary sales revenue. The proposed budget must include detailing costs, which include, but are not

limited to, labor costs, contract/technical services and support costs, and material costs.

- ii. The proposed budget must project out that the Festival shall be executed within 2024.
- iii. Projected Profit and Loss Statement
- iv. Proposed fundraising plan listing
- v. Projected fundraising partners,
- vi. Projected targets and goals
- i. Key staff resumes
- j. Proposed key contractors, as needed
- k. Signed agreement that the NEW JERSEY PERFORMING ARTS CENTER assumes all liability for the Festival and will indemnify, defend and hold harmless the Authority and the State for any action during or as a result of the Festival.
- l. Proof of appropriate insurance coverage as recommended by the Authority insurance broker in the form of an insurance policy or policies as outlined by the Authority.

The Milestones for the Secondary Payments are as follows:

1. A revised budget showing how the First Tranche Disbursement has been spent and any remaining balance.
2. Grantee must submit a disbursement request that includes a summary of expenses to be funded with the requested disbursement.
3. Summary of funds expended to date.
4. Complete copies of invoices, bills, and/or contracts for the production of the Festival not covered by the First Tranche Disbursement. Invoices, bills, and/or contracts must identify the date of issuance, the date of the delivery of the goods or services, a summary of the type of goods or services, itemized total of quantity and cost of the goods or service services, total costs of the goods or services purchased, and the individual or company from whom the goods or services were purchased.
5. A New Jersey Business Tax Clearance Certificate not more than 180 days old is required prior to each disbursement.

6. Evidence of coordination and collaboration with community leaders, community groups, and arts, business, tech and entertainment groups in each of the three named host communities of Asbury Park, Atlantic City and Newark.
 - a. The evidence will consist of the following:
 - i. Scheduled Kickoff meetings with each community
 - ii. Scheduled Follow up meetings with each community
 - iii. Meeting agendas and schedules
 - iv. Meeting reports
7. Presentation of Signed Letters of Intent for venues in each of the three named host communities of Asbury Park, Atlantic City and Newark and for artistic performers of note in each of the three named host communities of Asbury Park, Atlantic City and Newark
8. Presentation of Monthly Reports that shall consist of but are not limited to:
 - a. Report of operations detailing major events during the reporting month
 - b. Revised budget as of the last day of the reporting month comparing projected to actual budget
 - c. Revised Profit and Loss Statement for reporting month and project to date
 - d. Ticket sales report for reporting month
 - e. Outside fundraising report for reporting month
 - f. Report detailing major performer, speaker and/or presenter contracts signed during reporting month
 - g. Report detailing major venue contracts/agreements signed during reporting month
 - h. Insurance Coverage reports
 - i. Prevailing Wage compliance reporting for sub-contractors
9. Presentation of monthly summaries on community impact measures including
 - a. community employment statistics
 - b. community group engagements
 - c. municipal government engagements
 - d. goods and services contracts signed by firms located in host municipality
 - e. performance contracts signed by or on behalf of individuals or groups presenting or performing

EXHIBIT B
FORM OF FIRST PAYMENT REQUISITION

The form below will be created by the New Jersey Economic Development Authority (“Authority”) following receipt of a fully executed Agreement and the required disbursement documentation including but not limited to the Spending Plan. The Authority will send the form to the Grantee for completion, execution, and return. Upon receipt and acceptance of the executed form, completion of the applicable Milestones and submission of the required documentation, the Authority will transfer the funds to the Grantee.

New Jersey North to Shore Festival Grant
GRANT REQUISITION NO.: 01

INSTRUCTIONS:

This form must be used to request the First Payment.

- 1. Requisitions are limited to one in the aggregate amount of not less than \$500,000 unless specifically approved by the Authority.**
- 2. All funding requests must be submitted to the Authority within 12 months of the date of execution.**

The undersigned, on behalf of _____ (the “Grantee”), hereby requisitions the following amount of funds to be delivered by wire transfer from the Authority:

Payee/Grantee:

Amount:

NJEDA Controller/MIS Use Only

Date

Wire #

WIRE INSTRUCTIONS

The Authority is instructed to transfer funds electronically to the Grantee to the account detailed below:

Grantee’s full name:	
Name Grantee’s bank:	
Grantee’s account number:	
Grantee bank’s routing number:	
Transfer amount:	
Grant Requisition #:	

CERTIFICATION

The undersigned, a duly authorized representative of Grantee, hereby certifies to the Authority on behalf of Grantee, that: the requisition will be expended to subsidize eligible Festival costs and not for any other use or purpose;

Capitalized terms used in this Requisition shall have the same meaning as ascribed to them in the Agreement relating to the New Jersey North to Shore Festival Grant unless expressly indicated otherwise.

Pursuant to written policy, the Authority allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. Your signature below shall serve as evidence that the Grantee also agrees to be bound by electronic signatures.

GRANTEE:

By: _____
Name: _____
Title: _____
Date: _____

**DO NOT WRITE BELOW THIS LINE – FOR USE BY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ONLY**

Grantee Name:	Product (P) Number:
Fund:	Total Amount of Grant/Loan: \$
Grant/Loan: Grant	Total Amount of Prior Payment(s):\$
Term/Interest Rate:N/A	Total Amount of this Wire: \$
Agmt. Effective Date: __/__/26	Total Amount to be Escrowed: \$
	Date & Time Wire Needed: ASAP

Reviewed by:	Approved by:
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Assistant Director or above	EVP of Community & Business Development, or Chief Community Development Officer
Date: __/__/26	Date: __/__/26

EXHIBIT C
FORM OF SECONDARY PAYMENT REQUISITION

The form below will be created by the New Jersey Economic Development Authority (the “Authority”) following receipt of a fully executed Agreement and the required disbursement documentation including but not limited to the Spending Plan for the First Payment. The Authority will send the form to the Grantee for completion, execution and return. Upon receipt and acceptance of the executed form completion of the applicable Milestones and submission of the required documentation, the Authority will transfer the funds to the Grantee.

New Jersey North to Shore Festival Grant
GRANT REQUISITION NO.:__

INSTRUCTIONS:

This form must be used to request a Secondary Payment under the w Jersey North to Shore Festival Grant

- 1. Requisitions are limited in the aggregate amount, being not less than \$100,000, unless specifically approved by the Authority.**
- 2. All funding requests must be submitted to the Authority within 12 months of the date of execution.**

The undersigned, on behalf of _____ (the “Grantee”), hereby requisitions the following amount of funds to be delivered by wire transfer from the Authority:

Payee/Grantee:

Amount:

NJEDA Controller/MIS Use Only

Date

Wire #

WIRE INSTRUCTIONS

The Authority is instructed to transfer funds electronically to the Grantee to the account detailed below:

Grantee’s full name:	
Name Grantee’s bank:	
Grantee’s account number:	
Grantee bank’s routing number:	
Transfer amount:	

Grant Requisition #:	
----------------------	--

CERTIFICATION

The undersigned, a duly authorized representative of Grantee, hereby certifies to the Authority on behalf of Grantee, that this requisition will be expended to subsidize eligible Festival costs and not for any other use or purpose;

Capitalized terms used in this Requisition shall have the same meaning as ascribed to them in the Agreement relating to the New Jersey North to Shore Festival Grant unless expressly indicated otherwise.

Pursuant to written policy, the Authority allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. Your signature below shall serve as evidence that the Grantee also agrees to be bound by electronic signatures.

GRANTEE:

By: _____

Name: _____

Title: _____

Date: _____

**DO NOT WRITE BELOW THIS LINE – FOR USE BY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ONLY**

Grantee Name:	Product (P) Number:
Fund:	Total Amount of Grant/Loan: \$
Grant/Loan: Grant	Total Amount of Prior Payment(s):\$
Term/Interest Rate:N/A	Total Amount of this Wire: \$
Agmt. Effective Date: __/__/26	Total Amount to be Escrowed: \$
	Date & Time Wire Needed: ASAP

Reviewed by:	Approved by:
---------------------	---------------------

Assistant Director or above	EVP of Community & Business Development, or Chief Community Development Officer
Date: __/__/26	Date: __/__/26

MEMORANDUM

TO: Members of the Authority

FR: Tim Sullivan
Chief Executive Officer

DA: July 23, 2025

RE: Recommendation for Final Allocation of Funds – 2023 RFP-163
Business Attraction and Marketing Contract

Summary

The Members of the Board are asked to approve the final allocation of funding to the New Jersey Economic Development Authority's ("NJEDA") competitively procured Business Attraction and Marketing contract, awarded to Choose New Jersey, Inc. (Choose New Jersey) in June 2023 under 2023-RFP-163. Specifically, the Board is asked to authorize an additional \$6,250,000 to support the design, execution, and implementation of two high-impact marketing campaigns aligned with the NJEDA's strategic economic development objectives. This extension will bring the total contract value to \$27,550,000.

Background

In New Jersey's Fiscal Year 2023 Appropriations Act, which was signed into law by Governor Phil Murphy in June of 2022, the NJEDA was appropriated \$15,000,000 for Business Attraction and Marketing initiatives. To best utilize this funding, the Authority issued a Request for Proposals (RFP) to enter into a contract with a qualified, responsible, and recognized 501(c)(3) nonprofit organization to develop and implement an extensive marketing program that highlights the benefits of doing business in New Jersey and encourages domestic and international business entities to relocate to, and expand, within the state.

The Authority issued RFP 2023-RFP-163 on March 27, 2023, seeking proposals from qualified nonprofits. The solicitation was advertised in the Courier Post and Star Ledger, posted on the Authority's website, and listed on the New Jersey State Business Portal. Additionally, bid notifications were sent to 41 identified firms. The Q&A period closed on April 4, 2023, followed by two addenda clarifying submission requirements.

A four-member Evaluation Committee, comprising senior Authority officials, was formed to review proposals based on four weighted criteria: Personnel (20%), Experience (35%), Technical Proposal (30%), and Fee Proposal (15%). Proposals were due by May 17, 2023, and one submission, from Choose New Jersey, was received.

Choose New Jersey, Inc. met the RFP's evaluation criteria, achieving the highest total score of 4.4 (above the required minimum of 3). The Evaluation Committee noted the organization's strong experience, subject matter expertise, creative capabilities, and successful track record of statewide and international marketing. The resulting contract was awarded in July 2023 for a

total value of \$14,500,000, with NJEDA retaining a 3% fee for contract administration and performance tracking. Choose New Jersey is currently in year two of the three-year contract term.

In March 2025, the NJEDA Board approved a contract extension for an additional \$6,800,000 to expand and accelerate the scope of Choose New Jersey's ongoing work. This extension enabled the development and execution of several new, high-impact marketing and business development initiatives focused on showcasing the advantages of doing business in New Jersey. These efforts were designed to enhance the state's visibility among industry decision-makers, attract domestic and international firms, and support broader economic development goals related to job creation, capital investment, and growth in key sectors.

Work Completed to Date Under the Business Attraction & Marketing Grant

Since the execution of the contract in mid-2023, Choose New Jersey has worked closely with NJEDA to deliver a comprehensive suite of marketing and business development initiatives designed to position New Jersey as a premier destination to live, work, and grow a business. These efforts align closely with Governor Murphy's 2018 Economic Development Plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey", and aim to strengthen the state's brand, drive corporate interest, and elevate New Jersey's profile across strategic sectors and global markets. A significant portion of the contract's funding has been directed toward high-visibility campaigns that position New Jersey as a national leader in innovation, a magnet for top-tier talent, and a hub for global business engagement.

Among the most successful of these campaigns is the Artificial Intelligence initiative, launched in late 2023 to promote New Jersey as a national hub for AI development. Targeted toward C-suite leaders and innovation decision-makers, the campaign combined digital, social, and out-of-home placements in key markets such as San Francisco, Boston, Seattle, Austin, and New York City, as well as regional markets including Philadelphia, Nashville, and Washington D.C. The messaging focused on New Jersey's top-ranked universities, access to data infrastructure, and fast-growing tech workforce—positioning the state as a compelling alternative for companies seeking proximity to talent, customers, and access to capital.

Another major deliverable under the contract has been the launch and continued rollout of the *This Is New Jersey* campaign, a broad-based business attraction initiative that delivers a unified message about the state's strengths as a location for corporate investment and talent. The campaign showcases New Jersey's thriving industries, globally ranked universities, strategic East Coast location, and cultural diversity—framing the state as both economically competitive and deeply livable. Deployed through a coordinated media mix of digital, out-of-home, and print advertising, the campaign has run across top-tier domestic and international markets including New York, California, London, Germany, Japan, Korea, and India. In 2024 alone, *This Is New Jersey* generated more than 4.3 billion global impressions, significantly amplifying New Jersey's presence in markets that align with its targeted growth sectors.

In addition to industry and location-based marketing, Choose New Jersey has worked collaboratively with NJEDA to elevate the state's reputation as a destination for film and entertainment investment. In coordination with NJEDA's Film and Digital Media Tax Credit

Program, Choose executed targeted advertising campaigns at global festivals such as Cannes, Berlinale, and Tribeca, with paid placements in *Variety*, *The Hollywood Reporter*, and other top-tier outlets. These efforts emphasized New Jersey's production infrastructure, deep bench of creative talent, and competitive incentives—driving inbound interest from major studios, independent producers, and entertainment executives. This work supports broader efforts to grow the state's creative economy and attract long-term investment in the film and digital media sectors.

To further modernize New Jersey's brand and connect with emerging audiences, Choose New Jersey also launched an innovative Name, Image, and Likeness (NIL) campaign in partnership with student-athletes from Rutgers University. The campaign introduced a fresh and compelling voice into New Jersey's economic messaging—highlighting the state's strengths in education, talent, and quality of life through the lens of real New Jersey students. NIL content was featured across social media platforms and integrated into broader marketing efforts in high-value regional markets. The campaign has continued to grow in 2025 with new athlete partners and expanded reach.

Complementing its marketing work, Choose New Jersey has expanded its international business development activities, maintaining active engagement in priority markets across Europe, East Asia, and India. Through in-market representation, targeted lead generation, and direct outreach, Choose has cultivated a growing pipeline of companies exploring expansion into the United States. In 2024, nearly 30 percent of qualified leads were generated through international channels—demonstrating the continued importance of a globally focused strategy in driving business attraction to New Jersey.

Taken together, these efforts represent meaningful progress toward the core objectives of the contract: elevating New Jersey's profile among business decision-makers, expanding its visibility in key domestic and international markets, and generating qualified business attraction opportunities across strategic sectors. The portfolio reflects a disciplined, data-informed approach to economic marketing—one that aligns with the Murphy Administration's broader commitment to positioning New Jersey as a national leader in innovation, investment, and inclusive growth.

Funding Request and Intended Use

Staff recommends allocating a final allocation of \$6,250,000 to Choose New Jersey, under its competitively procured business attraction and marketing contract, to support the continued execution of targeted marketing initiatives under its current contract with the NJEDA. This funding will be drawn from a combination of prior and current-year appropriations: \$3,250,000 from Fiscal Year 2026 Events Attraction and Marketing funds, \$2,538,369 from Fiscal Year 2024 Business Attraction and Marketing funds, and \$631,631 from Fiscal Year 2025 Events Attraction and Marketing funds.

The proposed allocation will fund two targeted campaigns that directly align with NJEDA's strategic economic development goals:

First, funding will support the continuation and expansion of the NIL campaign, launched in 2024 in partnership with student-athletes from New Jersey colleges and universities. The campaign leverages high-profile, trusted voices to tell the story of New Jersey's innovation economy, diverse communities, and exceptional quality of life. Initial results demonstrated strong brand lift and digital engagement among key audiences, specifically among next-generation talent. This campaign and associated scope of work were included in the original 2023 Business Attraction and Marketing RFP and represent a continuation of an existing campaign approved under the current contract. The next phase of this campaign will scale its impact through new athlete partnerships, updated creative, and expanded placements focused on promoting New Jersey as a destination for tourism, entrepreneurship, and investment.

Second, NJEDA and Choose New Jersey will launch a new regional marketing campaign focused on the strength and competitiveness of New Jersey's economy. This campaign will include targeted placements across priority regional markets and economic hubs, focusing on sectors where New Jersey has a distinct edge, such as life sciences, clean energy, venture capital, innovation, and advanced manufacturing. It will also highlight recent infrastructure investments, major economic wins, and workforce development initiatives, with the goal of attracting inbound business interest and reinforcing New Jersey's global standing as a premier business destination.

This campaign aligns with the original 2023 Business Attraction and Marketing RFP, which explicitly authorized a multi-year contract for the development and execution of multiple marketing initiatives. The RFP provided broad flexibility to advance NJEDA-directed priorities, including sector-based promotion and high-impact campaigns that support economic development goals. The contract was structured to accommodate evolving needs and funding levels, enabling the addition of new initiatives—such as this regional economic campaign—provided they remain within the strategic framework and performance expectations established in the original procurement.

This final allocation will be used exclusively to support these two NJEDA-directed marketing efforts. No funding will be applied to legacy campaigns, general business development activities, or non-marketing campaign-related deliverables. All funds will be directed to media placements, content creation, creative services, and campaign performance tracking. NJEDA will continue to oversee strategic direction and implementation, with regular reporting and deliverables provided by Choose New Jersey in accordance with the terms of the contract.

Recommendation

Staff recommends that the Board approve a final allocation of up to \$6,250,000 to Choose New Jersey, Inc., funded through a combination of Fiscal Year 2024, 2025, and 2026 appropriations, to support continued marketing efforts under the Authority's existing contract. All activities will remain aligned with NJEDA's strategic marketing priorities and will be executed in accordance with the scope, terms, and reporting requirements of the current agreement.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan
Chief Executive Officer



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

RE: Memorandum of Understanding with the Capital City Redevelopment Corporation

Request

The Members are asked to approve a Memorandum of Understanding (“MOU”) between the New Jersey Economic Development Authority (“Authority” or “NJEDA”) and the CCRC as an inter-department governmental agreement confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority’s support services to the CCRC. This MOU was approved by the CCRC at its Annual Board of Directors meeting on February 18, 2025.

Background

CCRC was created in 1987 as an instrumentality of the State pursuant to N.J.S.A. 52:9Q-9 et seq to plan, coordinate, and promote the public and private development within a Capital District defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located. CCRC is governed by a Board of Directors consisting of the Commissioner of Community Affairs, the Commissioner of Transportation, the State Treasurer, and the Mayor of the City of Trenton, all ex-officio, and seven public members, four of whom are appointed by the Mayor of the City of Trenton and three of whom are appointed by the Governor. CCRC has redevelopment powers, including the authority to manage redevelopment projects and act as a municipal redevelopment entity or redeveloper for the City of Trenton, as well as limited bonding authority in support of economic development.

The original MOU regarding support services between the CCRC and the Authority was executed in 2014 and has been renewed by mutual consent annually whereby the Authority provides staff support services to the CCRC. In 2022, the CCRC Board approved an updated version of the MOU with substantially similar terms. The Members are requested to extend the MOU for a one-year term as provided by the terms of the agreement.

In recognition of the Authority's capacity and interest in the revitalization of Trenton, the Authority will continue to provide support services as outlined in the attached MOU. In particular, the Authority will provide staff and administrative services in support of CCRC including but not limited to board governance, ethics support, public information, and Board support, and policy and development assistance.

The Authority will work with CCRC and the City of Trenton to support specific project development. In these efforts, the Authority will partner with additional state and county agencies and other stakeholders in support of the overall revitalization of the Capital District. Future transactional real estate activity may result in fee for service work, as agreed to by the parties, and consistent with how the Authority's Real Estate Division customarily charges for its assistance.

Staff and administrative services in support of the CCRC will be provided by Danielle Esser, Director of Governance, Hector Serrano, Senior Project Officer, Fabiola Saturne, Project Officer, and Muneerah Sanders, Board Liaison, with the NJEDA Governance Team.

The MOU shall remain in effect for one year and may be extended for one year upon mutual consent indefinitely and will become effective upon execution by both parties.

Recommendation

The Board Members' consent is requested to execute a Memorandum of Understanding between the Authority and CCRC confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority's support services to CCRC.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: Danielle Esser

Attachment: MOU

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CAPITAL CITY REDEVELOPMENT CORPORATION
AND THE NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY**

This Memorandum of Understanding (MOU), made as of DATE, will confirm the mutual understanding and intention between the Capital City Redevelopment Corporation ("CCRC") and the New Jersey Economic Development Authority ("NJEDA", and collectively, CCRC and NJEDA are referred to as the "Parties") as to the following:

WHEREAS, CCRC was created pursuant to N.J.S.A. 52:9Q-9 et seq. (the "CCRC Act") to plan, coordinate, and promote the public and private development within a capital district defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located; and

WHEREAS, NJEDA was created pursuant to N.J.S.A. 34:1B-1 et seq. to issue tax exempt and taxable bonds, make direct loans and guarantees, operate a real estate development program, among other things, for the purpose of promoting employment and increasing tax ratables in the State of New Jersey (the "State"); and

WHEREAS, in support of the purposes of CCRC and in an effort to assist CCRC, NJEDA will provide office staff and support services required to carry out the policies set forth by CCRC; and

WHEREAS, NJEDA staff has expertise in financial analysis, loan review, loan closing, real estate project development, marketing services and other related activities necessary to CCRC carrying out its mission; and

WHEREAS, NJEDA staff has provided loan review, closing, and post-closing services from time to time to CCRC; and

WHEREAS, it is in the best interest of the Parties to enter into this MOU regarding the provision of NJEDA staff and administrative services in support of CCRC; and

WHEREAS, it is CCRC's intent to continue its existing MOU with the State Department of the Treasury ("Treasury") under which Treasury provides accounting and financial reporting support to CCRC including, but not limited to procurement of an independent auditor and necessary insurance; and

WHEREAS, the Parties enter into this MOU as an inter-department governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

NOW, THEREFORE, NJEDA and CCRC, in order to effectively and efficiently carry out their respective statutory mandates, agree to the following:

1. NJEDA will make available on an as-needed basis NJEDA staff who will utilize a portion of their time as follows:
 - a. Carrying out the policies and directions of CCRC with respect to activities for which CCRC has statutory authority, including, but not limited to, undertaking activities as a municipal redevelopment entity or redeveloper, and
 - b. Providing administrative and support services to meet the needs of CCRC, including but not limited to, corporate governance and public information support services such as CCRC Board meeting support, liaison with Governor's Office and Authority's Unit, records custodian and assistance with Open Public Records Act information requests, guidance on ethics matters and liaison with State Ethics Commission, media outreach and management, and legislative support.
2. As part of the services provided by NJEDA in paragraph 1 above, in addition to any Deputy Attorney General assigned to CCRC, NJEDA will provide legal services to CCRC from NJEDA-assigned Deputy Attorneys General.
3. NJEDA agrees to provide written reports as needed, and upon request, to the CCRC Board detailing any staff services provided for in paragraph 1 above. Both Parties anticipate that the CCRC Board will meet on a monthly basis as needed.
4. It is the intent of the Parties that CCRC will not compensate NJEDA for the costs incurred on behalf of CCRC for the services provided for in paragraph 1.b. above. Any compensation for NJEDA for the costs incurred on behalf of CCRC for the services provided for in paragraph 1.a will be mutually agreed upon in writing before beginning the activity. When NJEDA assists CCRC in undertaking real estate and/or project related work, it is understood and agreed that NJEDA shall be reimbursed for costs incurred including but not limited to title searches, insurance, marketing, appraisals, environmental studies, other required consultants or professionals, and legal costs as well as for NJEDA's administrative fees for managing the project related work and compliance with project related obligations.
5. NJEDA will cooperate with Treasury's accounting and financial reporting support for CCRC, including, but not limited to, completing all necessary audits of CCRC.
6. Staff services set forth in paragraph 1 will be conducted from NJEDA's main or satellite offices or as otherwise allowed by NJEDA policy for NJEDA personnel.
7. NJEDA will make available conference room(s) at NJEDA's main or satellite offices for regular and special meetings of the CCRC Board and will provide conference room

space at NJEDA's main or satellite offices so that CCRC Board members may transact the business of CCRC.

8. NJEDA will identify a NJEDA staff who will be the primary contact staff for the public and the CCRC Board regarding CCRC matters.
9. The CCRC Board, as constituted by statute, will continue to function as the exclusive entity empowered to make discretionary decisions for CCRC, including the selection of independent auditors, except as delegated from time to time.
10. All expenses related to the Capital City Redevelopment Loan and Grant Fund and all other assets carried on the CCRC balance sheet will be paid for by CCRC and will be reflected in CCRC's financial statements.
11. Nothing in this MOU shall be construed as providing NJEDA an exclusive right to support CCRC and CCRC shall have the ability to seek these services from any other government entity, including but not limited to the New Jersey Department of the Treasury.
12. This MOU shall not take effect unless approved by the Boards of the NJEDA and CCRC and executed by the authorized representatives of NJEDA and CCRC. This MOU becomes effective immediately upon execution by all parties and shall remain in effect for one (1) year, unless terminated sooner pursuant to Section 13 below. This MOU may subsequently be extended for one year at a time upon mutual written consent of the Parties.
13. The Parties are entering into this MOU for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the provision of NJEDA support services to CCRC. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees. This MOU may also be terminated by the Board of either Party upon 60 days prior written notice to the other. There are no third-party beneficiaries of this MOU.
14. The Parties acknowledge that they are both public entities of the State of New Jersey. Therefore, the Parties agree that each entity shall be liable for its own conduct and any claims against it without indemnification from the other.
15. All notices, demands or communications to any party to this MOU shall be sent to the addresses set forth below or as may be otherwise modified in writing:

NJEDA: _____

CCRC: _____

16. This MOU may be signed in counterparts, which, when taken as a whole, shall constitute one and the same document.

IN WITNESS HEREOF, NJEDA and CCRC have executed this MOU on the dates below:

For the New Jersey Economic Development Authority:

Name: _____

Signature: _____

Title: _____

Date: _____

For the Capital City Redevelopment Corporation:

Name: _____

Signature: _____

Title: _____

Date: _____



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Credit Underwriting Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following project was approved under Delegated Authority in June 2025:

New Jersey LEND Program:

- 1) Harmony Hall Estates LLC (PROD-00320732), located in Moorestown Township, Burlington County, was formed in 2025 as a real estate holding company that will take title to the project property. The operating company, Parts Life, Inc., was incorporated in 2003 as a privately owned engineering and manufacturing company. Parts Life, Inc. offers innovative engineering and reverse engineering solutions by manufacturing custom parts that extend the life of expensive, mission-critical military assets. DeVal Life Cycle Support LLC, an affiliate of Parts Life, Inc., was formed in PA in 2017 as a full-service build-to-print mechanical manufacturer of armament weapons support equipment, sub-assemblies, and major parts and components for military systems and sub-systems. The NJEDA approved a \$2,550,000 loan to purchase the project property. Currently, the Company has 65 employees and plans to create 10 new jobs within the next two years.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: G. Robins



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Legal Affairs - Delegated Authority Report 2024-2025
For Informational Purposes Only

Background

Applicants applying for the NJEDA's financial assistance programs are subject to the Authority's Disqualification/Debarment Regulations (the "Regulations"), which are set forth in N.J.A.C. 19:30-2.1, et seq., as well as Executive Order 34 (Byrne 1976) ("EO34"). These laws are intended to protect the NJEDA by ensuring that applicants for financial assistance (and their affiliates, as defined in the Regulations) demonstrate and maintain the highest standards of responsibility and moral integrity. To comply with those laws, the Authority requires applicants to complete a Legal Questionnaire answering certain background questions pertaining to litigation and misconduct that can lead to debarment, disqualification, or suspension under the Regulations and EO34. NJEDA staff verifies the applicants' disclosures and performs due diligence to confirm those disclosures were accurate and complete. If the applicant discloses information that could be grounds for disqualification or suspension, or if due diligence reveals such information, then Board action may be required to disqualify or suspend the applicant or to determine that there are mitigating factors rendering disqualification inappropriate under the circumstances. The Board has delegated authority to staff to clear applicants under a variety of circumstances. In June 2022, the Board clarified and expanded those delegations.

Delegations of Authority approved by the Board in June 2022

Staff may determine not to debar or disqualify the applicant if:

1. For all Authority programs, if the applicant is subject to a corporate integrity agreement, a deferred prosecution agreement, consent order, or other similar agreement and is in good standing thereunder.¹
2. For all Authority programs, if the applicant has been found guilty or has pleaded guilty to the following classes of offenses or their foreign jurisdiction equivalents: New Jersey Statutes Title 39, motor vehicle offenses; New Jersey municipal ordinance offenses; New Jersey Statutes Title 2:C disorderly and petty disorderly persons offenses; or New Jersey Statutes Title 2:C, indictable offenses of the 3rd and 4th degrees and federal offenses,

¹ Hereinafter, the Agreement Delegation.

provided these are first indictable offenses for which the presumption of a non-custodial sentence has been applied in the penalty.²

3. For all Authority programs, if the applicant:
 - a. has been denied a license or permit required to engage in its business or profession or had any such license or permit suspended or revoked by any government, provided any such suspension or revocation has been lifted by any such government;
 - b. has been suspended, debarred, disqualified, denied a classification rating or prequalification, or otherwise been declared not responsible to bid or submit a form of prequalification on or to perform work on any public contractor subcontract, provided any such suspension, debarment, disqualification, denial or declaration is no longer in force;
 - c. had an injunction, order or lien entered against it in favor of any government agency including but not limited to judgments or liens based on taxes assessed or fines and penalties imposed by any government agency, provided any such injunction has been lifted and order or lien satisfied in whole or by entry into and compliance with an alternate arrangement (e.g., payment plan) with any such government agency; or
 - d. has been penalized, in an amount not exceeding \$100,000, by any government agency for minor civil violations of law or regulation, not constituting pattern or practice, as determined by staff.
 - e. has final judgments or settlements under the laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor, provided those final judgments or settlement do not comprise a pattern or practice of violations, as determined by staff; or
 - f. has final judgments or settlements under employment laws such as the Law Against Discrimination (N.J.S.A. 10:5-1 et seq.), or of the act banning discrimination in public works employment (N.J.S.A. 10:2-1 et seq.), or of the act prohibiting discrimination by industries engaged in defense work in the employment of persons therein (N.J.S.A. 10:1-10 et seq.), provided those final judgments or settlements do not comprise a pattern or practice of violations, as determined by staff.³
4. For all Authority small business programs, if the business or its owner(s) has been fined for a licensing violation, been denied a license or permit required to engage in its business or profession or had any such license or permit suspended or revoked by any government, provided any such suspension or revocation has been lifted by any such government or the license or permit is not needed for the operation of the business seeking financial assistance.⁴
5. Timeframes for Legal Reviews: Historically, the Authority has focused its due diligence on legal matters that occurred during the most relevant time frames:
 - a. For civil matters, the Authority reviews matters that were either pending or concluded within 5 years of the reporting date;
 - b. For criminal matters, the focus is on those that were either pending or concluded within 10 years of the reporting date;
 - c. For environmental regulatory matters, the Authority reviews those that were either pending or concluded within 10 years of the reporting date; and

² Hereinafter, the Criminal Offense Delegation.

³ Hereinafter, the Civil Violations Delegation.

⁴ Hereinafter, the Small Business License Delegation.

- d. For all other regulatory matters, the Authority focusses on those that were either pending or concluded within 5 years of the reporting date.

Delegation of Authority approved by the Board in December 2022

For the Cannabis Grant Program, staff may decide not to debar, disqualify, or suspend applicants and affiliates convicted of marijuana- and hashish-related offenses that meet the criteria for a “social equity business” as defined in the Cannabis Regulatory Commission’s (“CRC”) rules (specifically N.J.A.C. 17:30-6.6 and as administered by CRC, provided the applicant does not have other disqualifying convictions or judgments); and limit the timeframe for investigation into criminal matters, to those where the date of conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later, occurred five (5) years prior to the date of application, in accordance with N.J.A.C. 17:30-7.12.⁵

Delegation of Authority approved by the Board in October 2024:

For all Authority programs, staff may determine not to debar or disqualify the applicant or vendor is subject to a civil judgment or finding of violations (with or without penalties applied) by a New Jersey State agency/department, or a judgment or finding of violations arising out of an action filed by a New Jersey State agency/department, when the State agency or relevant department has confirmed that: (1) the applicant/vendor is in substantial good standing, as determined by the State agency; (2) the entity has entered into an agreement with the respective State agency that addresses the action to the satisfaction of the State agency/department, which may include a practical corrective action plan; or (3) despite any such judgment/finding and related penalties, the State agency or relevant department does not object to the Authority proceeding with the application/contract. While any one of the above would allow staff to determine not to debar or disqualify an applicant or vendor, the presence of any one of them does not constitute on its own the necessary basis for debarment, disqualification, or suspension.⁶

Use of Delegated Authority

In the context of the Authority’s legal reviews, the timeframes approved by the Board have been implemented across all completed legal reviews, both at the Legal Affairs full review level and at the staff screening level. A summary of the use of delegated authority is provided below:

Delegation	June 21, 2024 – June 20, 2025
Agreement Delegation	18
Criminal Offense Delegation ⁷	12
Civil Violations Delegation	12
Small Business License Delegation	3
Cannabis Delegation	0
Sister Agency Delegation	1

⁵ Hereinafter, the Cannabis Delegation.

⁶ Hereinafter, the Sister Agency Delegation.

⁷ We note that we are not reporting the use of the Criminal Offense delegation related to motor vehicle offenses, municipal ordinance offenses or disorderly and petty disorderly persons offenses. Due to the prevalence of these offenses for small business owners, in particular, the use of this delegation occurred for the majority of our legal reviews, making reporting less meaningful. Thus, we have focused our reporting on the indictable offenses in the delegation, which we believe is most relevant to the Board.

The Agreement Delegation was used for a variety of legal agreements, including consent orders with various regulatory agencies, including the Securities and Exchange Commission and various state entities. The Criminal Offense Delegation was used to clear applicant owners receiving a non-custodial sentence for first-time convictions. The Civil Violations Delegation was used for various civil violations where applicants were penalized less than \$100,000 and there was no pattern or practice of violations, including workplace safety and wage and hour violations. The Small Business License Delegation was used for applicants that have had licenses revoked and reinstated or have had action taken, including small civil penalties, against their license. The Sister Agency Delegation was for an applicant who had a Department of Environmental Protection (“DEP”) action brought against it, but DEP confirmed it did not object to the Authority proceeding with the application.

All use of delegated authority was reviewed and approved by the Managing Director or Assistant Director, Legal Affairs. We will continue to bring all recommendations to debar or disqualify an applicant to the Board for decision.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: Monica Kostrzewa/Jackie Ignatowitz



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Memoranda of Understanding Approved under Delegated Authority
(July 2024 – June 2025) (*For Informational Purposes Only*)

On June 8, 2022, the Board delegated authority to the Chief Executive Officer (CEO) to execute Memoranda of Understanding (MOUs) regarding “matters for which the CEO has delegated authority to approve and execute were the matter accomplished through a binding contract, including procurement, or approve but for the payment to EDA for EDA’s services, including lending staffing, up to the lesser of the corresponding delegated authority maximum or a maximum financial commitment of \$500,000 for each MOU.” Further, at the December 14, 2023 meeting, the Board authorized additional delegated authority by increasing the threshold for certain MOUs and procured contracts to \$1 million. Additionally, the Board has approved various programs that are funded through appropriations from the American Rescue Plan Act (ARP Act) – Coronavirus State Fiscal Recovery Fund (CSFRF), administered by the New Jersey Department of Community Affairs (DCA), and delegated authority to the CEO to enter into MOUs with DCA for that funding. Staff keep the Board informed by reporting activity under those delegations of authority on an annual basis.

For the time period from July 1, 2024 to June 30, 2025, the CEO approved and executed **27** Memoranda of Understanding pursuant to these delegations of authority, as summarized below.

<u>Execution Date</u>	<u>Parties</u>	<u>Expiration Date/End of Term</u>	<u>Description</u>
7/1/2024	Penn State Law University Career Services Office	8/31/2024	Established an Externship Field Placement for law student -Roshni Raji.

7/3/2024	DCA	7/3/2024	MOU for \$26,250,000 in Capital Projects Funding for construction of Maternal Health project in Trenton.
7/15/2024	Rutgers University	8/7/2025	Established reimbursement to Rutgers for Technical Assistance regarding the New Jersey Zero-Emission Incentive Program.
7/16/2024	Maternal Infant Health Innovation Authority	7/16/2025	Mobility MOU for Pamela Taylor.
7/17/2024	DCA	3/31/2027	MOU for \$15 million (FY23, SFRF funds) for ART Support & Placemaking Program.
8/12/2024	DCA	3/31/2027	2 nd Amendment for the “Childcare Facilities Program” MOU – allocation of (\$15 million, FY24 allocation) in SFRF funds for direct costs and administrative expenses.
9/13/2024	DPMC	2/28/2030	Amendment for the State of New Jersey Use and Occupancy MOU for EDA’s lease of One Gateway Center.
9/18/2024	NJSM	10/18/2025	Established a mutual agreement to reactivate the War Memorial.
9/19/2024	DCA	3/31/2027	Amendment for Maternal Health Center for additional \$20,000,000 in SFRF funds, including \$500,000 in administrative funds.
10/15/2024	DCA	3/31/2027	Amends MOU for prior “Construction Inflation Fund Program” and transfers \$10 million SFRF funds for program costs and \$500,000 for admin costs for relaunched “Real Estate Gap Financing Grant Program”.
11/11/2024	United Kingdom - Investment Association	11/11/2029	Establishes an agreement with the United Kingdom to collaborate for advancement of Strategic Innovation Centers.
12/18/2024	DCA	3/31/2027	3rd Amendment for the “Childcare Facilities Program” MOU – allocation of (\$13.5 million, final tranche of FY22 appropriation) in SFRF funds for direct costs and administrative expenses. Amendment also reflects P.L.2021, C.144 law removing restriction that funding be available for home-based childcare providers.
12/18/2024	NJDEP	12/18/2026	Established for NJEDA to receive \$370,000 in support of Compensatory Mitigation Plan for the loss of a sand wave habitat at the New Jersey Wind Port.

12/20/2024	DCA	3/31/2027	4th Amendment to Childcare Facilities Program per FY25 allocation of \$17 million in SFRF funds.
12/20/2024	Stockton University	12/31/2024	2nd Amendment extending timeframe from November 30, 2023 for continuation of work for Stockton University Esports Innovation Center dedicated to research and development, product demonstrations, thought leadership and other esports-related activities.
12/24/2024	DCA	3/31/2027	Amendment for additional \$1 million (SFRF set-aside, FY25 allocation “AC Initiatives Fund) for the A.C. Revitalization Grant Program.
1/3/2025	Berkeley Heights	1/3/2027	MOU for a strategic economic development plan for innovation at the Nokia-Lucent Bell Labs facility in Murray Hill section of Berkeley Heights. NJEDA to contribute up to \$50,000 for the consultant.
1/6/2025	Kean University	6/30/2025	1 st Amendment allowing additional time for John S. Watson Institute to carry out its responsibilities.
2/11/2025	Treasury	7/31/2025	Retroactive Mobility Extension (Personnel) - Dave Ridolfino.
3/17/2025	DCA	3/31/2027	Amendment to transfer \$682,687 (SFRF) from A.R.T. - A.C. (Real Estate) to AC Revit. Grant Program.
3/17/2025	DCA	3/31/2027	Amendment to transfer \$682,687 (SFRF) to AC Revit. Grant Program from A.R.T. - A.C. (Real Estate).
4/8/2025	Kean University	4/8/2026	MOU established to provide support to Initiative for Inner City’s launch of “Building For Growth” Program and tuition-free executive education primarily for BIPOC, women and veteran owned construction companies.
5/5/2025	Rutgers University	6/30/2025	Amendment to Rutgers Heldrich Center MOU to allow for additional time for parties to complete responsibilities.
6/3/2025	NJ State Museum	10/18/2025	Amendment for War Memorial Reactivation Project, including \$24,500 for additional consultant services paid by NJ Treasury.
6/13/2025	DCA	3/31/2027	1 st Amendment for AC Revitalization Grant to decrease program funds by \$682,687.00 (resulting in total SFRF grant funds of

			\$15,151,103.03) and transferred same amount to Property Assemblage program.
6/13/2025	DCA	3/31/2027	1 st Amendment to Property Assemblage Program to increase funding by \$682,687.00 transferred from AC Revitalization Grant Program (resulting in total SFRF grant funds of \$36,181,583.97)
6/23/2025	Camden County Community College	4/25/2026	Amendment for 12-month extension for training students on equipment.



Tim Sullivan, CEO

Prepared by: Elizabeth George-Cheniara



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: July 23, 2025

SUBJECT: Real Estate Development Delegated Authority for April 2025 and May 2025
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority as follows:

LEASES

TENANT	LOCATION	TYPE	TERM	S.F.
Neoventech	NJBC Incubator	Renewal Letter	One Year	966
OLI Technologies	NJBC Incubator	Renewal Letter	One Year	966
Hopkins Medtech Group	NJBC Incubator	Renewal Letter	One Year	966
Celleqore	NJBC Incubator	Renewal Letter	One Year	966

RIGHT OF ENTRY/LICENSES/EXTENSIONS

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>
City of Trenton	MIHI	Right of Entry or Site License Agreement	

MISCELLANEOUS

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>
Genomic Predictions, LLC	NJBC Tenant	Litigation	175,737.40



Tim Sullivan, CEO