MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: Agenda for Board Meeting of the Authority November 12, 2025

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Public Comment

Incentives

Economic Transformation

Community Development

Authority Matters

Legal Affairs

Bond Project

Real Estate

Board Memoranda

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

October 9, 2025

MINUTES OF THE MEETING

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

Members of the Authority present: Chairman Terry O'Toole, Jamera Sirmans representing Aaron Creuz, Executive Representative; Public Members Charles Sarlo, Vice Chair; Josh Weinreich, and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority present via Microsoft Teams or conference call: Aaron Binder representing Elizabeth Maher Muoio, State Treasurer; Roberto Soberanis representing Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; 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 Phil Alagia, Fred Dumont, Aisha Glover, and Robert Shimko, First Alternate Public Member.

Members of the Authority absent: Public Member Massiel Medina Ferrara.

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 10:00am.

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 anounced 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 September 10, 2025 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, seconded by Mr. Weinreich, and approved by the thirteen (13) voting members present.

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

There was no public comment.

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

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

CLEAN ENERGY

ITEM: RETROFIT NJ Program
REQUEST: To approve: (1) The Reducing Emissions through Retrofits, Optimization, Fuel-Switching, and Innovative Technologies Grant Program, a pilot initiative designed to support large, complex building decarbonization projects that are not well served by existing state programs; (2) Utilization of 2023-25 Regional Greenhouse Gas Initiative (RGGI) Funds to capitalize the Program; (3) Delegation of Authority to the CEO to increase funding based on available RGGI funding if application demand exceeds the initial funding allocation; and (4) Delegation of Authority to the CEO to adjust: (a) construction initiation and completion timeline requirements set by the Program; and (b) submission timeline for financial documentation that verifies applicants have matching funds available to cover the balance of project costs that are not covered by the Grant Program.
MOTION TO APPROVE: Ms. Dragon SECOND: Ms. Antoine-Johnson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: MOU with New Jersey Transit to expand the Camden Bus Electrification Program
REQUEST: To approve: (1) Entering into a MOU with NJT to support the purchase of electric buses for and expansion of electric vehicle charging infrastructure at NJ Transit's Newton Avenue Garage in Camden, NJ; (2) Utilization of RGGI funds provided by NJEDA to NJ Transit to complete the Project
MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Sarlo AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

WORKFORCE INNOVATION PARTNERSHIPS

ITEM: Addendum One to Council on the Green Economy MPU – NJEDA and New Jersey Department of Environmental Protection
REQUEST: To approve an addendum to the MOU between the NJEDA and the New Jersey Department of Environmental Protection (NJDEP). This Addendum One to the MOU (Addendum One) will enable the NJDEP to provide funding to NJEDA to continue supporting the efforts of the Governor's Council on the Green Economy.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Ms. Sirmans AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: New Jersey Film Works Grant Program Awards and Declinations
REQUEST: To approve five (5) applications and their respective grant awards for the NJ Film Works Grant Program, utilizing funding from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid); and to decline all other applications.
MOTION TO APPROVE: Mr. Alagia SECOND: Ms. Glover AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

COMMUNITY DEVELOPMENT

ITEM: Asset Activation Planning Grant Program - Round Four Funding and Revisions
REQUEST: To approve: (1) Utilization of remaining funds from the New Jersey Asset Activation Planning Grant Program to offer a fourth round of applications; (2) Program revision to extend the applicant cure period from 5 days to 15 days; (3) Program revision to extend the application window from 90 days to 12 months, or until funds are fully obligated, whichever comes first; and (4) Program revision to increase the maximum grant award.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

AUTHORITY MATTERS

ITEM: Authority's Audited Financial Statements for the year ending December 31, 2024, Annual Report
REQUEST: To approve the Authority's Audited Financial Statements for the year ending December 31, 2024, Annual Report as required under N.J.S.A. 34:1B-4 and Executive Order No. 37 (2006).
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Recommendation for Contract Award - 2025-RFP-249 Independent Auditor Services
REQUEST: To approve entering into a contract to provide Independent Auditor Services to the Authority's Board and its Audit Committee for a term of three (3) years, with two (2), twelve (12) month extension options. The final contract will be subject to approval of the CEO.
MOTION TO APPROVE: Mr. Sarlo SECOND: Mr. Weinreich AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

FOR INFORMATION ONLY: The next item was a summary of the Director's Loan Review Committee meeting from September 24, 2025.

BOND PROJECT

APPLICANT: Second Street Youth Center, Inc.* PROD-00322344
LOCATION: Plainfield City, Union County
PROCEEDS FOR: To purchase the 25,000 square foot facility on approximately 1.5 acres it currently occupies by providing $5.4 million in tax-exempt direct bond funding.
AMOUNT OF BOND: $5,400,000 Tax-Exempt Bond.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Alagia AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

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

INCENTIVES

FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM

ITEM: Notice of Final Adoption of the Readopted Specially Adopted Amendments and New Rules to the Garden State Film & Digital Media Tax Credit Program (N.J.A.C. 19:31T-1.1, et seq.)
REQUEST: To approve the submission of a Notice of Final Adoption of the readopted specially adopted rule amendments and new rules for the Garden State Film & Digital Media Tax Credit Program pursuant to P.L. 2019, c. 506; P.L. 2020, c. 156; P.L. 2021, c. 160; P.L. 2021, c. 367; P.L. 2023, c. 97; and P.L. 2024, c.33, as approved by the Office of the Attorney General and the Governor's Rules Office, to the Office of Administrative Law for publication in the New Jersey Register.
MOTION TO APPROVE: Mr. Sarlo SECOND: Ms. Dragon AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

FILM TAX CREDIT PROGRAM

Camp Blood Productions LLC PROD-00320839
MAX AMOUNT OF TAX CREDITS: $26,939,818
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Ms. Sirmans AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

BOARD MEMORANDA - FYI ONLY

- Credit Underwriting Projects Approved Under Delegated Authority – September 2025 - For Informational Purposes Only
- Real Estate Division Delegated Authority for leases and Right of Entry (ROE)/ Licenses for the Second Quarter 2025

EXECUTIVE SESSION

The next item was to adjourn the public portion of the meeting and move into Executive Session to discuss a matter involving real estate negotiations that could adversely affect the public interest if disclosed, the minutes of which will become available when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

The Board returned to Public Session.

There being no further business, on a motion by Ms. Antoine-Johnson, and seconded by Mr. Weinreich, the meeting was adjourned at 11.27am.

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

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

October 30, 2025

MINUTES OF THE SPECIAL MEETING

The Meeting was held via Microsoft Teams and teleconference call.

Members of the Authority present: Chairman Terry O'Toole, Aaron Creuz, Executive Representative; Elizabeth Maher Muoio, State Treasurer; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; 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 Charles Sarlo, Vice Chair; Phil Alagia, Fred Dumont, Aisha Glover, Josh Weinreich, Robert Shimko, First Alternate Public Member.

Members of the Authority absent: Public Member Massiel Medina Ferrara, and Jewell Antoine-Johnson, Second 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 10:00am.

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.

MINUTES OF AUTHORITY MEETING

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 Remarks to the Board.

PUBLIC COMMENT
There was no public comment.

FOR INFORMATION ONLY: The next item was a summary of the Incentives Committee meeting from October 16, 2025.

INCENTIVES

FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM

ITEM: Special Adoption and Concurrently Proposed New Rule Amendments for the Film & Digital Media Tax Credit Program
REQUEST: To approve: the specially adopted rule amendments and new rules for the Garden State Film & Digital Media Tax Credit Program pursuant to P.L. 2025, c.81; and authorize staff to (a) submit for publication in the New Jersey Register and (b) submit as final adopted rules for publication in the New Jersey Register if no substantive comments are received, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.
MOTION TO APPROVE: Mr. Weinreich SECOND: Comm. Angelo AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Ms. Glover recused because her employer takes advantage of the program.

ITEM: Studio Partner Designation
REQUEST: To designate a Studio Partner under the Garden State Film and Digital Media Jobs Act and associated administrative matters to implement the designation.
MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Alagia AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Mr. O'Toole recused because his family foundation owns shares of Paramount Global, Inc.

AUTHORITY MATTERS

ITEM: NJ BASE Program Approval
THIS ITEM HAS BEEN WITHHELD FROM CONSIDERATION.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from October 17, 2025.

ECONOMIC TRANSFORMATION

ITEM: Approval of the Take Charge Program
REQUEST: To approve: (1) Take Charge, a pilot initiative designed to provide financial support for the installation of electric chargers for private fleets; (2) The utilization of funds from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2023-2025 auction proceeds; (3) Delegation of authority to the CEO to: a) Approve individual applications, b) Expand the program eligibility to include institutional applicants if other state programs cannot adequately serve these groups, and c) Increase funding based on available RGGI funding if application demand exceeds the initial funding allocation.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Shimko AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: NJ Clean Energy Loan Approval
THIS ITEM HAS BEEN WITHHELD FROM CONSIDERATION.

The State Treasurer left the meeting at this time.

ITEM: NJIEF - Qualified Investment Approval
REQUEST: To approve a Qualified Investment presented under the New Jersey Innovation Evergreen Program.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Dragon AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

INCENTIVES

ASPIRE

ITEM Carroll Street Rehab, Paterson, Passaic County
REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in Paterson, New Jersey, Passaic County, up to 85% of project cost.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Dumont AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Meadowlands Logistics Center LLC
REQUEST: To approve issuance of tax credits from the Aspire program for a commercial project located in Secaucus, New Jersey, Hudson County of up to 50% of the eligible project cost.
MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Alagia AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

CAFÉ

ITEM: **Project Approval**
THIS ITEM HAS BEEN WITHHELD FROM CONSIDERATION.

BOARD MEMORANDA - FYI ONLY

- HDSRF Applications Approved Under Delegated Authority, Q2 2025
- PUST Approved Under Delegated Authority, Q2 2025

There being no further business, on a motion by Mr. Weinreich, and seconded by Mr. Alagia, the meeting was adjourned at 11:13am.

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

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: November 12, 2025

Re: November 2025 Board Meeting – CEO Report

Last week, the New Jersey Economic Development Authority (NJEDA) announced $900,000 in funding to support the state's six Emergency Feeding Organizations in response to the increased demand due to the Supplemental Nutrition Assistance Program (SNAP) benefits crisis caused by the federal government shutdown. The funding came at a critical time when all 568 school districts were closed last Thursday and Friday, and dozens more throughout the week.

The school closures, compounded with the SNAP benefits crisis, put hundreds of thousands of children at risk of food insecurity. More than 533,000 children are enrolled in the free or reduced school meals program across the state and not attending school meant they were missing meals. As a member of the Governor's Task Force on the Federal Suspension of SNAP Benefits, the NJEDA was proud to join the Administration's whole-of-government approach to support our food banks and put food on families tables across the state.

Last month, I attended the groundbreaking of the first phase of University Hospital's massive redevelopment, which will expand the campus and increase access to world-class, affordable health care services for the residents of Newark and beyond. Under Governor Murphy's leadership, New Jersey is investing in expanding access to health care, understanding it's a key driver of economic growth and community revitalization. The NJEDA's partnership with University Hospital and Rutgers Health will help improve health outcomes for disadvantaged communities, while creating good-paying jobs and bolstering Newark's economy.

Last month, the NJEDA, Initiative for a Competitive Inner City (ICIC), and Kean University hosted a graduation ceremony for the inaugural cohort of the Building for Growth (BFG) Program. BFG is a tuition-free program that provides construction companies education and tools to help them increase capacity and develop sustainable growth strategies for their businesses. Since its inception, BFG has demonstrated success in improving outcomes for construction companies owned primarily by people of color, women, and veterans.

The NJEDA recently held its semi-annual Founders and Funders event, which brought together startups, investors, and other innovation economy stakeholders for a day of networking opportunities. The event connects early-stage businesses with investors to discuss strategy, business models, and funding opportunities, strengthening the state's vibrant innovation ecosystem. 24 New Jersey-based companies had the opportunity to meet with 20 venture capital firms during the event. In total, 177 meetings were facilitated between companies and investors. New Jersey continues to establish itself as a national leader in the innovation economy.

There's just about two months left of the Murphy Administration and the NJEDA is committed to running through the tape. The hard work and dedication of our Board and staff over the past seven years has led to the NJEDA's tremendous growth, helping broaden the definition of economic development. The NJEDA is well positioned to continue launching innovative programs and injecting millions of dollars to support small businesses, entrepreneurs, communities, and families.

I hope everyone has a Happy Thanksgiving and you take time to be with your family and friends. As we enter the holiday season, I encourage everyone to shop small and shop local!

Tim Sullivan, CEO

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: November 12, 2025

RE: Aspire Program- Product # 00322058
Downtown HUB Associates III, LLC (“Applicant”)

Request

Issuance of tax credits from the Aspire program (“the Program”) for a single-phase Transformative residential project located in New Brunswick, New Jersey, Middlesex County up to 80% of the total project cost (“eligible costs”), not to exceed $359,363,826.

Aspire Program Background

The New Jersey Economic Recovery Act of 2020 (the “Act”), N.J.S.A. 34:1B-322, et seq., provides that the “authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs.” On January 23, 2025, new amendments to the Act (P.L. 2025, c.2) became effective, and new special adoption rules were adopted by the Authority Board on July 23, 2025, and took effect on August 1, 2025, upon submission to the Office of Administrative Law (regulations as amended are the “Rules”). This application is being considered based upon the Act (as amended by P.L. 2025, c.2) and the Rules.

The Program provides tax credits for five years for certain projects or ten years for all others (the “Eligibility Period”). The amount of tax credits a real estate development project or “Redevelopment Project,” receives is generally a percentage of the project’s costs and is subject to a statutory cap determined by project location and other aspects of each project.

To date, the Board has approved 33 projects under the Aspire Program, representing over $3.4 billion in tax credit allocations. The approved applications consist of 6 commercial, 9 mixed-income residential, 13 fully affordable residential, and 5 mixed-use residential projects. Two projects that had previously received Board approval have since been withdrawn.

Project Description

The Project, known as H-3, represents the third phase of the New Jersey Health + Life Science Exchange (HELIX) initiative. The proposed development consists of a 42-story, 562,836-square-foot mixed-use tower in New Brunswick, New Jersey, located directly across from the New Brunswick Train Station, adjacent to an NJ Transit bus stop, near Rutgers University, and approximately 15 miles from Newark Airport. The majority, 53% of the Project consists of a residential component, The Residences @ HELIX, comprising 265 units totaling 298,390 square feet, as well as 264,446 square feet of commercial office and specialized laboratory space to be leased by Middlesex County and Rutgers University, and housing for Rutgers School of Medicine students.

The New Jersey Health + Life Science Exchange (HELIX) is an innovation district in New Brunswick, New Jersey, designed to co-locate academic researchers, clinicians, entrepreneurs, and industry partners to advance innovation from research to commercialization. The HELIX comprises three components: H-1, a translational research facility that includes the Rutgers Medical School and the New Jersey Innovation Hub; H-2, a state-of-the-art research and development facility leased to Nokia Bell Labs; and H-3, the proposed mixed-use residential tower featuring office and laboratory space.

Project Ownership

The Applicant has secured site control for the five parcels comprising the Project site through a combination of acquisitions and purchase options. The Applicant holds fee title to three lots and purchase agreements for the remaining two, as follows:

1. 71 Paterson Street – Deed dated October 28, 2025, between the Applicant (grantee) and Barristers III, LLC (grantor).
2. 73 Paterson Street – Deed dated June 30, 2025, between the Applicant (grantee) and Can't Miss Corp (grantor).
3. 69 Paterson Street – Deed dated September 16, 2025, between the Applicant (grantee) and Dennis Alan Auciello, P.A. (grantor).
4. 65 Paterson Street – Purchase and Sale Agreement between the Applicant and the New Brunswick Parking Authority. Closing of the building is expected to take place April 2026.
5. 75 Paterson Street – Purchase and Sale Agreement between the Applicant and the New Brunswick Parking Authority. Closing of the building is expected to take place April 2026.

The combined parcels will be consolidated and identified as Block 17.01, Lots 1.06, 8, 9, and 10.

The Applicant, Downtown HUB Associates III, LLC, is owned by DEVCO (50%) and Pennrose Holdings, LLC (50%). The Applicant will retain overall control during construction. A Pennrose Urban Renewal Entity will acquire the residential air-rights estate upon completion and will receive an assignment of the residential PILOT and loan. The institutional components will be master-leased to Rutgers University and Middlesex County, each with a purchase option for their respective air-rights estates. Any sale of a portion or portions of the Project during the eligibility period is subject to NJEDA's review and approval as set forth in the Aspire Rules (N.J.A.C. 19:31V-1.14).

Lead Development Entity

Established in 1976, DEVCO is a nonprofit real estate development organization created to drive redevelopment initiatives and facilitate public and private investment within the City of New Brunswick. Since its inception, DEVCO has overseen more than $3.5 billion in mixed-use, residential, commercial, and institutional redevelopment projects that have contributed significantly to the city's economic revitalization.

Key DEVCO personnel involved in the Project include Christopher Paladino (President), Sarah Clarke (Executive Vice President), and Merissa Buczny (Vice President), each with over 20 years of experience in large-scale real estate development and public-private partnerships.

DEVCO has served as lead developer for several major projects that received NJEDA support, including:

- NJ Innovation Associates Urban Renewal LLC (H-1) – $271.1 million Aspire Tax Credit (2023) for a transformative commercial project representing the first phase of the New Jersey Health + Life Science Exchange initiative.
- Transit Village Associates – $76 million Urban Transit Hub Tax Credit (2010) for a $314 million mixed-use project in partnership with Rutgers University.
- College Avenue Redevelopment Associates, LLC – $33 million Urban Transit Hub residential tax credit (2013) for a $298 million mixed-use project with Rutgers University.
- Washington Street University Housing Urban Renewal Associates, LLC – $23 million RES ERG award (2014) for a $95 million mixed-use project in Newark in partnership with Rutgers University.
- Island Campus Redevelopment Associates, LLC – $38.4 million RES ERG (academic housing) and $29.9 million RES ERG (parking facility) for a $160 million academic campus project in Atlantic City.
- Cultural Center Redevelopment Associates Urban Renewal, LLC – $40 million RES ERG (2017) for a $152 million mixed-use development in New Brunswick.

Founded in 1971 and headquartered in Philadelphia, Pennsylvania, Pennrose, LLC is a real estate development and management firm specializing in the creation of multifamily, mixed-use, and mixed-income communities. The company has developed or redeveloped over $5 billion in residential and commercial real estate, with a portfolio exceeding 300 developments across the United States. Pennrose will be responsible for financing and operating the residential component of the Project.

Pennrose focuses on affordable and workforce housing, leveraging public and private financing mechanisms such as Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds, and state and local subsidies. Their integrated business model includes both development and property management, ensuring long-term operational stability, regulatory compliance, and resident services that promote community well-being.

Pennrose has served as the lead developer on several major projects that received NJEDA support including:

- Bayfront Partners 32 Urban Renewal, L.P. - $64.2 million in Aspire Tax Credits (2025) for a mixed-income residential project in Jersey City.
- Avenel Housing LLC – $17.3 million in Aspire Tax Credits (2025) for a fully affordable residential project in Woodbridge Township.
- Hoffman Housing Urban Renewal Associates LLC - $20.1 million in Aspire Tax Credits (2024) for a fully affordable residential project in New Brunswick.
- Carl Miller Associates | LLC - $17.7 million in Urban Transit HUB Tax Credits (2012) for a residential development in Trenton.

Both DEVCO and Pennrose are lead development entities of this Project. During construction both DEVCO & Pennrose staff and consultants will be responsible to manage all aspects of the Project including overseeing the architectural and engineering teams, working with the construction manager, procurement of FF&E and keeping accounting records. Upon completion of the Project, Pennrose will manage the residential components in the building and DEVCO will hire a property manager to manage day-to-day operations of the commercial podium.

Architect

Master planning and design for H-3 has been undertaken by Elkus Manfredi Architects, a full-service design firm with expertise in architecture, master planning, urban design, interior architecture, historic preservation, space planning, and programming. The firm has a broad portfolio spanning workplace, residential, academic, and mixed-use environments, with a focus on creating inclusive, community-oriented places that foster innovation.

Construction Timeline

Construction is expected to commence in April of 2026 and the project will take 36 months to complete.

Project Details

The Project has four main components:

1) Residential (The Residences @ HELIX):

   The 298,390 square foot residential portion will include 265 units consisting of 212 market-rate and 53 affordable, representing 53% of the total building area. The 212 market-rate units will comprise 38 studios, 148 one-bedrooms, and 26 two-bedrooms. The 53 affordable units will include 4 studios, 6 one-bedrooms, 32 two-bedrooms, and 11 three-bedrooms. Amenities include a gym, co-working and lounge spaces, communal kitchen, billiards room, and outdoor terrace.

2) Rutgers WINLAB & ESRG Research Facilities:

   Rutgers University will consolidate its Wireless Information Network Laboratory (WINLAB) and Energy Storage Research Group (ESRG) into 33,620 square feet of dedicated research space within H-3. These programs will benefit from proximity to campus and adjacency to Nokia Bell Labs' new R&D facility at H-2, enabling enhanced collaboration and accessibility for students.

3) Rutgers School of Medicine Student Housing:

   The Project will introduce 52,304 square feet of purpose-built housing for medical students attending classes in Piscataway, creating a living-learning environment that integrates researchers, entrepreneurs, and faculty within the HELIX ecosystem.

4) Commercial Office Space:

The Project will include 178,522 square feet of commercial office space that will be leased to Middlesex County to accommodate various County departments and administrative functions.

The proposed development will be located on a portion of a 3.2-acre site currently occupied by several vacant and underutilized wood-frame and masonry buildings that have been converted into office space, as well as a former surface parking lot. As part of site preparation, the existing structures will be demolished and the land graded to accommodate construction of H-3.

Recent streetscape and infrastructure improvements surrounding the site that include new traffic signals, pedestrian crosswalks, and widened sidewalks were completed in anticipation of the HELIX development. The prior large parking structure had previously created a superblock that limited pedestrian access and raised safety concerns. The H-3 project restores the site to a pedestrian-friendly scale, significantly increasing sidewalk area and improving connectivity through and around the site. The design enhances the existing high Walk Score by enabling safe, direct pedestrian passage and improving access to and from the New Brunswick Train Station through coordinated intersection realignments.

Transformative Project

The Aspire statute provides for a category of Redevelopment Projects that may be either residential or commercial projects, which are referred to as "transformative projects." Such projects must meet certain significant criteria and can receive tax credit awards up to the lesser of $400 million or 80 percent of eligible costs.

For any project to be transformative it must have eligible costs that are at a minimum of $150 million. In addition, the project square footage, exclusive of any parking component must be 200,000 or more square feet of new or substantially renovated industrial, commercial, or residential space or 250,000 or more square feet of film studios, professional stages, television studios, recording studios, screening rooms, or other infrastructure for film production. Having eligible costs of $449,204,782 and representing more than 562,836 in total square feet of new or substantially renovated residential and commercial space located in a government restricted municipality, this Project satisfies the requirement for a non-Film Transformative project.

A Residential Transformative project must demonstrate special economic significance by one of the following criteria:

1. Being located in a government-restricted municipality, enhanced area, or distressed municipality;

2. If not located in a government-restricted municipality, enhanced area, or distressed municipality include at least 20 percent of new residential units for low- and moderate-income households or workforce housing, in addition to the 20 percent of the new residential units for occupancy by low- and moderate-income households required pursuant to N.J.A.C. 19:31-23.11(e) of the Former Rules ; or
(3) Involve the substantial renovation of a vacant commercial building.

This project is located in New Brunswick which is government restricted municipality.

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. Residential Transformative projects must include one of the following: (1) 700 or more newly-constructed residential units; or (2) 30,000 square feet or more of commercial space, exclusive of any parking component and with the majority of such non-residential use being commercial as well as either: 200 or more newly-constructed residential units if located in a government-restricted municipality; 300 or more newly-constructed residential units if located in an enhanced area; or 400 or more newly-constructed residential units if located anywhere else. Having 265 newly constructed residential units and more than 30,000 square feet of commercial space with the majority being non-retail, this Project satisfies this requirement as a mixed-use Residential Transformative project in a government restricted municipality.

Lastly, all 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. With its proximity to the New Brunswick Train Station, NJ Transit bus stop, and Rutgers University, this Project leverages economic development advantages of the State. The educational and retail amenities as well as the high-quality housing created by this Project will all serve to attract and retain skilled workers to the area.

As noted above, the Project satisfies these eligibility criteria to be a Residential Transformative project.

Project Uses and Sources
The Applicant proposes the following uses for the Project:

	Total Development Costs	**Project Costs**
Acquisition	$18,502,800	$18,502,800
Hard construction costs	$383,640,033	$383,640,033
Professional services	$27,159,036	$27,159,036
Financing and other soft costs	$34,754,293	$19,902,913
Developer Fee	$21,077,640	$0
Total	**$485,133,802**	**$449,204,782**

The eligible project cost is the cost included in total development costs that is used for sizing the tax credit. For a project located in a government-restricted municipality, eligible project cost excludes developer fee(s) as well as tax credit consultant fees, permanent financing interest and certain soft costs but includes land acquisition costs that do not exceed 20% of eligible project costs (as well as building acquisition costs included for all projects).

The Applicant proposes the following Sources for the Project:

Sources	**Type**	**Amount**
Citibank Construction Loan	Debt	$74,328,538
Middlesex County Improvement Authority Tax Exempt & Taxable Bonds	Debt	$161,062,978
MCIA Aspire Bridge Loan	Debt	196,376,478
LIHTC Proceeds	Tax Credit Equity	$100,000
NMTC Equity	Tax Credit Equity	$10,783,500
Middlesex County Sponsor Equity	Equity	$21,246,304
Rutgers Sponsor Equity	Equity	$8,184,455
Cash	Equity	$13,051,549
	Total	**$485,133,802**

Developer Contributed Equity

Based on the equity requirement of 10% of total development costs for a residential project located in a government-restricted municipality, the required equity in this Project equates to $48,513,380. Equity consists of $29,430,759 of sponsor equity, $10,783,500 in New Market Tax Credit Equity, $100,000 in LIHTC Equity, and cash in the amount of $13,051,549, which satisfies this Program requirement.

Statutory Aspire Award Cap

As a Residential Transformative project located in a municipality that did not qualify as a government restricted municipality prior to January 23, 2025, this project is eligible for an Aspire tax credit equal to the lesser of 80 percent of the eligible project costs or $400 million. Total development costs of the project ("TDC") are estimated to be $485,133,802 with eligible costs per the Aspire Program Rules estimated to be $449,204,782. As such the Project is eligible for an Aspire tax credit not to exceed $359,363,826, which is the lesser of $400 million and 80 percent of the eligible costs. This is the maximum potential award and will subsequently be subject to caps related to the project financing gap.

Financing Gap Analysis

NJEDA staff has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 13 years. The investment analysis assumes that the Applicant will utilize a 36-month timeframe to build and stabilize the Project. It also assumes a 10-year cash flow with an exit through the sale of the Project in year 13.

IRR without Aspire tax credit	-4.29%
IRR with Aspire tax credit	10.60%

Without the benefit of the Aspire tax credit, the Equity IRR is -4.29%, which is below the Maximum Return of 12.24% for comparable mixed-use residential developments in Middlesex County. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. Additionally, the Equity IRR with the Aspire tax credit award is below the Maximum Return provided by JLL. The Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate.

At project certification and at the end of the seventh and last year of the Eligibility Period, the Authority shall evaluate the Applicant'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 Return at time of Board approval. If the actual rate of return on investment exceeds the Maximum Return 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 Return (to be held in escrow until the final evaluation at the end of the Eligibility Period).

Because the Project is receiving Low-Income Housing Tax Credits for affordable residential units, NJHMFA's deferred fee model was also used to measure the appropriate and reasonable rate of return. The total developer fee is $21,077,640 with $1,899,599 deferred. This conforms to the Agency's policy as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

<u>Aspire Tax Credit Sale Price:</u>

For projects that represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 88 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a bridge loan will be secured by the future sale proceeds from the tax credits, and when accounting for these loan proceeds received during construction, it represents a discount rate of 8.38% from the 88 percent consideration of the transferred credit amount. The sources identified above in the Sources table as "Aspire Bridge Loan" reflect the value of this bridge loan. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

<u>Net Positive Benefit Analysis:</u>

As directed by the Aspire statute, the NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. Exceptions to the requirement are capital investment for a residential project, special mission non-profit project and a capital investment for a food delivery source, or a health care or health services center. The Project is a residential project and, therefore, the entire award and capital investment are not subject to the net positive economic benefit analysis.

Other Statutory Criteria

Affordability Controls:

For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as provided in the Rules.

Scoring:

The Applicant is required to achieve a minimum score to be eligible for an Aspire award. The Project was scored in the areas of Equitable Development, Smart Growth, Environmental Justice, and Climate Resilience. The Applicant has satisfactorily evidenced to staff that the Project is consistent with the policy objectives represented by this scoring criteria.

Community Benefits Agreement:

For a Redevelopment Project whose eligible project cost equals or exceeds $10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the Applicant and will execute the community benefits agreement within the time required.

Labor Harmony Agreement:

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which 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 which 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. However, 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. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

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

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

Availability of Emerge/Aspire Resources
At the time of this recommendation, there is $544,125,581 in uncommitted transformative tax credit resources available to Aspire projects for the fiscal year.

Recommendation
Authority staff has reviewed the application for Downtown HUB III Associates, LLC and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available award authority.

The developer has selected a five-year Eligibility Period.

Issuance of the Aspire tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit;
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with recently enacted legislation after approval.

Any units in the Rutgers School of Medicine graduate student housing component that are available to the general public shall be subject to the Aspire affordability controls.

The recommendation is approval of an award of up to 80% of the eligible project cost, not to exceed $359,363,826 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.

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Tim Sullivan, CEO

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: November 12, 2025

RE: Aspire Program- Product # 00321927
One SD Hoboken LLC ("Applicant")

Request

1. Modification of the Net Benefit Analysis policy approved by the Members on November 10, 2021 as part of the creation of the Aspire Program to more accurately capture employment in the hospitality industry by using an estimate of employment per room ("per key") rather than an estimate based on square feet.
2. Issuance of tax credits from the Aspire program ("the Program") for a commercial project located in Hoboken, New Jersey, Hudson County of up to 60% of the eligible project cost ("eligible costs"), not to exceed $63,479,336.

Aspire Program Background

The New Jersey Economic Recovery Act of 2020, N.J.S.A. 34:1B-322, et seq., provides that the "authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs." On January 23, 2025, new amendments to the Act (P.L. 2025, c.2) became effective, and new special adoption rules were adopted by the Authority Board on July 23, 2025, and took effect on August 1, 2025, upon submission to the Office of Administrative Law (regulations as amended are the "Rules"). This application is being considered based upon the Act (as amended by P.L. 2025, c.2) and the Rules.

The Program provides tax credits for five years for certain projects or ten years for all others (the "Eligibility Period"). The amount of tax credits a real estate development project or

"Redevelopment Project," receives is generally a percentage of the project's costs and is subject to a statutory cap determined by project location and other aspects of each project.

To date, the Board has approved 33 projects under the Aspire Program, representing over $3.4 billion in tax credit allocations. The approved applications consist of 6 commercial, 9 mixed-income residential, 13 fully affordable residential, and 5 mixed-use residential projects. Two projects that had previously received Board approval have since been withdrawn.

Project Description

The Project proposes the ground-up construction of a new full-service Hilton hotel on the former Hoboken Post Office parking lot fronting Sinatra Drive along the Hoboken waterfront. The 0.399-acre site is located one block from Hoboken Terminal, providing access to NJ Transit rail and bus service, PATH trains, and the New York Waterway Ferry. The proposed 20-story, 259,000-square-foot hotel will include up to 350 guestrooms, ground-floor retail, a lobby-level restaurant and bar, meeting and event spaces, and a rooftop bar and terrace.

The Project also includes the creation of a publicly accessible pocket park and significant streetscape and sidewalk enhancements to improve pedestrian connectivity along Sinatra Drive. Guest parking will be accommodated via valet service utilizing an existing adjacent underground garage.

Project Ownership

The Applicant, One SD Hoboken LLC, holds ownership of the subject property through a Deed dated August 3, 2022, executed between United States Postal Services (grantor) and One SD Hoboken LLC (grantee).

One SD Hoboken LLC is a special purpose entity that was formed to own and operate the Project and is 100% owned by One SD Investor Holdings, LLC. One SD Investor Holdings, LLC was formed in partnership with HH Joint Venture Partners, LLC (54.11%), Two BD, LLC (44.89%), and KMS Development Partners, LP ("KMS") (1%). KMS will serve as the managing member of One SD Investor Holdings, LLC and is also the lead development entity that has arranged project financing. These entities are investors in the Project who have contributed all of the initial equity capital needed for the development and purchase of the Property.

Lead Development Entity

KMS is a full-service real estate development and property management firm that undertakes both self-initiated projects and assignments for institutional and government clients. The firm's capabilities span the full development cycle, including site due diligence, financial structuring, feasibility analysis, community engagement, entitlements, design and construction management, and operations.

KMS has delivered projects encompassing new construction and adaptive reuse across multiple sectors that include hospitality, multifamily housing, federal courthouses and offices, university facilities, and municipal buildings totaling millions of square feet. The firm provides full oversight from conceptual planning through long-term asset and property management.

Completed projects include the Heldrich in New Brunswick, Octavius V. Catto School and Boys & Girls Club in Camden, the Hilton Philadelphia at Penn's Landing in Philadelphia, and the U.S. District Courthouse & Post Office in Lynchburg, VA.

This is the Authority's first time evaluating an Aspire award application for this lead development entity.

Legal Review and Sister Agency Check:

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

Construction Timeline:

Construction is expected to commence in March of 2026 and will take 34 months to complete.

Project Details

As previously noted, the Project will involve the development of a 20-story, 259,000-square-foot Hilton hotel and will include up to 350 guestrooms, ground-floor retail, a lobby-level restaurant and bar, meeting and event spaces on the 18^{th} and 19^{th} floors, and a rooftop bar and terrace.

The adjacent historic Post Office building (Lot 1.01) will be preserved and renovated as part of the overall development but not part of the Aspire project. The existing loading dock, parking lot, and utilities wing (Lot 1.02) will be demolished to accommodate new construction. Upon completion, new USPS loading docks will be integrated into the base of the hotel's north side, and postal vehicle parking will be relocated to a nearby City-owned garage.

As required by the Redevelopment Agreement with the City of Hoboken, the Project will be designed and constructed to the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) Silver standard. This will also satisfy the Program's Green Building Standards.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Project Costs
Acquisition	$18,681,771	$0
Hard construction costs	$188,314,113	$188,314,113
Professional services	$19,934,131	$10,399,450
Financing and other soft costs	$25,294,000	$24,345,000
Developer Fee	$8,000,000	$0
Total	**$260,224,015**	**$223,058,563**

The eligible project cost is the cost included in total development costs that is used for sizing the tax credit. Total eligible project costs exclude the developer fee as well as various pre-development costs incurred prior to application such as site-work, and certain soft costs.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
Citibank Construction Loan	Debt	$156,000,000
Hilton Franchise Holding LLC Development Incentive Note	Debt	$3,000,000
Cash	Equity	$101,224,015
	Total	**$260,224,015**

Developer Contributed Equity

Based on the equity requirement of 20% of total development costs for a commercial project, the required equity in this Project equates to $52,044,803. Total equity consists of developer contributed capital in the amount of $101,224,015, which satisfies this Program requirement.

Statutory Aspire Award Cap

This Project is located in an Enhanced Area Municipality and thus eligible for an Aspire tax credit equal to the lesser of 60 percent of the eligible project costs or $90 million. The eligible project cost is estimated to be $223,058,563. As such, the Project would be eligible for an Aspire tax credit not to exceed $90,000,000, which is the lesser of $90 million and 60 percent of the eligible project cost ($133,835,137), except that the award is capped by the net positive benefit analysis (described below).

Financing Gap Analysis

NJEDA staff has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 13 years. The investment analysis assumes that the Applicant will utilize a 36-month timeframe to build and stabilize the Project. It also assumes a 10-year cash flow with an exit through the sale of the Project in year 13.

IRR without Aspire tax credit	10.7%
IRR with Aspire tax credit	13.6%

Without the benefit of the Aspire tax credit, the Equity IRR is 10.7%, which is below the Maximum Return of 15% for comparable hotel developments in Hudson County. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. The Applicant has elected to move forward with the Project even though the IRR with the award is still below the market-based Maximum Return.

At project certification and at the end of the seventh year of the Eligibility Period, the Authority shall evaluate the Applicant'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 Return at time of Board approval. If the actual rate of return on investment exceeds the Maximum Return 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 Return (to be held in escrow until the final evaluation at the end of the Eligibility Period).

<u>Aspire Tax Credit Sale Price:</u>
For projects that do not represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that the tax credits will be sold as they become available, with the proceeds retained as income on the project proforma. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

<u>Net Positive Benefit Analysis:</u>
As directed by the Aspire statute the NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. Exceptions to the requirement are capital investment for a residential project, special mission non-profit project and a capital investment for a food delivery source, or a health care or health services center. The Project does not have any of the exempted uses and, therefore, the entire award and capital investment are subject to the net positive benefit analysis.

The Rules set the required net positive economic benefit (NPEB) to the State at 160 percent of the award of tax credits unless the project is: located in a government-restricted municipality; contains

50,000 or more square feet of space devoted to research or technology focused incubator and conferencing facilities for one or more institutions of higher education or non-profit organizations with a total project cost of not less than $50 million; receives a Federal historic rehabilitation tax credit or a State tax credit under the "Historic Property Reinvestment Act,"; is located on land owned by the Federal government on or before December 31, 2005; or is undertaken by a major cultural institution; or is undertaken by a developer in which the major cultural institution has an ownership interest, in which case it is 125 percent. N.J.A.C. 19:31V-1.6 (Financing gap and fiscal impact analysis). Since the Project is located on land owned by the Federal government on or before December 31, 2005, it meets the criteria to reduce this requirement and thus the award is subject to the 125 percent threshold. The Aspire statute directs the authority to discount the Aspire tax credit award issued over the 10-years from the perspective of net present value in the same fashion as which it discounts the estimated ongoing benefits to the State over the same time period. N.J.S.A. 34:1B-326.

Based upon the November 10, 2021 Net Benefit Analysis policy approved by the Members as part of the Aspire Program, staff employed IMPLAN to model the expected net positive benefit related to the construction activities and ongoing employment at the Project. The approved Net Benefit Analysis envisioned office and retail space. Accordingly, the policy requires staff to estimate "use regional averages for wages and industry standards for employment density (i.e. workers per square foot) to determine expected economic activities at the real estate project." Such approach – estimating employment based on square foot – does not apply to the hospitality industry. Accordingly, staff requests the approval of a more accurate estimate of employment in the hospitality industry based on rooms, a "per key" approach, which approach was used to calculate the net positive economic benefit for this project. Further, consistent with the policy, the local occupancy tax was included in the calculation of the net positive benefit.

The results of this analysis are detailed in the following chart:

Total One-time Benefit	$7,523,089.18
Average Annual Ongoing Benefit	$6,928,602.47
Net Present Value of Benefits over 10 years	$53,243,939.31
NPV of Benefit as % of NPV of Aspire	125%
Net Present Value of Implied Max Aspire Award	$42,595,151.45
Aspire Award Based on Implied Max Aspire Award	$63,479,336.41

Based on the above analysis, the award is capped at $63,479,336, which represents approximately 28% of the eligible project cost.

<u>**Other Statutory Criteria**</u>

Affordability Controls:

For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as provided in the Rules. As a commercial project comprised solely of non-residential uses, this requirement is not applicable for this Project.

Scoring:
The Applicant is required to achieve a minimum score to be eligible for an Aspire award. The Project was scored in the areas of Equitable Development, Smart Growth, Environmental Justice, and Climate Resilience. The Applicant has satisfactorily evidenced to staff that the Project is consistent with the policy objectives represented by this scoring criteria.

Community Benefits Agreement:
For a Redevelopment Project whose eligible project cost equals or exceeds $10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the Applicant and will execute the community benefits agreement within the time required.

Labor Harmony Agreement:
NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which 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 which 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. However, 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. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations:
For any project awarded Aspire tax credits all workers employed to perform construction work or building services work at the Redevelopment Project shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this

requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

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

Availability of Emerge/Aspire Resources
At the time of this recommendation, there are $1,457,612,961 in uncommitted tax credit resources available to Aspire projects for the fiscal year.

Recommendation
Authority staff has reviewed the application for One SD Hoboken LLC and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available North Jersey award authority.

This project has a ten-year Eligibility Period, as it does not qualify for a five-year Eligibility Period.

Issuance of the Aspire tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit;
2. Evidence of site control and site plan approval for the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project; and

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with recently enacted legislation after approval.

The recommendation is approval of:

1. Modification of the Net Benefit Analysis policy approved by the Members on November 10, 2021 as part of the creation of the Aspire Program to more accurately capture employment in the hospitality industry by using an estimate of employment per room (“per key”) rather than an estimate based on square feet.

2. An award of up to 60% of the eligible project cost, not to exceed $63,479,336 in Aspire tax credits based upon the financing gap illustrated by the Project’s actual capital stack at time of commitment.

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Tim Sullivan, CEO

To:	Members of the Authority
From:	Tim Sullivan Chief Executive Officer
Date:	November 12, 2025
RE:	CAFE Program- Product # 00320737 **Liberty Science Center, Inc. ("Applicant")** **Project Supernova**

<u>Request</u>

The Members are requested to approve the following items for the Cultural Arts Facilities Expansion (CAFE) Program:

1) A policy for defining the term "cultural arts" for the CAFE program for determining the eligibility criteria for cultural arts projects. This policy seeks to provide clarity and ensure fairness to applicants.

2) The reservation of tax credits in the maximum amount of $137,247,803 from the Aspire and Emerge programs to the CAFE program, ensuring CAFE can operate on a rolling basis, and approval of the policy to re-allocate tax credits as needed with each approval. This will provide the flexibility needed to accommodate all eligible CAFE applications, pending further review and confirmation of available resources. This request is supported by recent legislative changes allowing for the reallocation of up to $500 million in tax credits from Aspire and Emerge.

3) For the Project Supernova cultural arts facilities project (Project) located in Jersey City, Hudson County, a tax credit award of 100% of the eligible project cost ("eligible costs"), not to exceed $39,645,323.

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

This is the first application being considered by the Board for the CAFE program.

CAFE Program Background

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

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

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

Reservation and Re-Allocation of Aspire/Emerge Funds to CAFE

To allow for the transition from competitive to rolling basis, Staff requests approval of the initial reservation of $137,247,803 from Aspire and Emerge for potential re-allocation, as needed, to the CAFE program. Currently, Staff is reviewing applications totaling $921,736,103 from Round 1 and $415,511,700 from Round 2, amounting to $1,337,247,803. However, the original statutory allocation of tax credits to the CAFE program stands at $1,200,000,000, resulting in a maximum additional need of $137,247,803. The reservation will be reduced if any applicants are rejected, declined, or withdraw. Staff also requests approval of the policy to re-allocate the tax credits as needed for a project as determined at Board approval of the project.

The Aspire and Emerge programs were allocated an initial amount of $6,600,000,000 in tax credits for the combined programs. After various other re-allocations, the amount remaining in Aspire and Emerge, as of October 30, 2025, is $1,375,926,879. The maximum re-allocation to the CAFE program represents only a small amount, and the benefits to CAFE program applicants from transitioning to rolling basis is significant.

Policy for Defining "Cultural Arts"

The Act and Rules define a "cultural arts institution facility" in terms of "cultural arts" and provide a list of examples - an aquarium, botanical society, historical society, library, museum, gallery, performing arts center, arts-based community centers - and some exclusions - facilities predominantly used for athletics, recreation, and non-arts-based community centers. However, neither defines "cultural arts." Accordingly, Staff proposes to establish a clear interpretation within this context: creative and cultural activities that includes, but is not limited to, performing, visual, and fine arts, music, dance, graphic design, film, digital media and video, architecture and urban design, humanities, literature, arts and culture education, historic preservation, museum curation, crafts, and folk arts, as well as providing enrichment through the public presentation of science in creative, accessible formats (such as interactive exhibits) that engage the community on a cultural level.

This recommendation is based in part on the definition of "arts and culture" provided in NJSA 40:12-15.11, which is a statute related to local government issuance of bonds for the purposes of supporting arts and culture. Staff recommends adding the reference to the public presentation of science in creative, accessible formats (such as interactive exhibits) that engage the community on a cultural level to ensure the CAFE program encompasses a comprehensive view culture consistent with the examples in the Act and Rules.

<u>Project Information</u>
Applicant: Liberty Science Center, Inc. (501(c)3 nonprofit organization)
Project Name: Project Supernova
Project Location: 222 Jersey City Blvd., Jersey City, Hudson County, New Jersey
Project Description: Located in Liberty State Park in Jersey City, the Liberty Science Center is a 300,000-square-foot interactive museum that serves more than 800,000 visitors annually, serving as a hub for large scale art installations, live and media arts performances, and on-site cultural events. The Liberty Science Center is home to the Jennifer Chalsty Planetarium, which is the largest and most technologically advanced planetarium in the Western Hemisphere. "Project Supernova" proposes to transform the Liberty Science Center into an all-weather, accessible destination by renovating 35,815 square feet of indoor space and adding 106,375 square feet of outdoor exhibitions. The project aims to increase attendance, accessibility, and engagement. The Liberty Science Center expansion supports broader urban revitalization goals within Jersey City and Liberty State Park. The addition of outdoor spaces creates year round opportunities for residents and visitors to engage with arts and culture.

This initiative aims to enhance learning experiences and increase attendance. The Applicant expects the additional visitors to generate increased revenue for local businesses including hotels, restaurants, and retail establishments, while also boosting tax revenue for the municipality and strengthening arts and cultural offerings for New Jerseyans. The project is expected to create both short-term construction jobs and long-term employment opportunities in Science, Technology, Engineering, Arts, and Mathematics (STEAM) education, operations, exhibit maintenance, and events.

The Mayor of Jersey City noted in his letter of support for this project that the "enhancement of the Liberty Science Center will advance Jersey City's comprehensive local development strategy, specifically by achieving multiple goals of the Liberty Harbor Redevelopment Plan. This Plan will include provisions of new recreation activities and opportunities, the creation of employment opportunities, the expansion of the City's tourism sector and the advancement of a multi-function science and technology district to promote learning and innovation."

Specifically, the Project includes the following:

- New outdoor attractions:
  - Physics-themed mini golf course
    - This installation is proposed to be an immersive art piece that communicates physics concepts through play, blending interactive art, design, and science. Based on this description, Staff finds that the use is not a recreational activity but is a cultural educational experience, fitting within the scope of "cultural arts" as it incorporates public presentation of science in creative formats.
  - River Otter Habitat, Goat Playground and Barn
    - These proposed outdoor animal experiences will connect visitors

with otters and goats through creatively designed habitats. Museums, including science centers, natural history museums and children's museums feature live animal experiences as a way to engage visitors with an immersive, learning experience and to promote wildlife conservation. The Otter Habitat will also tell the story of river otters' long history with the Hudson River, including their decline due to pollution and habitat loss. The Goat Playground and barn and the River Otter Habitat align with the arts and culture definition which allows for "interactive exhibits that engage the community on a cultural level."

    - 9/11 Memorial Garden
        - This project will be an outdoor memorial that features two artifacts from the World Trade Center site (structural beams salvaged from the Twin Towers) and educational signage. The artifacts will be integrated into the landscape architecture along with educational signage to create an environment of remembrance and reflection. This exhibit integrates historical preservation and architecture, which are part of "cultural arts."
    - Master Landscaping Plan
        - The master landscape plan will serve as the foundational design framework that ties together the outdoor experiences to create a cohesive, cultural campus. The master landscape plan is needed for the outdoor installations to meet museum quality design standards and it supports the cultural and artistic integrity of the overall experience.
- Indoor renovations, which provide enrichment through the public presentation of science in creative, accessible formats:
    - Converting a largely unused gallery into a space for high-profile premium exhibitions.
    - Updating a Hudson River exhibit to include new interactive displays, media elements, and updated architectural finishes and visitor circulation.
    - Upgrading the Jennifer Chalsty Planetarium's and adjoining Weston Lab's projector, computers and sound system software with state-of-the-art technology.

Project Ownership: The Applicant, Liberty Science Center, Inc., leases the property at Liberty State Park from the NJ Department of Environmental Protection (NJDEP) (owner) through 2039 and the Applicant has demonstrated a path to site control to complete the CAFE project. The initial lease agreement, dated November 6, 1989, which includes 7.31 acres of land comprising part of Block 15802, Lot 11 in Jersey City, was between Liberty Science Center and Hall of Technology Inc. (subtenant) and the Liberty State Park Development Corporation (sublandlord). NJDEP was (and continues to be) the owner and landlord. The lease was assigned to NJDEP by the Liberty State Park Development Corporation on May 15, 2003. Liberty Science Center and Hall of Technology, Inc. changed their name to Liberty Science Center, Inc. which was filed and approved by the State of New Jersey in 1991. NJDEP has provided a letter of intent to also provide Liberty Science Center with the necessary access and control for an additional area (0.56 acres adjacent portion of Block 15802, Lot 11, in Jersey City) to complete the 9/11 memorial garden portion of the CAFE project.

The Liberty Science Center, Inc is a nonprofit organization which was incorporated to "fund, establish, operate and maintain a museum relating to science and technology." The Liberty Science Center is a museum whose mission is to "inspire the next generation of scientists and engineers and excite learners of all ages about the power, promise, and pure fun of science and technology … [and] change the face of science education in New Jersey and beyond." Staff concludes that this applicant satisfies the definition of "cultural arts institution."

The Applicant provided a letter of compliance indicating that their NJ Charitable Registration is valid and current.

The Applicant will serve as their own lead development entity. Liberty Science Center Inc. has experience in planning and exhibit development and has designed exhibitions across the world, including the first science centers in Turkey and the Caribbean, in Caguas, Puerto Rico. Their award-winning exhibition "Beyond Rubik's Cube" included support by Google with its largest investment in a museum exhibit to date. Since 2014, Liberty Science Center has transformed public spaces with experiences developed and designed by Liberty Science Center staff and consultants. These include the Weston Family Lab, Mole Rats and Leaf Cutter Ant habitats, Microbes Rule Exhibit, Dino Dig Adventure Exhibit, Wobbly World Exhibit, a renewed Touch Tunnel, and The Great Train Set Exhibit and the transformation of the IMAX Theater into the Jennifer Chalsty Planetarium (the largest in the Western Hemisphere). Liberty Science Center Inc. also led the design through the installation of the CUNY ASRC Illumination Space Hub in 2015. In addition, Liberty Science Center Inc. is collaborating with a team of professionals for this CAFE project to provide additional expertise, including Melillo Bauer Carmen (landscape architecture firm), Cambridge Seven (architecture), Langan Engineering & Environmental Services, DeSimone Consulting Engineers, Robert Derector Associates, and Potomac-Hudson Environmental Inc.

Legal Review and Sister Agency Check:
A Legal Review (debarment/disqualification review) was completed on the Applicant and Lead Development Entity by the Authority, and all entities were cleared. All of these entities were also found to be in substantial good standing with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury.

Construction Timeline:
Construction is expected to commence in first quarter of 2026 and will take 30 months to complete.

Project Details

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

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

The applicant opted out of scoring for the category of diversity of their Board.

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

The application was reviewed and scored by a committee comprised of a multidisciplinary team of NJEDA staff with experience in the fields of real estate development projects and project management. The non-discretionary criteria (e.g., criteria based on site location) was scored by the CAFE team, the Economics and Data Analytics team provided half of the score for Criterion 4 listed above using the IMPLAN model, and the remainder of the application was scored by the three (3) members of the committee. Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 66 out of a possible 100, therefore surpassing the required minimum score of 40.

Credit and Finance Review

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

The review confirmed that capital investment for the proposed Project will be greater than the Program's minimum requirement of $5,000,000. Finally, based on that review, Staff has a reasonable expectation the lead development entity, Liberty Science Center, Inc., will continue to be a viable business throughout the project timeline.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Project Costs	Project Costs
Acquisition	$0	$0
Hard construction costs	$31,716,258	$31,716,258
Financing, Professional Services and other soft costs	$8,312,817	$7,929,064
Total	**$40,029,075**	**$39,645,323**

The eligible project cost is the cost included in total project costs that is used for sizing the tax credit. Total eligible project costs exclude acquisition costs and certain soft costs, such as NJEDA fees. The CAFE program limits eligible soft costs to 20% of the total eligible project costs, equivalent to $7,929,064. The Applicant included $8,312,817 in soft costs, which would otherwise be eligible, however this exceeds the program's allowable cap, by $383,753. Therefore, the eligible Project Costs, and thus the requested award size shall be reduced to $39,645,323. Additionally, the project costs were evaluated by Jones Lang Lasalle, the Authority's consultant, and they determined that the project costs did not exceed what would be considered reasonable for the scope of work and type of project. However, JLL flagged a risk that the construction budget may be underestimated. Though Liberty Science Center has adequate cash on hand to meet the cash equity contribution, its cash position would not cover an additional $8.77 million in total project costs (development costs plus additional projected financing costs). This gap, if it were to materialize, would have to be covered from additional borrowing and/or fundraising. The Applicant has sufficiently demonstrated that they have the wherewithal to cover this gap if it were to materialize.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
TD Bank – Bridge Loan and Term Loan	Debt	$31,949,547
Cash	Equity	$8,079,528
	Total	**40,029,075**

Applicant Contributed Equity

Based on the equity requirement of 20% of total project cost for a CAFE project, the required equity in this Project equates to $8,005,815. Total equity consists of Applicant contributed capital in the amount of $8,079,528, which satisfies this program requirement.

Financing Gap Analysis

The application was reviewed to determine if there is a financing gap pertaining to the return on the investment for the cultural arts institution and ability to attract the required investment. JLL analyzed the pro forma and projections and compared the returns with and without the CAFE award. JLL's analysis adjusted the applicant's IRR calculations based on JLL's determination of a more reasonable higher total project cost (as explained in the Project Uses and Sources section).

IRR without CAFE tax credit	0.98%
IRR with CAFE tax credit	8.83%

With the benefit of the CAFE tax credit, the Unlevered IRR is 8.83%, which is below the Maximum Return of 38% for comparable arts and culture developments in Hudson County. As authorized by the Board on October 12, 2022, Staff, in consultation with JLL, has determined that the calculation of the Maximum Returns for CAFE projects requires the use of a multiplier because comparable data within the Authority's Maximum Rate of Return Model does not contain a statistically significant number of returns specific to cultural arts institution facility projects. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the CAFE tax credit. The Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate. Staff concludes based on a review of the pro forma and project IRR that the applicant demonstrates that the proposed financing structure is sufficient to operate the project during the term of the CAFE award.

Accordingly, the proposed tax credit award does not "over-enrich" the returns of this project. Based on the above analysis, the recommended award amount is 100% of the eligible project costs, less the amount of soft costs, which exceed the 20% cost, capped at $39,645,323.

CAFE Tax Credit Sale Price:

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

Other Statutory Criteria

Site Control and "Open to the Public"
The Applicant has certified that the cultural arts institution facility will satisfy the program definition of "Open to the Public" throughout the five year eligibility period.

This project is categorized under the classification of a cultural arts facility in which primarily objects of cultural and/or artistic interest are exhibited, and pursuant to the Program rules, the facility shall be accessible and open to the public on average at least 20 hours per week during the eligibility period. As stated in the Rules, the Authority may determine a different standard of "open to the public" due to unavoidable closures or other circumstances approved by the Authority.

The cultural arts institution is also required to have ownership or lease for the CAFE project and is required to operate the facility throughout the eligibility period. At time of application, the Cultural Arts Institution must demonstrate a path to site control and must demonstrate evidence of site control as a condition of approval. The applicant has demonstrated a path to site control for the location of the 9/11 memorial garden portion of the project via a letter of intent with NJDEP, and has demonstrated site control via the lease described above.

Work First New Jersey
The initial Act and Rules required that the cultural arts institution partner with one or more community organizations that provide support and services to Work First New Jersey program recipients. However, Chapter 127 allows for the applicant to directly provide services and support to Work First NJ program recipients during the eligibility period without the requirement to partner with a community organization. Because the application was launched and closed under the prior Act and Rules, the applicant may choose to proceed under the Act and Rules applicable at the time of the application round or Chapter 127. Liberty Science Center Inc., is electing to proceed under the prior legislation and has provided a partnership agreement with Hudson County Community College and Team Walker Inc. which provide support and services to Work First New Jersey program recipients, to satisfy this requirement.

Prior Construction
The CAFE program also includes an eligibility requirement that construction has not commenced at the project site, unless the project would not be completed without an award of tax credits under the program, with specific criteria provided in the program rules and the Policy Update for CAFE memorandum which was approved by the Board on May 14, 2025. Liberty Science Center Inc. has certified that construction had not commenced.

Prevailing Wage Obligations:
For any project awarded CAFE tax credits all workers employed to perform construction work or building services work at the CAFE Project shall be paid prevailing wages, which continue through

the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

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

Availability of CAFE Resources
At the time of this recommendation, there are $1,200,000,000 in uncommitted tax credit resources available to CAFE projects. However, if approved by the Board, as described in the memorandum above, an additional maximum $137,247,803 would be available, for a total of up to $1,337,247,803.

Recommendation
Authority staff recommend that the Board approve:

1) The establishment of a policy for defining arts and culture within the CAFE program to clarify and ensure fairness in determining eligibility for cultural arts projects.

2) The reservation of a maximum of $137,247,803 tax credits to re-allocate from the Aspire and Emerge programs to the CAFE program. This re-allocation, to be done as needed upon project approval by the Board is supported by recent legislative changes and will allow CAFE to operate on a rolling basis, providing the necessary flexibility to accommodate all eligible applications and ensuring efficient processing and funding.

3) Authority staff has reviewed Liberty Science Center Inc.'s application for Project Supernova and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award is 100% of actual eligible costs with a maximum tax credit amount of $39,645,323. The final award amount will be based on the Project's actual eligible costs.

   Issuance of the CAFE tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

i. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the CAFE tax credit;
ii. Evidence of site control and site plan approval for the Project;
iii. Site plan approval and copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project; and
iv. Plan for satisfying the minimum environmental sustainability standards.

____

Tim Sullivan, CEO

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

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: November 12, 2025

RE: CAFE Program- Product # 00320744
South Street Theater Co. Inc. dba Mayo Performing Arts Center ("Applicant")
Mayo PAC Expansion and Renovation Project

Request

The Members are requested to approve a tax credit award of 100% of the eligible project cost ("eligible costs"), not to exceed $65,000,000 under the Cultural Arts Facilities Expansion (CAFE) Program for the Mayo PAC Expansion and Renovation cultural arts facilities project (Project) located in Morristown City, Morris County.

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

CAFE Program Background

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

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

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

Project Information

Applicant: South Street Theater Co., Inc. (501(c)3 nonprofit organization) dba Mayo Performing Arts Center ("Mayo PAC")

Project Name: Mayo PAC Expansion and Renovation

Project Location: 7-9 King Street, 9-15 Pine Street, 100 South Street, Morristown, Morris County, New Jersey

Project Description:

The Mayo Performing Arts Center, originally founded as the South Street Theater in 1994, operates a historic 1,300-seat venue and has served as a cultural institution in Morristown, New Jersey, for over 30 years. The applicant estimates that it contributes more than $18 million annually to the local economy. Mayo PAC attracts over 240,000 patrons annually with more than 300 performances and 150 educational programs. Its offerings range from contemporary music to classical performances, and the Arts in the Community initiative promotes accessibility by hosting free events in familiar community spaces. Mayo PAC is also a provider of arts education, serving around 35,000 students each year, and recently expanded its Performing Arts School with South Street Studios to meet growing demand. The center supports both emerging and professional artists, requiring services from over 6,000 technicians and artists annually, and provides a platform for local talent through various programs and galleries.

The project includes a significant addition, renovation of existing spaces, and construction of a new parking garage. This initiative aims to enhance learning opportunities and increase attendance by expanding its facilities to accommodate growing demands. This project aims to support the local and broader economy by stimulating economic activity through increased patronage and attracting new investments, while also enriching the community through diverse cultural and educational offerings.

The Mayor of Morristown noted in his letter of support for this project that the project "will advance the goals of the Master Plan by providing essential renovations to sustain the Center's operations, while adding new spaces to expand the Applicant's arts education programs, benefiting not only Morristown, but the surrounding communities as well."

Specifically, the Project includes the following:

- **Addition:** Approximately 31,185 gross square feet of new construction, including new arts and education center, lobby/gallery spaces, artist spaces, patron spaces, studios, support spaces, and vertical circulation.
- **Rehabilitation / Renovation:** Approximately 16,970 gross square feet of interior renovation to existing Mayo PAC production, education and office spaces, including upgrades.
- **Restoration:** Restoration of the approximately 46,000 square feet historic theater auditorium.
- **Construction of a Parking Garage:** Approximately 40,130 gross square feet new precast two-level structure, providing 84 parking spaces. The parking deck will be used exclusively for Mayo PAC artists, staff, patrons, student's caregivers/drivers, and other Mayo PAC visitors.
- **Sitework:** Utility and infrastructure upgrades including water, electric, sewer, storm sewer, stormwater, and transportation systems, installation of renewable energy systems including solar panels and energy storage components, and landscaping.

The proposed project will utilize a portion of the theater's existing site, which currently includes performance space and parking facilities. The CAFE project includes renovation to the existing structure, an expansion with a footprint of more than 31,000 square feet, and construction of a parking deck.

Overall, the project will:

- Expand the Performing Arts School to include six new studio spaces, two of which can convert into a 150-seat auditorium-style theater.
- Enhance backstage areas for performers and artists and upgrade production facilities, including a large capacity freight elevator, an expanded loading bay, additional storage,

and new dressing rooms to position Mayo PAC as premier venue capable of hosting larger more complex productions.

- Construct a passenger elevator, new stair towers and performer's entrance.
- Restore the historic 1,300-seat theater including the Auditorium and Proscenium to maintain its architectural integrity and safety. The upgrades and restoration will be in keeping with the theater's Preservation Plan that outlines these needs in detail and will be overseen by an accredited historical architect to ensure compliance with the Secretary of Interior's Standards for the treatment of historical buildings. Components include:
  - Replacing auditorium seating and carpeting
  - ADA improvements in Orchestra and Balcony Section
  - Curtain replacement
  - Updates to the mechanical orchestra pit lift
  - Audio Visual improvements, including Image Magnification (IMAG) screens, assistive listening system replacement, audio console replacement
  - Lighting upgrades
  - Installation of Cable Pass
  - Replacement of fire doors
  - Restoration of plaster and interior painting
- Construct a new Starlight Veranda overlooking Pine Street offering an additional space for community gatherings, patron receptions and cabaret-style performances, and update the Starlight Room, which is multipurpose room used for events.
- Upgrade to the entrance plaza and walk to Starlight Lounge including an updated marquee, and replacing the pavers, walkway, steps, and planters.
- Provide parking for Mayo PAC artists, staff, patrons, parents of students, and other Mayo PAC visitors.
- Make improvements to the entrance vestibule and art gallery including carpentry repairs, interior painting, new carpeting, installation of digital display, enhancements to concession and merchandise counters, replacing entrance doors with electronic ones for better access and efficiency, and renovating restrooms with new plumbing fixtures and accessories.
- Create connections and direct access between the existing 46,000 square feet theater and the proposed addition.
- Create additional office space, bathrooms and new boardroom.

Project Ownership:
The Applicant owns the properties included in the CAFE Project:

- 9-15 Pine Street, Morristown (Block 4701, Lots 43, 44, 45, 46)
- 100 South Street, Morristown (Block 4701, Lot 41)
- 7-9 King Street, Morristown (Block 4701, Lot 47)

The applicant has provided the deeds for these properties and thus has satisfied the requirement for demonstrating a path to site control for the CAFE Project.

The South Street Theater Company Inc. is a nonprofit organization which was incorporated "to present a wide range of programs that entertain, enrich, and educate the diverse population of Northern New Jersey, and enhance the economic vitality of the region." As stated in their federal tax return (Form 990): "The organization acts as a cultural and artistic attraction to the surrounding area and enhances the economic vitality of the region through an array of related programs and events." Staff concludes that this applicant satisfies the definition of "cultural arts institution."

The Applicant provided a letter of compliance indicating that their NJ Charitable Registration is valid and current.

The Applicant will serve as their own lead development entity. The applicant has a proven track record in managing construction and renovation projects. Since its establishment in 1937 as a movie theater, the site has undergone multiple construction projects, including extensive renovations funded by community-driven capital campaigns. These efforts have resulted in the refurbishment of its 1,300-seat auditorium, lobby, and other related facilities. The theater was rescued from disrepair and potential demolition by the Applicant. A $7.5 million capital campaign from 1997-2001 enabled the restoration of the auditorium, front-of-house spaces, and building entrance. In 2007 the Applicant's "Setting the Stage" campaign equipped the venue with modern capabilities such as a fly system and administrative offices and expanded the Performing Arts School. Further enhancements undertaken by the Applicant in 2013 expanded the front lobby to better serve patrons. These projects highlight the Applicant's capacity for development.

Legal Review and Sister Agency Check:
A Legal Review (debarment/disqualification review) was completed on the Applicant and Lead Development Entity by the Authority, and all entities were cleared. All of these entities were also found to be in substantial good standing with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury.

Construction Timeline:
Construction is expected to commence in Spring 2026 and will take 26 months to complete.

Project Details

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

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

8) Diversity of the Board that is representative of the community

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

The application was reviewed and scored by a committee comprised of a multidisciplinary team of NJEDA staff with experience in the fields of real estate development projects and project management. The non-discretionary criteria (e.g., criteria based on site location) was scored by the CAFE team, the Economics and Data Analytics team provided half of the score for Criterion 4 listed above using the IMPLAN model, and the remainder of the application was scored by the three (3) members of the committee. Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 71 out of a possible 100, therefore surpassing the required minimum score of 40.

Credit and Finance Review

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

The review confirmed that capital investment for the proposed Project will be greater than the Program's minimum requirement of $5,000,000. Finally, based on that review, Staff has a reasonable expectation the lead development entity, South Street Theater Co. Inc., will continue to be a viable business throughout the project timeline.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Project Costs	Project Costs
Acquisition	$0	$0
Hard construction costs	$52,868,592	$52,503,592
Financing, Professional Services and other soft costs	$12,701,408	$12,496,408
Total	**$65,570,000**	**$65,000,000**

The eligible project cost is the cost included in total project costs that is used for sizing the tax credit. Total eligible project costs exclude costs incurred prior to application, land acquisition costs and certain soft costs, such as NJEDA fees. As defined by the program rules, with the exception of soft costs incurred within 12 months prior to application, work conducted prior to application is not considered an eligible project cost. The CAFE program limits eligible soft costs to 20% of the total eligible project costs, equivalent to $13,000,000. The Applicant included $12,496,408 in soft costs, which is within the 20% cap. Additionally, the project costs were evaluated by Jones Lang Lasalle (JLL), the Authority's consultant. In their assessment, JLL made certain adjustments to the project cost estimate and ultimately estimated the final cost of the project to be slightly less than the Applicant's estimate (approximately 1-2% less). Staff finds that this difference is within a reasonable range.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
Provident Bank: Construction Loan	Debt	$55,000,000
State Grants	Equity	$525,000
Project Feasibility Costs incurred w/in 12 months of application	Equity	$532,556
Fundraising	Equity	$9,512,444
	Total	**65,570,000**

JLL's review of the fundraising plan determined that it is comprehensive, detailed and substantively supported by both historical performance and leadership experience. JLL concluded that the fundraising plan is reasonable and credible.

<u>Applicant Contributed Equity</u>

Based on the equity requirement of 20% of total project cost for a project, the required equity in this Project equates to $13,114,000. In addition to the equity sources listed above, the applicant has included their property value less any mortgages, which equates to $6.56 million. Total equity consists of Applicant contributed capital in the amount of $17,130,000, which satisfies this program requirement.

<u>Financing Gap Analysis</u>

The application was reviewed to determine if there is a financing gap pertaining to the return on the investment for the cultural arts institution and ability to attract the required investment. JLL analyzed the pro forma and projections and compared the returns with and without the CAFE award. JLL's analysis adjusted the applicant's IRR calculations based on JLL's determination of total project cost (as explained in the Project Uses and Sources section).

IRR without CAFE tax credit	0.90%
IRR with CAFE tax credit	16.3%

With the benefit of the CAFE tax credit, the Unlevered IRR is 16.3%, which is below the Maximum Return of 33% for comparable arts and culture developments in Morris County. As authorized by the Board on October 12, 2022, Staff, in consultation with JLL, has determined that the calculation of the Maximum Returns for CAFE projects requires the use of a multiplier because comparable data within the Authority's Maximum Rate of Return Model does not contain a statistically significant number of returns specific to cultural arts institution facility projects. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the CAFE tax credit. The Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate. Staff concludes based on a review of the pro forma and project IRR that the applicant demonstrates that the proposed financing structure is sufficient to operate the project during the term of the CAFE award.

Accordingly, the proposed tax credit award does not "over-enrich" the returns of this project. Based on the above analysis, the recommended award amount is 100% of the eligible project costs, capped at $65,000,000.

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

<u>Other Statutory Criteria</u>

Site Control and "Open to the Public"
The Applicant has certified that the cultural arts institution facility will satisfy the program definition of "Open to the Public" throughout the five year eligibility period.

This project is categorized under the classification of a cultural arts facility in which primarily performances are held in front of a live audience, and pursuant to the Program rules, the facility shall be accessible and open to the public on average at least four events per month during the eligibility period. As stated in the Rules, the Authority may determine a different standard of "open to the public" due to unavoidable closures or other circumstances approved by the Authority.

The cultural arts institution is also required to have ownership or lease for the CAFE project and is required to operate the facility throughout the eligibility period. At time of application, the Cultural Arts Institution must demonstrate a path to site control and must demonstrate evidence of site control as a condition of approval. The applicant has demonstrated site control via the property ownership.

Work First New Jersey

The initial Act and Rules required that the cultural arts institution partner with one or more community organizations that provide support and services to Work First New Jersey program recipients. However, Chapter 127 allows for the applicant to directly provide services and support to Work First NJ program recipients during the eligibility period without the requirement to partner with a community organization. Because the application was launched and closed under the prior Act and Rules, the applicant may choose to proceed under the Act and Rules applicable at the time of the application round or Chapter 127. South Street Theater Co. Inc., is an active partner in the Families First Discovery Pass program and chooses to fulfill this requirement through its participation in this program under Chapter 127.

Prior Construction

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

Prevailing Wage Obligations:

For any project awarded CAFE tax credits all workers employed to perform construction work or building services work at the CAFE Project shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

Substantial Good Standing/Subcontractor and Contractor Requirements:

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

<u>Availability of CAFE Resources</u>

At the time of this recommendation, there are $1,297,602,480 in uncommitted tax credit resources available to CAFE projects.

Funds	Amount	Amount Remaining
Initial Allocation	$1,200,000,000	$1,200,000,000
Additional Maximum Reserved from Aspire / Emerge Fund (11/12/2025 Board Memo)	$137,247,803	$1,337,247,803
Previous Round 1 Awards	$39,645,323	$1,297,602,480
Previous Round 2 Awards	$0	$1,297,602,480
Recommended Award in this Memo	$65,000,000	$1,232,602,480

Recommendation

Authority staff has reviewed South Street Theater Co. Inc.'s application for the Mayo PAC Expansion and Renovation Project and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award is 100% of actual eligible costs with a maximum tax credit amount of $65,000,000. The final award amount will be based on the Project's actual eligible costs.

Issuance of the CAFE tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

i. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the CAFE tax credit. For funds raised through charitable contributions, this requires evidence of pledges or other donor commitments;
ii. Evidence of site control and site plan approval for the Project;
iii. Site plan approval and copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project; and
iv. Plan for satisfying the minimum environmental sustainability standards.

Tim Sullivan, CEO

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

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: 153 Halsey Newark LLC
Gibraltar Building Rehabilitation
Historic Property Reinvestment Program
Recommendation of Award

Request

The Members are requested to approve a proposed Historic Property Reinvestment tax credit award to 153 Halsey Newark LLC (Applicant) for the Gibraltar Building Rehabilitation Project (Project) in the City of Newark. The recommended tax credit award is 60% of actual eligible costs with a maximum tax credit: amount $11,801,879.42. 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. Staff is authorized to reduce the award amount to match the actual certified cost of rehabilitation (eligible costs) 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.

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). Additionally, 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. The HPRP rules also require that the rehabilitation project pay prevailing wages for construction work until the later of the end of the selected rehabilitation period or two years after the first tax credit is issued, and to building service workers for a period of 10 years following project completion.

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, two (2) were withdrawn by the applicant, five (5) were approved by the Board, one (1) is the subject of this authorization request, and two (2) remain under 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 round under which the application being considered under this memo was submitted. The remaining changes have now become effective upon adoption of revised Program rules, which were approved by the Board in September of 2025.

Project Information

Applicant
153 Halsey Newark LLC

153 Halsey Newark LLC is an asset corporation, created in August of 2021 to acquire the project property in Newark, NJ. The Applicant has assembled a multi-disciplinary team of professionals in the fields of historic preservation, architecture, and project management. Members of both the Applicant entity and Project team have extensive experience in the rehabilitation of historic properties with completed projects of similar or greater size and complexity throughout Northern New Jersey.

Project Location
212 Washington Street (or 153 Halsey Street), Newark, NJ

Project Name
Gibraltar Building Rehabilitation

Project Description
The Project consists of the rehabilitation of the Gibraltar Building, designed in 1926 by Cass Gilbert for the Prudential Insurance Company. Rehabilitation work is limited to the eastern half of the 1st floor, which will contain commercial space, and floors 2 through 8, which will continue to function as rental office space. The building’s main elevators will also be modernized. The Project, scheduled to be completed in five (5) phases, will preserve the historic lobby by maintaining all other character-defining features and finishes on both the interior and exterior while allowing the interior commercial space to be updated based on today's office needs.

Previously Awarded Incentives
The NJEDA had previously awarded the Applicant two (2) $1,000,000 grants under the NJ Cool Program for work at the project site. Review of eligible costs for the HPRP application has taken into account the previously awarded work under the NJ Cool Program.

Selected Rehabilitation Period and Project Schedule
Documentation submitted as part of the HPRP application for the Gibraltar Building Rehabilitation Project indicate that the Project will be conducted in five (5) phases. Therefore, as per Program rules, the Applicant will have a selected rehabilitation period of up to sixty (60) months to complete the Project. Specifically, the schedule submitted with the application shows a Project duration of nine hundred and ninety-four (994) workdays. The Project's schedule foresees concurrent activities for some phases of work, as such, numbering of phases was made based on the expected start dates, rather than completion dates. Based on the schedule provided by the applicant, if the Rehabilitation Agreement was executed in the third quarter of 2026, the phase 1 projected completion date would be during the third quarter of 2027, the phase 2 projected completion date would be during the third quarter of 2028, the phase 3 project completion date would be during the third quarter of 2029, the phase 4 project completion date would be during the third quarter of 2030, and the phase 5 project completion date would be during the fourth quarter of 2029. Projected project completion would be achieved with completion of phase 4 during the third quarter of 2030.

Evaluation of the Application

Scoring Criteria
The HPRP application submitted for the Project was reviewed and scored based on the Program's pre-established 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 Gibraltar Building Rehabilitation Project 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 58.17 of out of a possible 100, therefore surpassing the required minimum score of 50. Seven (7) out of the 8 active applications under the round have been scored to date, and all have surpassed the minimum score requirement.

While the Fall 2024 HPRP Project Application Round was competitive, it 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 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 minimum 20% equity contribution requirement of the program 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 88 cents on the dollar, which exceeds the Program minimum price requirements for the sale or transfer of HPRP credits.

Uses	**Total Project Costs**	**Eligible Costs**
Acquisition of Property	$23,632,183.00	-
Property Improvements	$27,292,317.00	$13,381,548.02
Professional Services	$2,873,635.00	$2,873,635.00
Financing and Other Costs	$2,057,000.00	$2,050,000.01
Contingency	$1,364,616.00	$1,364,616.00
Development Fee	$1,498,635.00	-
Total	**$58,718,386.00**	**$19,669,799.03**

Sources	**Amount**
Loan: Acore Capital Mortgage (Advanced at Closing)	$17,194,340.84
Loan: Acore Capital Mortgage/Societe Generale (Construction Disbursements)	$11,520,000.00
Historic State Tax Credit Sale: Foss New Jersey Fund, LLC	$10,385,654.00
Grant: EDA NJ Cool Grants	$2,000,000.00
Net Rental Income: State of NJ, Pandya Store, LLC, Pronto Café, LLC	$466,029.16
Equity	
Initial Investment from Applicant	$11,700,205.00
Historic Federal Tax Credit Equity: Foss Optima Fund, LLC	$5,452,157.00
Total	**$58,718,386.00**

Secretary of the Interior's Standards for Rehabilitation Review
The DEP's Historic Preservation Office (HPO) completed 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 that the proposed rehabilitation work meets the Standards and aligns with the property's historic character. NJEDA's Historic Preservation Team concurs with HPO's findings and 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.

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 specialty items and cabinetry work, which do not meet the Program's definition of eligible costs, had been included as eligible cost; therefore, an 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, costs associated with an increase in total building volume, as well as any cost associated with rehabilitation and/or construction work commenced prior to the execution of a Rehabilitation Agreement under the Program (as permitted by the Program's prior construction allowable exceptions). 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. Adjustments made to the eligible costs did not have an impact on the Project's overall cost. In addition to the standard eligible cost review, Authority staff also reviewed the proposed Project scope and construction cost estimate against the project scope approved for separate awards under the NJ Cool Program and adjustments to the final eligible cost amount were made as appropriate. Authority staff has confirmed that only verified eligible costs are being used to calculate the applicant's maximum tax credit amount award.

Additionally, the review confirmed that eligible costs for the proposed Project will be greater than the 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 $11,944,162.

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 60-months was a reasonable timeframe for the proposed work.

Award Calculation

The Gibraltar Building Rehabilitation 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 a phase of this Project, the Authority will issue a certificate of compliance allowing the Applicant to use a designated portion of the tax credit during the accounting or privilege period in which the phase is completed. A phase will be considered complete when the Applicant receives a temporary certificate of occupancy for the phase, or upon any other event evidencing phase completion that is set forth in the rehabilitation agreement. The amount allowed in each certificate of compliance cannot exceed the maximum amount approved by the board for that phase.

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. 19:31Y-1.7, is reviewed and approved by the Authority before any work modifications occur.

Based on validated project eligible costs of \$19,669,799.03, the maximum award for the project will not exceed \$11,801,879.42. The Applicant may utilize the tax credit in the accounting or privilege period in which the project is completed. A summary of the per phase award calculation for the project is included in the table below.

Award Breakdown by Phase				
	Eligible Construction Costs	**Eligible Soft & Other Costs**	**Construction Contingency for Phase**	**Tax Credit Award (NTE)**
Phase 1	\$2,906,682.74	\$1,069,490.98	\$296,416.06	\$2,563,553.87
Phase 2	\$2,906,682.74	\$1,609,490.98	\$296,416.06	\$2,563,553.87
Phase 3	\$2,906,682.74	\$1,069,409.98	\$296,416.06	\$2,563,553.87
Phase 4	\$1,361,499.80	\$500,953.11	\$138,842.26	\$1,200,777.10
Phase 5	\$3,300,000.00	\$1,214,208.96	\$336,525.55	\$2,910,440.71
Total Tax Credit Amount (Not to Exceed)				**\$11,801,879.42**

<u>Conditions of Approval</u>

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 Project. If the terms of the financial commitments are materially different from the projected terms provided in the application.

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 $165,595,542.52 remains available.

Recommendation

Authority staff has reviewed the application for 153 Halsey Newark 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 153 Halsey Newark LLC for the Gibraltar Building Rehabilitation Project. The tax credit award is 60% of actual eligible costs with a maximum tax credit amount of $11,801,879.42. The final award amount will be based on the Project's actual eligible costs.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan - Chief Executive Officer

DATE: November 12, 2025

SUBJECT: CoreWeave, Inc., Next NJ Program – AI Application

REQUEST:

The Members of the Authority are asked to:

1. Approve the proposed Next New Jersey Program-AI tax credit award, for $50,000,000 per year over five years, for a total of $250,000,000, to CoreWeave, Inc ("CoreWeave"). The recommended tax credit award is subject to conditions subsequent to receiving and maintaining the award, including submission of certifications and evidence that the company has met the eligibility criteria. Staff is authorized to lower the award amount, and the term will be lowered to reflect the award amount that corresponds to the actual employment and capital investment in the project completion certification provided that neither the application information nor the project has materially changed.

LEGISLATIVE BACKGROUND

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

The ERA included the creation of the Emerge; a tax incentive program designed to support job creation and large-scale job retention and the Aspire program that was created to stimulate economic growth and real estate development in the State with an overall funding allocation of $1.1 billion per year over six (6) years for a total of $6.6 billion.

Subsequent to the ERA, the Legislature has established two job-based tax credit incentive programs focused on specific economic areas: Next NJ Program – AI and Next NJ Manufacturing Program. The Next NJ Program -- AI ("Program") was signed into law on July 25, 2024, and is leveraging $500 million of uncommitted funds from the Emerge and Aspire programs. The program was created with the goal of driving job creation, capital investment, and innovation in New Jersey's thriving AI sector. The program is designed to position the state as a dynamic leader in the AI industry, fueling long-term growth and economic prosperity. The program will accept applications through March 1, 2029, on a rolling basis subject to available tax credits.

ABOUT THE NEXT NJ PROGRAM-AI

The Program is a capital investment and jobs-based tax credit program aimed at drawing significant capital investment, creating high-paying jobs, and cementing New Jersey's position as a leader in the AI industry economy. The Program offers incentives for companies ready to invest in New Jersey's AI sector and commit to the State's long-term growth. It awards tax credits to eligible businesses investing in large-scale AI data centers and AI-related development projects, including, but not limited to, visual perception, speech recognition, decision-making, translation between languages, and generative AI.

To be eligible for the Program, a project must meet various eligibility criteria at the time of application. In addition, a project must comply with certain standards during the eligibility period (that is, the five-year period when tax credits can be used) and the compliance period (the additional five years of the commitment period after the eligibility period). Some of the key criteria and standards include:

- Create a minimum of 100 new full-time jobs in the State.
- Meet minimum capital investment requirement of $100 million at the company's qualified business facility in the State.
- Each incented job must pay at least 120 percent of the median salary for the county in which the project is located. If the qualified business facility consists of a complex of buildings spread across multiple counties, the county with the highest median salary among the counties where the buildings are located shall be used.
- The business or its division is primarily engaged in the AI industry or the large-scale AI data center industry, which means that more than 50 percent of the business's or division's employees are engaged in AI-related activities, or more than 50 percent of the business's or division's revenue is generated from AI-related activities, or both.
- The business will enter into a collaborative relationship related to artificial intelligence with one of three types of entities.
- The business will ensure that at least 80 percent of incented employees' work time is spent in New Jersey.
- The business will commit to stay in the State and maintain the incented jobs for a total of ten (10) years (the commitment period).

APPLICANT:

CoreWeave, Inc. (“CoreWeave”)

PROJECT LOCATION:

2000 Galloping Hill Road, 11 NEST Building
Kenilworth, NJ 07033

APPLICANT BACKGROUND:

CoreWeave, founded in 2017 and headquartered in Livingston, New Jersey, is a leading American cloud computing company specializing in high-performance GPU infrastructure for artificial intelligence workloads. CoreWeave operates globally, providing scalable AI cloud services to enterprises and developers. The company is recognized for its extensive network of data centers equipped with over 250,000 GPUs, positioning it as a key player in the rapidly growing AI infrastructure market. CoreWeave went public on March 28, 2025, under the ticker symbol **CRWV** on the Nasdaq Global Select Market, raising $1.5 billion in its IPO—making it the largest U.S. tech IPO since 2021.

RELATED ENTITY:

CW NEST Tenant LLC.

CoreWeave wholly owns CoreWeave NEST Holdco LLC, which in turn wholly owns CW NEST Tenant LLC. CW NEST Tenant LLC has signed a 15-year lease agreement with the property owner. CoreWeave also has an indirect ownership interest of the property owner.

Under this lease, CW NEST Tenant LLC will invest significant capital to upgrade the property into a state-of-the-art AI data center. After the upgrades, CW NEST Tenant LLC will occupy and operate the facility as an advanced AI data center. Its primary mission is to develop, operate, maintain, and lease space designed for cutting-edge data center operations. The applicant will be required to submit a CPA certification or opinion of counsel after approval to evidence that CW NEST Tenant LLC is an affiliate, as defined in the Program rules.

PREVIOUSLY AWARDED INCENTIVES:

The NJEDA has not previously provided incentives for any of the proposed new jobs.

PROJECT BACKGROUND:

In August 2025, an entity related to CoreWeave purchased a research and development building and 27 adjacent acres on the Northeast Science and Technology (NEST) campus in Kenilworth, Union County, New Jersey. CoreWeave is expanding its New Jersey presence through the development of a major AI data center at the newly acquired Kenilworth site as part of its long-term growth strategy. The company will expand and renovate the former Merck building (11 NEST Building), repurpose the existing three-story structure, and undertake new construction to create an approximately 392,600-square-foot, state-of-the-art, high-performance computing AI data center. This facility will serve as a cornerstone of CoreWeave's U.S. operations and represents an eligible capital investment of approximately $1.76 billion.

The project will also generate 143 new full-time jobs. The salary offered for each of the program's eligible positions will meet or exceed 120% of the minimum salary threshold for Union County.

CoreWeave's investment in this facility underscores its commitment to expanding its AI infrastructure capabilities.

ELIGIBILITY:

JOBS:

The Program requires the creation of at least 100 new full-time jobs within the State, with each incented position paying no less than 120% of the median salary for the county in which the project's Qualified Building Facility is located, and with at least 80% of each employee's work time spent within the State. Additionally, the Program mandates that more than 50% of the business's or division's employees be engaged in AI-related activities. CoreWeave will exceed this requirement, with 100% of its new employees dedicated to AI-related functions at the AI data center.

In alignment with these requirements, the project will create 143 new full-time positions, all of which will support CoreWeave's AI data center operations. These roles will encompass AI data center operations, engineering, AI product development, information security, and other critical technical functions. Each eligible position within the program will offer a salary that meets or exceeds 120% of Union County's median salary

To determine the minimum salary thresholds, we used the median salary for Union County, which is $65,908. Applying the 120% requirement to this figure results in a minimum qualifying salary of $79,090.

Qualified Business Facility Address	Union County Median Salary	120% of County Median Salary
2000 Galloping Hill Rd, Kenilworth, NJ	$65,908.00	$79,090.00

CAPITAL INVESTMENT:

This project will deliver a total capital investment of $1,757,842,000, significantly exceeding the minimum capital investment requirement of $100 million. The investment includes both renovation and new construction of the qualified business facility, culminating in a state-of-the-art data center located in Kenilworth, NJ, a key strategic location within the state's innovation corridor.

The capital investment components are detailed as follows:

Capital Investment:	
Hard Construction Costs:	$ 601,685,777
Soft Cost Total (Eligible Portion):	$ 30,698,480
Furnishings, Fixtures and Equipment:	$ 968,349,542
Connectivity and Telecommunications:	$ 157,108,201
Total Capital Investment	**$ 1,757,842,000**

The physical scope of the project will span a total of **392,600 square feet**, comprising both new construction and rehabilitation activities at the qualified business facility as outlined below:

Category	QBF Square Footage	Description
New Construction or Expansion	108,100 sq. ft.	Expand and develop a new, state-of-the-art facilities designed to accommodate AI data center operations, and related AI workforce functions.
Renovation or Rehabilitation of Existing Facilities	284,500 sq. ft.	Upgrades and modernization of existing structures to meet advanced technical, environmental, and operational standards.
Total Project Area	**392,600 sq. ft.**	**Combined footprint of all new and rehabilitated facilities within the project scope.**

COLLABORATION:

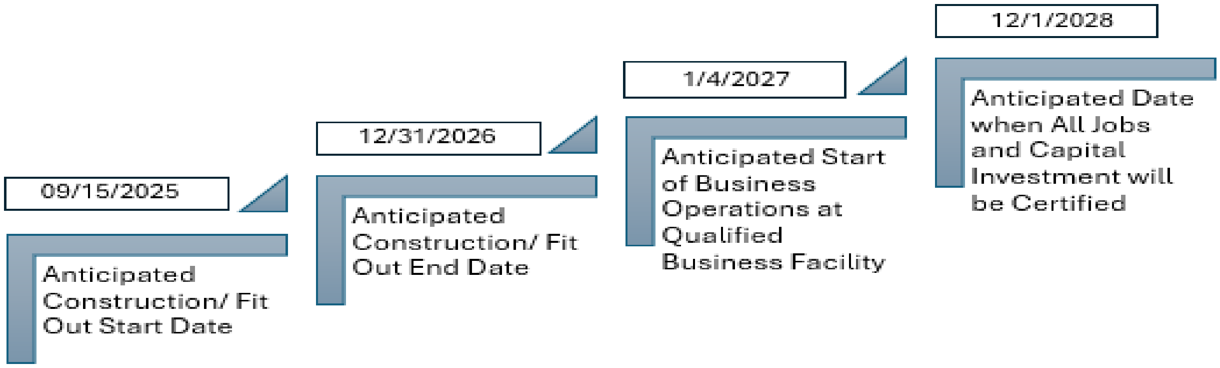
In accordance with the rules and legislation governing the Program, an applicant business or division must demonstrate the existence of a collaborative relationship between the applicant and a (1) New Jersey-based public or private research university or universities; (2) New Jersey-based technology startup company or companies; or (3) New Jersey-based incubator(s), accelerator(s), studio(s), or other similar entity or entities. To satisfy the collaboration requirement at application, applicants must submit a fully executed Letter of Intent. The statute provides flexibility in structuring such collaborations, allowing CoreWeave to engage with universities, research institutions, startups, or other innovation-oriented entities, provided that the relationship is bona fide, supports research and commercialization objectives, and aligns with the State's broader mission to advance artificial intelligence in New Jersey.

Because the collaborative relationship may be with entities that do not yet exist, Staff has accepted a Certification in Lieu of a Letter of Intent to demonstrate collaboration with such entities. CoreWeave has indicated that it plans to collaborate with startups that are not yet established; therefore, CoreWeave submitted this certification. In the certification, CoreWeave certifies that it will fulfill a minimum investment equal to 10% of the tax credit award as required under the Program. As part of this framework, CoreWeave, Inc. has certified a $25 million investment to satisfy the collaboration requirement for participation in the Program.

This is in addition to the $7.5 million investment that CoreWeave announced in the New Jersey AI Hub, a new entity that seeks to provide a state-of-the-art, flexible space designed to foster innovation in AI and that is subject of ongoing negotiations for a future request to the Board for a Strategic Innovation Center investment. CoreWeave's investment reinforces its dedication to advancing artificial intelligence innovation within the state. This investment will support the growth of AI research, development, and commercialization, further establishing New Jersey as a leading hub for cutting-edge AI technologies. This commitment reflects the company's sustained focus on building strategic, innovation-led partnerships that support the growth and resilience of New Jersey's AI ecosystem.

Construction Timeline

The below schedule was the anticipated construction; however, CoreWeave has confirmed that construction began on September 15, 2025. As construction began after the submission of the completed application (on July 31, 2025), construction expenses incurred during this time are eligible as capital investment under the Program.



AWARD SUMMARY:

CoreWeave's commitment to New Jersey represents an economic investment that substantially exceeds the program's requirements. While the program establishes a minimum threshold of 100 new jobs, CoreWeave will create 143 high-quality, innovation-driven positions—43% above the required minimum.

Even more significantly, CoreWeave is undertaking a capital investment of approximately $1.76 billion ($1,757,842,000), exceeding the program's $100 million minimum requirement by more than seventeen times. Pursuant to the program's award calculation, CoreWeave qualifies for the maximum allowable tax credit of $50 million per year, to be issued annually over the first five years of a ten-year commitment to New Jersey. This represents a total tax credit award of $250 million under the Program.

Based on the above criteria, the calculation of the tax credit award is illustrated as below:

# of new full-time jobs:		**143**
Capital Investment:		**$1,757,842,000**
Lesser of		
Option 1:		(0.1% x $1,757,842,000) x 143
	Multiply 0.1% by the capital investment, then multiply that result by the total number of jobs	**$ 251,371,406**
Option 2:	Take 25% of the capital investment	**$ 439,460,500**
Option 3:	The program is capped at $250 million	**$ 250,000,000**
Final Award		**$ 250,000,000**

Other Statutory Criteria's

PREVAILING WAGE/AFFIRMATIVE ACTION:

All projects receiving support under the program must pay prevailing wages to construction and building service workers at the qualified business facility in connection with the tax credit award during the commitment period. The applicant has acknowledged this requirement as a condition of participation in the program. Thus, prevailing wage applies during construction and, because the Qualified Business Facility must be maintained as a requirement of the award, to all construction and building services work during the commitment period. Contractors and subcontractors performing construction work on projects requiring payment of prevailing wage must provide proof of registration under the Public Works Contractor Registration Act.

The Authority's affirmative action requirements also apply to construction contracts at the Qualified Business Facility and through the two years after the Authority has issued the first tax credit.

Affirmative Action and Prevailing Wage requirements apply to all construction work performed after the submission of a complete application but before Board approval if such work included as an eligible capital investment under the program.

SUBSTANTIAL GOOD STANDING/SUBCONTRACTOR AND CONTRACTOR REQUIREMENTS:

For the duration of the Eligibility Period, the applicant must be in substantial good standing (or have entered into an agreement) with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury for any project awarded Next NJ Program-AI tax credits and the applicant must certify that each contractor and subcontractor performing work at the Redevelopment Project: is registered as required by the Public Works Contractor Registration Act, has not been debarred, suspended, or disqualified by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possesses a valid tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

GREEN BUILDING STANDARDS:

CoreWeave has acknowledged and certified that they will meet the minimum environmental and sustainability standards established by the Authority in accordance with the green building manual prepared by the Commissioner 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.

CONDITIONS OF APPROVAL

Staff recommend that the award include the following conditions of approval:

1. Absent extenuating circumstances and the written approval of the Authority, the applicant shall submit certifications evidencing that they have satisfied the conditions relating to the capital investment, employment requirements, and other eligibility requirements within three years following the date of approval of the application. The Authority may grant two six-month extensions of the deadline. However, the date of certification shall not occur later than four years following the date of approval of the application.

2. The applicant shall not be awarded a Program tax credit and shall not receive a certificate of compliance if the applicant received or receives a tax credit or other incentive award relating to the same capital investment and employees that qualify the applicant for a Program tax credit, including, but not limited to, those pursuant to the Emerge Program.

3. Absent extenuating circumstances or the Authority's determination, in its sole discretion, within 12 months following Board approval, the applicant will submit, among other requirements that may be specified in the approval letter, documentation evidencing: a collaborative relationship; project financing including executed financing commitments, site control, site plan approval, and all required permits and planning and zoning approvals.

4. CoreWeave must provide a CPA certification or opinion of counsel after approval to evidence that CW NEST Tenant LLC is an affiliate, as defined in the Program rules.

5. The applicant will be required to certify annually for the duration of the ten-year commitment period.

The Members of the Authority are asked to:

1) Approve the proposed Next New Jersey Program-AI tax credit award of $50,000,000 per year over five years, for a total of $250,000,000, to CoreWeave, Inc. The recommended tax credit award is subject to conditions subsequent to receiving and maintaining the award, including submission of certifications and evidence that the company has met the eligibility criteria. Staff is authorized to lower the award amount and the term will be lowered to reflect the award amount that corresponds to the actual employment and capital investment in the project completion certification provided that neither the application information nor the project has materially changed.

Tim Sullivan, CEO

Appendix A:

Basic Applicant information	
Applicant	CoreWeave, Inc.
Application Date	7/31/2025
Applicant Headquarters State	NJ
Total Global locations for Applicant and Affiliates	33
Total NJ Locations for Applicant and Affiliates	4

Basic Project Information	
Type of Project	AI Datacenter, Technology
Mega-Project	No
Eligibility Period (years)	1
Commitment Period (years)	10
New Full time Jobs	143

Basic Award Size Information	Lesser of
.1% *Jobs*Capex	S 251,371,406
25%of Cap ex	S 439,460,500
Max Award	S 250,000,000
Total Award Size	S 250,000,000

New Jobs Summary	
Total New Jobs	143
Average New Job Salary	S 86,614
Highest County Salary	S 79,090
Required County Salary (120%) Union County	**S 79,090**
Median salary	**S 86,614**
Total New Job Salary	**S 12,385,659**

Anticipated Schedule	
Proposed Construction Start	9/15/2025
Proposed Construction End Date	12/31/2026
Proposed Start of Business Operations	1/4/2027
Required Certification Date	

Existing NJJobs Summary	
Total Employees in New Jersey (including Retail jobs)	150
Total jobs in NJ	150
Average existing job salary	287,197
Median existing job salary	36,808
Total existing annual salary	43,079,617

Application Review Status		
Completeness Review Done	Yes	
Underwriting Done	Yes	**Complete**
Sister Agency Review Done	Yes	Complete
Board Memo Done	Yes	**DAG Review**
LOI Done	Yes	Cert.in Lieu

Project Location Summary	
	NJ Location
Address	2000 Galloping Hill Road
Town	Kenilworth Borough
State	NJ
Proposed ownership status	Lease
Class	A
Proposed lease term	15
Sqft total	392,600
Sqft leasable	284,500
Capital Investment	S 1,757,842,000

Collaboration	Certification in lieu of Collab.
Total Award Size	S 250,000,000
Required Collaboration (10%)	S 25,000,000
LOI	*see above

Total Project Cost Summary	
Hard construction costs	S 1,727,143,520
Soft Cost Total	S 30,698,480
Total **Eligible** Project Costs	S 1,757,842,000

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: First Set of Approvals of Applicants for the Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program

Summary

The Members are asked to approve:

1. Fifty (50) awardees as identified in Appendix A for a total of $20,621,004.

2. Reserving proceeds from the 2025 Food Desert Relief Tax Credit Auction as needed to cover the cost of any successful future appeals, as staff continues reviewing remaining applications, which will be brought to the Board for approval or declination at a later date.

3. A minor update to the deadline for awardees to meet program closing requirements.

Background

On December 19, 2024, the NJEDA Board approved the creation of the Food Equity and Economic Development in New Jersey Pilot Program ("FEED NJ" or "the Program") to make grants available for projects to strengthen food access and food security focused on New Jersey's most acute Food Desert Communities (FDCs). The Board also approved the utilization of up to $30 million in proceeds from the NJEDA Food Desert Relief Tax Credit Auction to initially fund the Program.

FEED NJ was established to fund projects that can have an impact on residents of the state's most acute FDCs, improving their ability to access food, while simultaneously benefitting employment by helping applicants expand or increase their activities. In doing this, the Program aims to catalyze innovative, sustainable, and scalable food security and food access initiatives with high potential to maximize community-level impact.

FEED NJ is focused on 14 of the state's top 15 most acute FDCs. The number two-ranked Atlantic City/Ventnor FDC is excluded since it was the sole focus of the Atlantic City Food Security Grants Pilot Program. FEED NJ will only support projects that propose to primarily serve residents of one or more of the 14 eligible FDCs:

1. North, Central and South Camden/Woodlynne
2. Newark South
3. Newark West
4. Camden East/Pennsauken
5. Trenton West
6. Newark North and Central
7. Newark East
8. Salem City*
9. Passaic City
10. Trenton East
11. Bridgeton/Fairfield Twp/Lawrence Twp
12. Paterson South
13. New Brunswick City
14. Paterson North

*Asterisks indicate that the entirety of that municipality is included in the food desert community. Otherwise, the FDC covers only a portion of the municipality.

All of the above FDCs have composite food desert factor scores of 63.9 and above, indicating significant need. Notably, four cities — Camden, Newark, Trenton, and Paterson — are represented more than once, encompassing 10 of the top 15 FDCs.

Application Review Process

A competitive application process was established for this Program. The Program began accepting online applications on February 20, 2025. The six-week application period closed on April 3, 2025. Staff received a total of 191 applications during this time, rendering the Program oversubscribed.

The applications were first reviewed by NJEDA staff for completeness and eligibility. Applicants that were missing required information were given 10 business days to cure those deficiencies. Any submissions made during this cure period were then reviewed. If there was still a deficiency, applicants were given an additional 5 business day cure period before a final completeness and eligibility review. Applications that were or are deemed incomplete following this final review have been or will be rejected, without a right to appeal. Additionally, to date, one applicant withdrew their application.

A total of 145 complete and eligible applications proceeded to scoring. Scoring was conducted using the criteria set forth and approved by the Board in the December 19, 2024 Board memo. The scoring committee was comprised of five NJEDA staff with expertise in food security and community development, with three scorers evaluating each application. Each application was scored out of a total possible maximum of 100 points. The three scores given to each application were averaged to calculate the final score.

To be recommended for approval, an application must receive an average score of at least 70 points, including a minimum of 8 points in the Strength of Budget and Budget Narrative criterion.

Staff are continuing to review FEED NJ applications. At this time, staff are recommending for approval an initial round of 50 applications that met or exceeded an average total score of 70 points and an average total budget score of 8 points. Staff will return to the Board at a later date to recommend additional approval and declination of the remaining applications.

Scoring Committee Results and Approval Recommendations

Of the 145 applications that were scored, at this time, the scoring committee is recommending 50 for approval, totaling $20.6 million. This constitutes only a partial share of all approvals anticipated under the program. The Authority anticipates recommending approximately 20 additional applications for approval at future Board meetings subject to final scoring and review.

The applicants recommended for approval are identified in Appendix A which lists the applicant entity, award amount, grant term, Food Desert Communities to be served, and a brief description of the proposed project.

Reserving Auction Proceeds for Potential Appeals

No declination recommendations are being brought to the Board at this time. However, when declinations are made at a later date, declined applicants will have a right to appeal, and the NJEDA must reserve sufficient funds to cover the cost of awards if any declinations are overturned on appeal. The volume of future declinations and potential appeals is not yet known and could exceed the amount of FEED NJ funds remaining after making the $20.6 million in awards recommended in this memorandum, so it is necessary to reserve additional funds as may be needed. The 2025 Food Desert Relief Tax Credit Auction received nine bids requesting a total of $36.25 million in tax credits, exceeding the $25 million in tax credits available. This is expected to result in approximately $22 million in proceeds. An amount of proceeds equal to the requested grant amounts of the declined applicants that submit appeals will be reserved until the appeals are decided. This allows the 50 applications that are currently recommended for awards to move forward in the meantime, as the availability of funding for those awards will not be impacted by the outcome of future potential appeals.

Closing Timeline

Finally, staff is requesting approval to require awardees to meet closing requirements (e.g. provide evidence of outside funding, if applicable, or evidence of site control, if project involves construction) within 30 days of receiving an approval letter, with the possibility of two extensions at NJEDA staff's sole discretion, as opposed to within 90 business days of receiving a grant agreement. This timeline is better aligned with the deadline previously imposed for document cures that was successfully met by all awardees, and will allow for a more efficient closing and disbursement process.

Recommendation

The Members are asked to approve:

1. Fifty (50) awardees as identified in Appendix A for a total of $20,621,004.25.

2. Reserving proceeds from the 2025 Food Desert Relief Tax Credit Auction as needed to cover the cost of any successful future appeals, as staff continues reviewing remaining applications, which will be brought to the Board for approval or declination at a later date.

3. A minor update to the deadline for awardees to meet program closing requirements.

Tim Sullivan, CEO

Prepared by: Tara Colton, Chief Economic Security Officer
Brian Todd, Senior Advisor, Food Desert Relief
Ty Blitstein, Project Officer, Food Security

Attachments: Appendix A – Award Recommendations

Appendix A – Award Recommendations

Applicant	Score	Amount	Term (months)	Primary Focus FDCs Served	Additional FDCs Served	Project Summary
Rutgers University Foundation	95.67	$499,320.49	24	New Brunswick City	N/A	Will launch a mobile farmers market and provide on-demand transportation to Rutgers Community Farmers Market sites in partnership with Middlesex County RIDE.
United Way of Passaic County, Inc.	95.33	$494,749.33	24	Passaic City, Paterson South, Paterson North	Prospect Park/Haledon/Hawthorne	Will launch farm-to-pantry pilot program to distribute produce to partners, seniors, and individuals with medical assistance needs, and offer SNAP/WIC enrollment assistance and nutrition education.
Elijah's Promise Inc.	94.67	$349,858.12	24	New Brunswick City	N/A	Will purchase new truck to expand current distribution program, adding permanent stops and providing produce to areas with limited transportation and food access.
Community Food Bank of New Jersey, Inc.	94.33	$499,471.99	24	Trenton West, New Brunswick City	Jersey City South, Jersey City Central, Jersey City North, Millville/Commercial Twp	Will engage and educate community partners and households about the availability, requirements, and application procedures of federal nutrition programs, including SNAP and WIC, to ensure that eligible residents participate in available benefits, and refine a case management model for follow-up by "Community Connections" team members.
The Cathedral Soup Kitchen, Inc.	94.33	$500,000.00	24	North, Central and South Camden/Woodlynne, Camden East/Pennsauken	Lindenwold/Clementon	Will strengthen and enhance Meal and Outreach Program and operations through hiring a program manager, purchasing a refrigerated truck, and increasing

						inventory of food and personal care items.
Arm In Arm Inc.	93.67	$499,930.30	24	Trenton West, Trenton East	N/A	Will renovate their 48 Hudson Street food pantry to incorporate a client choice model, provide privacy for client intake, and create space for education and health partnerships, and will also expand Mobile Pantry services and increase bulk food drops at key community sites.
THE RESCUE MISSION OF TRENTON, NEW JERSEY	93.33	$353,353.62	24	Trenton East	N/A	Will expand and enhance their 100 Carroll Street food pantry by replacing equipment, adding more storage, and improving safety and accessibility to create a more welcoming environment and increase efficiency to better serve the community.
T.A.S.K., Inc.	93.00	$498,999.25	24	Trenton West, Trenton East	N/A	Will expand meal service program capacity by adding new locations for food truck service and purchasing new food truck with additional storage and refrigeration, to increase distribution of fresh produce.
Virtua-West Jersey Health System Inc.	92.33	$445,000.00	24	North, Central and South Camden/Woodlynne, Camden East/Pennsauken	N/A	Will expand cold storage and offer inventory and purchase incentives at the existing Eat Well Mobile Farmers Market and Eat Well Mobile Grocery Store, increasing food access and nutrition education.
Apostles' House	91.67	$212,558.89	24	Newark South, Newark West, Newark North and Central, Newark East	N/A	Will expand and enhance their Life Pantry and Grant Street Kitchen, increase access to fresh produce, expand partnerships with local

						farmers, and provide employment opportunities to shelter residents.
RANCH HOPE, INC	91.67	$500,000.00	12	Salem City	N/A	Will partner with the Cumberland County Improvement Authority to create a healthy food store, education center, and meal prep center to be located at a historic site in downtown Salem City.
City Green, Inc.	91.33	$499,980.38	24	Passaic City, Paterson South, Paterson North	N/A	Will upgrade refrigeration on their Veggie Mobile mobile market, used to deliver farm-fresh food grown and sourced by City Green, and will provide Good Food Bucks nutrition incentives for shoppers.
Greater Newark Conservancy, Inc.	91.33	$500,000.00	24	Newark South, Newark West, Newark North and Central, Newark East, Paterson South	N/A	Will increase access to local produce by expanding production capacity at six urban farms; distributing harvests at markets, farm stands, CSA boxes, etc.; and establishing a centralized site to aggregate produce and connect farms to shared infrastructure such as wash-and-pack facilities and cold storage.
RWJBH Corporate Services Inc.	91.33	$499,987.78	24	North, Central and South Camden/Woodlynne, Newark South, Newark West, Trenton West, Newark North and Central, Newark East, Trenton East, New Brunswick City	Jersey City South, Elizabeth City, Jersey City Central, Red Bank Borough, Lakewood North, Jersey City North, Long Branch City, Keansburg Borough, Lakewood South	Will provide SNAP Navigator at acute care facilities in eight counties to bolster existing food security efforts across the state.
JEWISH FAMILY & CHILDREN'S SERVICE OF GREATER MERCER COUNTY INC	90.33	$500,000.00	12	Trenton West, Trenton East	N/A	Will sustain existing mobile pantry, launch a new effort offering monthly bags of nutritious foods for pregnant and postpartum women, and provide education about nutrition benefits.

Mercer Street Friends Center	90.33	$498,754.59	24	Trenton West	N/A	Will create Community Food Hub featuring a Choice Pantry with a dignified, client-centered shopping experience for West Trenton residents, as well as tailored wraparound services.
Urban Agriculture Cooperative A NJ Nonprofit Corporation	90.33	$491,700.00	24	Newark South, Newark West, Newark North and Central, Newark East	Irvington Township, Jersey City South, East Orange City, Elizabeth City, Orange/West Orange/Montclair, Jersey City Central, Jersey City North	Will scale the regional food hub by procuring and aggregating fresh produce from local and regional farmers and distributing it through community markets, food pantries, farm-to-family boxes, and partnerships with schools and health care institutions.
HomeFront, Inc.	90.00	$500,000.00	24	Trenton East	N/A	Will provide a choice-based food pantry offering locally-grown produce at HomeFront's FreeStore, create pop-up pantries, and launch Homegrown Program to provide families with supplies and education to grow their own produce.
Mighty Writers	89.00	$478,236.00	24	Camden East/Pennsauken	N/A	Will reach more families facing food insecurity by expanding existing daily and weekly food distribution program, establishing monthly and seasonal distributions, and purchasing a van to support increased food pickups.
Newark Emergency Services for Families, Inc.	87.67	$499,875.00	24	Newark South, Newark West, Newark North and Central, Newark East	Irvington Township, East Orange City, Orange/West Orange/Montclair	Will transition monthly pre-packed grocery distribution system to a full-time, self-service food pantry to provide consistent, convenient, and dignified food assistance.
Neighborhood Center, Inc.	87.33	$462,651.88	24	North, Central and South Camden/Woodlynne	N/A	Will sustain and expand the existing Urban Farm, Community Kitchen, Children's Meals and CSA programs

						to address food insecurity in south Camden.
Parkside Business & Community In Partnership, Inc.	87.33	$466,581.00	24	North, Central and South Camden/Woodlynne	N/A	Will recruit and support local farmers in the City of Camden and create farmers markets to expand fresh food access for residents and marketing opportunities for local growers.
Catholic Charities Diocese of Metuchen	87.00	$200,000.00	24	New Brunswick City	N/A	Will expand the Choice Food Resource Center and add a mobile market and annual farmers market, increasing availability of meat, dairy, eggs, and fresh produce while also supporting community gardening efforts.
CUMAC/ECHO, Inc.	86.67	$500,000.00	24	Passaic City, Paterson South, Paterson North	Prospect Park/Haledon/Hawthorne	Will glean, purchase, and aggregate more than 6 million pounds of fresh, healthy food from local farmers and food businesses, to be distributed through Choice Marketplace, mobile pantry, home delivery, and smaller partner pantries.
Tri-County Community Action Agency, Inc.	86.67	$500,000.00	24	Bridgeton/Fairfield Twp/Lawrence Twp	Penns Grove/Carneys Point, Paulsboro	Will establish a mobile pantry and enhance the hours, programming, and facility at the existing food pantry to expand food distribution and reducing food waste.
Jewish Family Service and Children's Center of Clifton-Passaic, Inc.	86.33	$457,035.04	24	Passaic City	N/A	Will improve infrastructure and community engagement at the Kosher Food Pantry, offering culturally appropriate food, nutrition education programs, and wraparound services to build community resilience and food security.

NEIGHBORHOOD COLLABORATIVE COMMUNITY GARDENS A NJ NONPROFIT CORPORATION	86.00	$200,000.00	24	North, Central and South Camden/Woodlynne, Camden East/Pennsauken	Lindenwold/Clementon	Will transform vacant lots into green spaces and expand composting, produce delivery, and farmer's markets to increase food access as well as green workforce development opportunities.
Montclair State University Foundation	85.67	$477,652.47	24	Newark South, Newark West, Newark North and Central, Newark East	Irvington Township, Orange/West Orange/Montclair	Will expand Mobile Farm Stand services with a targeted focus on seniors and college students, reducing food insecurity among vulnerable populations.
Share My Meals Inc.	85.67	$499,373.17	24	North, Central and South Camden/Woodlynne, Newark South, Newark West, Camden East/Pennsauken, Newark North and Central, New Brunswick City	N/A	Will expand meal recovery program in Newark, Camden, and New Brunswick while bolstering the Meal Recovery Coalition to amplify impact and support other community groups engaged in meal recovery and distribution.
United Community Corporation	85.67	$500,000.00	24	Newark West, Newark North and Central, Newark East	N/A	Will strengthen and expand Community Refrigerator Program, increasing access to nutritious food through public refrigerators located in vulnerable neighborhoods.
Loving Our Cities Inc	85.33	$500,000.00	24	North, Central and South Camden/Woodlynne, Camden East/Pennsauken, Salem City, Bridgeton/Fairfield Twp/Lawrence Twp	Penns Grove/Carneys Point, Lindenwold/Clementon, Millville/Commercial Twp, Paulsboro Borough, Burlington City, Vineland City	Will augment existing food hub by increasing cold storage, transitioning to a grocery store style experience for pantry clients, launching weekend distribution hours, creating a mobile pantry/food truck, and purchasing additional vehicles to expand delivery capabilities.
Coalition for Food and Health Equity Inc.	85.00	$487,901.50	24	North, Central and South Camden/Woodlynne, Newark West, Camden East/Pennsauken, Newark North and	Jersey City Central	Will expand and sustain Ujamaa Café program, a tech-enabled community refrigerator program with pre-made healthy meals sourced from local food

				Central, Newark East, Paterson South		entrepreneurs and placed at key community agencies.
Fairgrown Farm LLC	85.00	$500,000.00	24	North, Central and South Camden/Woodlynne, Newark South, Newark West, Camden East/Pennsauken, Trenton West, Newark North and Central, Newark East, Salem City, Passaic City, Trenton East, Bridgeton/Fairfield Twp/Lawrence Twp, Paterson South, New Brunswick City, Paterson North	N/A	Will expand their Jersey Fresh Food Security program to provide free and discounted wholesale produce to feeding organizations statewide, enhance logistics capacity to better serve smaller organizations, and provide nutrition education in all 14 Primary Focus FDCs.
Isles, Inc.	84.67	$358,191.04	24	Trenton West, Trenton East	N/A	Will expand and enhance raised bed vegetable and fruit gardens and engage community members in preparing harvests through weekly Dinner-and-a-Movie nights with free transportation service.
The Food Brigade Inc.	84.00	$499,655.80	12	Passaic City, Paterson South, Paterson North	Jersey City South, Jersey City Central, Jersey City North, Prospect Park/Haledon/Hawthorne, North Bergen/West New York/Guttenberg, Fairview Borough, Bayonne City, Union City	Will rescue otherwise wasted food from supermarkets, retailers, and wholesalers and create an on-site food distribution service through a Mobile Farmer's Market, including fresh, healthy produce.
Plentiful Inc.	83.33	$310,625.00	12	Newark South, Newark West, Newark North and Central, Newark East, Passaic City, Trenton East, Paterson South, New Brunswick City, Paterson North	Jersey City South. Jersey City Central, Perth Amboy City, Jersey City North, North Bergen/West New York/Guttenberg, Bayonne City, Union City	Will utilize Plentiful's tech and data insights to create a multilingual food access map for food-insecure residents and offer providers tools to simplify check-ins and reservations for food security programs.

UrbanPromise Trenton, Inc	83.33	$136,305.94	24	Trenton West, Trenton East	N/A	Will enhance food distribution efforts by purchasing and storing produce, meat, and dairy products and improving the Community Garden.
Mid-Atlantic States Career and Education Center Inc.	83.00	$500,000.00	24	Salem City	Penns Grove/Carneys Point	Will support delivery of nutritious food to expectant mothers, newborns, and families in need by purchasing supplies and hiring two delivery drivers for the donated refrigerated truck.
St. James Social Service Corporation	83.00	$472,971.12	24	Newark South, Newark West, Newark North and Central, Newark East	N/A	Will strengthen and sustain emergency food program including food pantry, soup kitchen, and biweekly food delivery to seniors and people living with HIV/AIDs.
Meals on Wheels in Greater New Brunswick	82.00	$190,300.92	24	New Brunswick City	N/A	Will expand Weekend Meals Program for homebound seniors and disabled adults through tailored meals, produce, pantry items, and wellness calls to reduce isolation.
Meals on Wheels of Mercer County, Inc.	82.00	$75,000.00	24	Trenton West, Trenton East	N/A	Will support and enhance Farm Fresh Produce Program, in which locally grown fruits and vegetables are delivered to homebound older adults by volunteers.
Meeting Essential Needs with Dignity, Inc.	81.67	$500,000.00	24	Newark South, Newark West, Newark East	N/A	Will increase food access through free farmers markets, expanded pantry partnerships, SNAP outreach and enrollment assistance, and nutrition programming and wraparound services.
Families for Families A NJ Nonprofit Corporation	81.33	$98,926.68	12	Paterson South, Paterson North	N/A	Will bolster food pantry services by hiring a bilingual Food and Housing Security Manager, providing refrigerators to clients moving into homes that lack them, and offering

						transportation assistance to help clients reach the pantry.
The Convent of the Sisters of St. Joseph, Chestnut Hill	81.33	$207,793.00	24	Camden East/Pennsauken	N/A	Will launch a food delivery service to serve elderly and disabled individuals by acquiring a van, hiring a staff member, and increasing cold storage, and later expanding the program to include prepared meals.
Common Market Philadelphia Inc.	81.00	$500,000.00	24	Bridgeton/Fairfield Twp/Lawrence Twp	Millville/Commercial Twp, Vineland City	Will distribute Farm Fresh Boxes containing seasonal, locally-grown produce and staple items on a biweekly basis at distribution sites located alongside healthcare facilities.
Lev Rochel Bikur Cholim of Lakewood, Inc	81.00	$499,950.56	12	Camden East/Pennsauken, New Brunswick City	Lakewood North, Lakewood South	Will increase food supply and acquire refrigerated vehicles, enabling expansion of food pantries at three hospitals to better serve patients, families, and individuals facing food insecurity.
Catholic Charities Diocese of Trenton	80.67	$495,000.00	24	Trenton West, Trenton East	High Bridge Borough	Will strengthen food security by adopting a mobile app for pantry enrollment, scheduling, and inventory tracking; offering transportation assistance and home delivery of food bags; and embedding pantry staff in alternate community locations to reach more residents.
Comité de Apoyo a los Trabajadores Agrícolas, Inc.	80.67	$202,208.00	24	Bridgeton/Fairfield Twp/Lawrence Twp	N/A	Will introduce a mobile market, launch a Community Supported Agriculture program in coordination with local growers, and implement food preservation initiatives to extend produce shelf life, all centered around their existing community garden.

Raritan Valley Young Men's Christian Association, A New Jersey Non-Profit Corporation	80.67	$321,868.80	24	New Brunswick City	Perth Amboy City	Will partner with local food banks, farms, and community organizations to provide weekly food distribution along with SNAP enrollment assistance and nutrition education.
Safina Foundation A NJ Nonprofit Corporation	80.00	$179,236.59	24	New Brunswick City	N/A	Will expand La Cocina soup kitchen to increase service to two days a week and increase the number of meals served each day, as well as launching a food delivery service for the local area.
TOTAL		**$20,621,004.25**				

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 12, 2025

Subject: Strategic Innovation Center Investment in the NJ HAX Plasma Forge LLC

Summary:

Members of the Board are requested to approve:

- A Strategic Innovation Center ("SIC") investment of up to $24.5 million in a newly formed two-member New Jersey limited liability company, NJ HAX Plasma Forge LLC ("the Forge" or "Innovation Center"), in partnership with SOSV Investments, LLC ("SOSV") that will operate an innovation hub focused on novel plasma physics research commercialization in 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 and Entrustment Agreement as Appendix B 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, NJEDA, 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 seven 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 $90,965,000 of unallocated SIC funds before approval of the NJ HAX Plasma Forge.

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
- Investment in NJ Coriell Labs Innovation Center (approved July 23, 2025): $20,000,000

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 industries[1] or demonstrate that it will meaningfully support increasing diversity

[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 inclusion within the State's entrepreneurial economy. Additionally, all Strategic Innovation Center projects using ERF funds under these policies must be approved by the Board.

Following evaluation (Confidential Appendix F), NJEDA staff has determined the project, herein, the NJ HAX Plasma Forge 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 Clean Energy, High Technology and Advanced Manufacturing industries.

Background on NJ HAX Plasma Forge LLC

SOSV, a global multi-stage venture capital firm, submitted a proposal for a Strategic Innovation Center investment to the NJEDA in December 2024, for the NJ HAX Plasma Forge LLC. In June 2025, SOSV and the NJEDA announced a non-binding letter of intent to establish the Forge.

SOSV is, annually, one of the most active early-stage venture capital firms, globally, and the most active climate investor since 2017, according to Pitchbook. SOSV's mission to support human and planetary health spans the globe with nearly 1000 startups operating in 59 countries. SOSV's programs, IndieBio and HAX, are based in New York, Newark, and San Francisco, supported by offshore design and engineering teams in Pune and Shenzhen. NJEDA partnered with SOSV to form HAX LLC as a 50/50 joint venture approved by the Board of the Authority in 2021. The 35,000 HAX flagship location launched in Newark in 2024. The HAX Plasma Forge LLC will be a newly formed successor partnership to commercialize plasma technology into real-world products.

In collaboration with one of the nation's seventeen national laboratories, Princeton Plasma Physics Lab ("PPPL"), the Forge is intended to become the focal point for the nation's efforts to commercialize fusion energy and to provide a center for the development of plasma-based applications in a variety of other fields, from green hydrogen production to quantum computing. The Forge would be a truly unique facility that would align and accelerate the multitude of activities required for the scaling and adoption of fusion and related PPPL technologies, including the R&D needed for technology maturation and cost reduction; market development; supply chain development; workforce development; and public support for technology adoption. Ultimately, the Plasma Forge will be a critical driver for advancing the commercial applications of PPPL's core technologies and propelling NJ's growth as an innovation state.

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 F).

Strategy

The HAX Plasma Forge will allow New Jersey to vastly expand the commercial impact of PPPL's world-class research by providing a space dedicated to transforming novel plasma physics research results into startups, jobs, and transformative technology into the

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.

marketplace, leveraging the HAX brand and experience of investing in Physical Sciences companies both, created in New Jersey or relocating to New Jersey. The project will leverage the expertise and resources of the Princeton Plasma Physics Lab (PPPL) to transform research into commercially viable products and services. The Forge will provide capital, company-building expertise, and access to a network of talent to commercialize technologies developed by PPPL scientists and engineers. The goal is to attract startups, create jobs, and drive transformative technology into the marketplace.

Overall, PPPL's technologies share common scientific underpinnings in low- and high-temperature plasma physics and in related capabilities involving materials, semiconductors, thin films, and modeling and simulation. Current and potential technology markets include:

- **Fusion energy generation technology**: technology used in the generation of energy from controlled fusion reactions; includes fusion reactor technology and upstream, diagnostic, and related ancillary technologies required to scale future fusion energy production to utility-scale
- **Clean tech**: technologies that employ plasmas for hydrogen production, decarbonization of industrial heating processes, and similar applications
- **Semiconductor manufacturing**: low-temperature plasma technologies used in high aspect ratio etching and other semiconductor manufacturing processes
- **Diamond thin films**: Chemical vapor deposition technologies to create ultra-pure diamond thin films used for quantum technology applications
- **Modeling and simulation**: Computational and analysis expertise used to provide a better understanding of plasmas for a wide range of use cases

These markets represent varying levels of maturity, size, growth, and certainty. They also differ with respect to the current and future composition of their market participants. Each faces a unique set of risks. In some cases, for example, fusion energy, the current risk is largely technological.

The Forge will establish a facility in New Jersey, operated by SOSV as an innovation hub focused on novel plasma physics research and applications. The facility will lease 7,000 – 10,000 square feet of combined lab and co-working space proximal to PPPL in central New Jersey, equipped with specialized equipment owned by the Forge or on loan from PPPL or other corporate partners. The project aims to accelerate a minimum of 25 participant companies (5 per year) that utilize plasma as a core enabler of their technology. The Forge will also provide co-working space and state-of-the-art labs for graduates from the HAX Forge, as well as SMEs and corporates that want to leverage facilities and know-how to progress R&D.

The Forge will be a commercialization center that's driven by PPPL's leading research and development (R&D) activity and expertise in applying plasma science to applications in fusion power, applied materials, computational modeling and simulation, and advanced engineering, combined with SOSV's proven hands-on approach to working alongside companies in which they invest. The Forge distinguishes itself relative to other of the DOE national laboratory-based commercialization facilities in that it will exist as a separate entity, outside of the Department of Energy. This will provide flexibility to engage industry partners at the "speed of business" without operating under all of the strictures that apply to federal facilities.

In the first five years, SOSV expects the Forge to provide seed funding to at least 25 startups and house at least 5 established large business partners who would work alongside them at the facility, providing a commercial context for early-stage pre-market companies. By the end of the 8th year of the program, these 25 startups are expected to have brought at least $25 million in startup funding to the region. Twelve years from the start of the program SOSV estimates project that $250 million will have been deployed into the companies. Intermediate results will be apparent from year 2 of the program:

- A lab and ecosystem will be created that support plasma applications that include, but are not limited to, catalysis, semiconductor manufacturing, energy security, propulsion and transportation, and healthcare.
- Successful breakthrough companies funded in fusion supply chain and low-temperature plasma.
- Expedited R&D will be demonstrated by being close to the PPPL facility, leveraging know-how yet being outside the DOE restrictions that can slow commercial results.
- Larger companies as tenants to conduct public or confidential research.

By year 5 the Forge expects to have shown steady-state outputs:

- Host over 25 companies (an average of 5 startups funded per year)
- Host at least one spin-out company per year from PPPL (5 total of the 25 companies)
- Establish New Jersey as the premier plasma hub in the USA
- Secure additional funding and investment capital (both dilutive and grant funding) to justify expanding to a 50,000 sq ft facility beyond the scope of the SIC investment
    - Additional funding will be sought to support commercialization research, ie., SBIR-style non-dilutive grants

Management and Engagement

SOSV, the Managing Member of the Forge will serve as the Forge project development and management partner. The Forge will contract with SOSV through a master services agreement (Confidential Appendix C). SOSV Investments is a venture capital and investment management firm founded in 2011. SOSV is currently investing out of their $306 million Fund V. The firm has invested in 225 companies from 2020-2023, and companies in which SOSV has invested have subsequently raised $4.02 billion from outside sources. SOSV works with companies by providing multi-stage funding, a collaborative in-person residency with access to advanced facilities and in-house experts, and ongoing support for product development, manufacturing, and fundraising. This hands-on, hard tech-focused approach helps startups move from prototype to production. SOSV's management of the HAX program in Newark has demonstrated how they can best add value to support companies in the Forge.

In its first year, HAX Newark established itself as a global hub for startups, supporting over 58 enterprises that have raised more than $90 million in VC funding and created over 160 jobs. HAX Newark hosted several significant events, including a one-year anniversary celebration on May 6, 2025, which featured a startup Demo Day to investors and a community celebration with members of the Newark startup, art, and tech communities. SOSV is committed to fostering a diverse and inclusive environment. The firm has invested in almost 500 impact companies, with 60 percent added in the last three years. Overall, 60 percent of all SOSV portfolio companies have an explicit impact-related mission and/or product. SOSV has also invested in over 340 female founders. The SOSV Community Code of Conduct emphasizes integrity, respect, and discretion, ensuring that all members adhere to high standards of behavior and ethical compliance. SOSV will be responsible for specific compliance and reporting requirements in its management of the Forge.

The staffing plan for the NJ HAX Plasma Forge includes a management team that handles tenant sourcing, public relations, and ecosystem relationships, as well as a technical team that includes staff scientists, lab managers, and investment managers. These teams will assist the tenants with prototyping, technical development, de-risking, fundraising assistance, and business mentoring services. In total the plan includes 5-8 dedicated team members, such as a location lead, program manager, lab manager, tech lead, staff scientist, and office assistant. The team will work in conjunction with PPPL as will be captured in the collaboration agreement between PPPL and SOSV (Confidential Appendix D) and through an academic agreement (Confidential Appendix E) with Princeton University.

Princeton Plasma Physics Lab (PPPL), one of seventeen DOE funded national laboratories, is a world-class scientific institute that focuses on research and development in the field of plasma science and technologies. PPPL's areas of expertise include electricity production through nuclear fusion, applied materials and sustainability, computational modeling and simulation, and advanced engineering. The lab's deep relationships with private industry and its world-leading technological capabilities will drive economic impact in New Jersey and the world by attracting both startups and established companies to the state. The Forge will be able to leverage the 700 research and administrative staff of the PPPL.

Structure

The NJ HAX Plasma Forge will be operated as a two-member limited liability company, NJ HAX Plasma Forge LLC, with SOSV Investments LLC as the Managing Member, or operator of the Forge. NJEDA and SOSV will each share 50% ownership. The Forge will have a 5-year initial operations period with an additional 3-year reporting period for an 8-year total operations period. The project will be funded by a combination of investments from NJEDA and SOSV, with additional in-kind support from PPPL.

- **NJEDA Support**: The NJEDA will invest $24.5 million into the project, with $21.5 million allocated for the Forge's operating expenses (OPEX), capital expenditures (CAPEX), build-out, and the fee to SOSV as the operator over eight years. An additional $3 million will be allocated to a reserve account for NJEDA's investment in participant companies from the Forge program.
- **SOSV Investments**: SOSV will invest $500,000 in initial equity investments per HAX Plasma Forge company, totaling up to $18 million. Additionally, SOSV will provide up to $4 million in follow-on investments into the Forge companies.
- **PPPL In-Kind Support**: PPPL will contribute $2.5 million in equipment licensing and personnel costs

The NJEDA will fund contributions quarterly to support The Forge, so long as SOSV meets requirements for investment into eligible Forge Companies. SOSV will secure 5 companies for the Forge program every year of the initial operations period for a total of 25 companies. The Company's operational expenditure budget will be funded over the Initial Operations Period on a quarterly basis in advance by NJEDA based on the agreed-upon operations budget set forth in the operating agreement. Notwithstanding the foregoing, during the Initial Operations Period, NJEDA will not disburse more than two (2) consecutive quarterly OPEX payments if the Company fails to recruit at least twenty (20) percent of the annual target number of companies (five per annum) during the preceding two (2) quarter periods, except for during the period consisting of the first six (6) months of the Initial Operations Period and until the event of the Primary Location becoming fully operational. All paused quarterly disbursements shall resume once the Company becomes compliant with the recruitment target. Under no circumstances will NJEDA share in any out-of-pocket cost in excess of its initial commitment of up to $21,500,000 for the operations of the Forge.

Recommendation:

Members of the Board are requested to approve:

- A SIC investment of up to $24.5 million in a newly formed two-member New Jersey limited liability company, NJ HAX Plasma Forge LLC, in partnership with SOSV Investments, LLC that will operate an innovation hub focused on novel plasma physics research commercialization in New Jersey.
- Authorization to the CEO of the New Jersey Economic Development Authority to execute all documents required, including the Operating Agreement attached as Appendix A and Entrustment Agreement as Appendix B 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 statute.

Tim Sullivan, CEO

Prepared by:
Ram Akella – EVP, Innovation Impact
Tim Rollender – Senior Advisor, Strategic Innovation Initiatives

Attachments:
Appendix A – NJ HAX Plasma Forge LLC Operating Agreement
Appendix B – Entrustment Agreement
Appendix C – **CONFIDENTIAL** Master Services Agreement
Appendix D – **CONFIDENTIAL** PPPL Collaboration agreement
Appendix E – **CONFIDENTIAL** Academic Agreement
Appendix F – **CONFIDENTIAL** Strategic Innovation Center Documentation, Eligibility and Evaluation Checklist

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: November 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 RV3 Management LLC dba Rittenhouse Ventures ("Rittenhouse Ventures" or "Rittenhouse"), a Qualified Venture Firm ("QVF") to invest into TranscendAP, Inc. ("TranscendAP"). The Qualified Investment recommendation is for an investment up to $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 Rittenhouse 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 October 30, 2025, approximately $5.3 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 October 30, 2025 26 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 $10M, or up to $12.5M 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. Qualified Investments into any given business will also be limited by Program concentration test limits, currently set at 10% of all invested and uninvested Program capital, which currently equates to a limit of $4.2M.

The recommendation presented to Members for consideration this month represents the Program's eleventh Qualified Investment and is for an investment of up to $750,000 of Program capital alongside Rittenhouse Ventures into the innovative, high-growth company, TranscendAP. Rittenhouse Ventures has negotiated a term sheet to invest $750,000 through an equity investment. The investment from Rittenhouse will be executed through its $14M fund Rittenhouse Ventures III, L.P. The proposed Qualified Investment will be contingent upon Rittenhouse successfully executing its own investment into the business at least matching any Program Qualified Investment. Based upon the projections provided by Rittenhouse Ventures, and following approval by the Members, the Program will reserve an additional $124,700 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 Rittenhouse Ventures.

Please refer to **Appendix A** for a summary of Rittenhouse Ventures and an overview of the firm's eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of TranscendAP 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 is not recommending reserving for follow-on investments at this time, however will periodically adjust follow-on reserves, no less than annually, based on the amount of capital reserved for follow-ons by the Qualified Venture Firm, and other factors including expected timing of follow-on investments and the amount of Program unallocated capital available.

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 $750,000 initial Qualified Investment alongside Rittenhouse Ventures' matching investment into the innovative, high-growth New Jersey-based company TranscendAP is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional $124,700 and for expected associated direct administrative expenses of up to an additional $240,000.

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Tim Sullivan, CEO

Prepared by:
Kremena Mironova – Senior Product Officer, Venture Products
Deven Patel – Investment Analyst, 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:

Rittenhouse Ventures ("Rittenhouse"), founded in 2008, focuses on early-growth B2B software investments primarily across the Mid-Atlantic region. Based in Wayne, PA, Rittenhouse is a value-focused fund investor that aims to provide venture-capital returns with a risk profile similar to private equity or growth equity funds. Led by an experienced team, Rittenhouse has made over 30 investments and deployed over $50 million since inception across three funds and numerous co-investments. Funds I and II have both returned capital and Rittenhouse is currently investing its third fund, Rittenhouse Ventures III.

Strategy:

The firm has a particular emphasis on the healthcare and pharmaceutical information technology sectors, but also targets verticals including human resources, analytics, financial services, and general software-as-a-service ("SaaS") applications. Target investments will typically have revenue in the range of $1 million to $10 million and are expected to have validated products, substantial revenue traction, and relatively capital-efficient growth strategies.

Investment and Management Team:

The investment team has known each other for over a decade via regular interactions within the regional venture ecosystem. Saul Richter, Managing Partner, founded Rittenhouse in 2006. He has led the firm since its inception and been actively involved in all its portfolio investments. He was previously at Himalaya Capital, where he led investments for two top-quartile Himalaya funds. Across his 20-year venture investing career, Mr. Richter has been involved with over 30 portfolio investments and has been an active board member for approximately 15 companies. Prior to Himalaya, he worked at Lucent Technologies in the New Ventures Group, where he focused on the creation and launch of software startups. In addition to Lucent, Mr. Richter has prior venture capital experience working at Softbank Ventures, Jerusalem Global Ventures and Flatiron Partners, now Union Square Ventures. Mr. Richter also has prior financial experience as an investment banker as well as technology experience as a system administrator and startup entrepreneur. He is a frequent speaker on technology and venture capital trends.

Sushma Rajagopalan, Partner, joined Rittenhouse in 2020. Ms. Rajagopalan has a 30-year career in technology and was the CEO of a $100M annual revenue global digital tech company prior to joining Rittenhouse. In addition to her operating experience, she has held other C-level roles such as Chief Strategy Officer and has M&A, strategy, human resources, and angel investing experience.

David Nevas, General Partner, joined the firm in 2022. Mr. Nevas has over 20 years of investing, operating and advisory experience with early- and growth-stage software companies. He was previously a Partner at Edison Partners where he was involved in over 20 financings and sat on the board of seven portfolio companies during his 12-year tenure.

Steve Holstad, Chief Financial Officer joined Rittenhouse in 2015. Mr. Holstad's background spans 20 years of financial and investment leadership roles at both early-stage and large enterprises. As CFO he handles the core financial obligations for the firm, including audit preparation, investor communication and financial accounting.

<u>New Jersey Investment History:</u>

Two out of four investments from Rittenhouse Ventures III have been allocated to companies based in New Jersey. Specifically, Rittenhouse has supported Gomo Health, a New Jersey-based software company, in the third quarter of 2023 and early 2024, as well as HighQA Inc., another New Jersey-based software enterprise, in early 2025. Previous investments by Rittenhouse Ventures in New Jersey companies include StationMD, Inc. (2019-2021) located in Maplewood, and Inpensa, Inc. (2017-2018), situated in South Plainfield.

Appendix B – Summary of Qualified Business and Eligibility

TranscendAP, Inc.

Business Overview

TranscendAP is a SaaS company specializing in accounts payable automation developed in 2017. The company was originally an offering within Optima Global Solutions, a consulting firm, and has since evolved into a standalone entity. The first phase of the solution involved working with Kofax, a value-added reseller, to implement custom automation solutions. By 2022, TranscendAP had made its solution available on a cloud multitenant offering, and in November 2023, it was formed into a separate firm with Jeff Weinstein and Mahesh Yadav as co-founders.

TranscendAP has proven its product-market fit, achieving $1.1 million in annual recurring revenue (ARR) by the end of 2024 and securing 21 significant enterprise clients. The company continues to expand its market opportunity with integrations to Oracle, Microsoft, and Ellucian, with SAP and IFS integrations planned for the near future. TranscendAP's platform incorporates proven AI technology and has a strong roadmap for AI purpose-built functionality.

The company's target market includes firms with $100 million to $2 billion in revenue, with a current vertical focus on manufacturing, higher education and health care. TranscendAP's cloud (SaaS) and multi-tenant offering was released in 2022, and the company has a solid platform with a strong roadmap, good reference accounts, and an executing go-to-market plan. The company's future roadmap includes personalized user experiences, AI-enhanced capture, straight-through processing, AI and predictive fraud detection, deeper analytics, and an expanded integration framework.

Team

TranscendAP's management team is experienced, with a proven startup track record and a host of successful exits. Jeff Weinstein the President, CEO and co-founder of TranscendAP, is an experienced executive and entrepreneur with a strong background in leading enterprise software companies at various development stages. Throughout his tenure as a technology executive, Jeff has successfully led teams in the areas of AI and machine learning, as well as HR compliance, human capital management, data security, e-commerce, and customer relationship management.
Prior to TranscendAP, Jeff was President and CEO of RightAnswers (knowledge management and customer service), President and COO at Calamu (data security innovator), Chief Growth Officer at Traliant (learning management and HR compliance; listed as one of the Inc. 500 fastest growing firms in the US), President of Valiant (Payroll and HR software leader for the security workforce), and Chief Revenue Officer Strategic Network Design (recognized leader in solutions that drive CRM effectiveness).

Jeff holds an MBA in Accounting from Monmouth University and a BS in Chemistry and Computer Science from Alfred University. Jeff is deeply involved in mentoring and supporting the entrepreneurial ecosystem in the State and is a member of the Innovation Advisory Committee.

Simon Yelsky, Chief Product Officer, is a technology executive with expertise in transforming product development and go-to-market strategies in various domains, including AI, cybersecurity, and cloud integrations. He has held leadership roles in product management at several companies, including Calamu and ADP, and has a background in financial services, having started his career at Citibank. Simon holds a BS in Electrical Engineering from Columbia University and an MBA from NYU Stern.

Mahesh Yadav, Co-Founder and Executive Chairman, has over 25 years of experience in the IT services industry with leadership roles in award winning companies contributing to accelerated growth from start-up to successful exits. Founder & CEO of Optima Global Solutions, Inc., a fast growing software and services firm, Mahesh serves as a Board Member of TechUnited, NJ and as an Advisory Board Member with the School of Business – Dept of information Analytics, Montclair State University, NJ.

Eligibility

NJEDA Staff finds the proposed Qualified Business, TranscendAP, meets all Program Qualified Investment eligibility requirements**.** As described in Table 1 below, the New Jersey -based, high-growth, innovative business maintains a place of business and its principal business operations in New Jersey. The business meets the requirements for maintaining its principal business operations in New Jersey based on updated standards signed into law in June 2025 (N.J.S.A. 34:1B-289). Specifically, the business is headquartered in Hamilton, New Jersey and New Jersey is also the work location for the largest percentage of the business's full-time employees. The Hamilton, New Jersey headquarters is the company's sole physical office, and represents the location in which the CEO directs, controls, and coordinates the activities of the business. and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, the business falls within the Qualified Business size limit of fewer than 250 full-time employees. TranscendAP operates in the Program-targeted information and high technology industry and satisfies the Program's high-growth test using its trailing twelve month revenue growth rate that exceeds 25% as of the end of 2Q 2025. Finally, the proposed Qualified Investment size of $750,000 is within the concentration limit of aggregate investments into any Qualified Business of 10% of the Program's uninvested and invested capital.

Table 1: TranscendAP 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, (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, or (v) the location where the business's high level officers direct, control and coordinate the business's	TranscendAP is headquartered in Hamilton, New Jersey. The C-level officers of TranscendAP are based in New Jersey, and New Jersey has the highest percentage (33%) of the business's U.S. - based FTEs.

	activities is in New Jersey and New Jersey has the largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.	
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.	TranscendAP's corporate headquarters is located in Hamilton, 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.	TranscendAP operates in the Program-targeted Information and High Technology sector.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	TranscendAP maintains nine full-time employees, as evidenced by their employee log and employee payroll
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. For these businesses, Qualified Venture Firms may submit	TranscendAP satisfies the Program's high-growth test through revenue growth of 118% for the trailing 12-month period ending June 30, 2025.

	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.	
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 $750,000 Qualified Investment is less than 2% 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 $10,000,000 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 $12,500,000.

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 $10,000,000 aggregate initial investment limit, or $12,500,000 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) 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, (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, or (v) the location where the business's high level officers direct, control and coordinate the business's activities is in New Jersey and New Jersey has the largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.

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.

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: November 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 Tech Council Ventures LLC ("Tech Council Ventures" or "TCV"), a Qualified Venture Firm ("QVF") to invest into TranscendAP, Inc. ("TranscendAP"). The Qualified Investment recommendation is for an investment up to $500,000, 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 Tech Council Ventures. Additionally, upon approval of this investment, Staff will reserve Program capital 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 October 30, 2025, approximately $5.3 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 October 30, 2025 26 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 $10M, or up to $12.5M 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. Qualified Investments into any given business will also be limited by Program concentration test limits, currently set at 10% of all invested and uninvested Program capital, which currently equates to a limit of $4.2M.

The recommendation presented to Members for consideration this month represents the Program's twelfth Qualified Investment and is for an investment of up to $500,000 of Program capital alongside TCV into the innovative, high-growth company, TranscendAP. Tech Council Ventures has agreed to term sheet to invest $500,000 through an equity investment. The investment from TCV will be executed through its $30M fund Tech Council Ventures III, L.P. The proposed Qualified Investment will be contingent upon Tech Council Ventures successfully executing its own investment into the business at least matching any Program Qualified Investment. Based upon the projections provided by TCV, and following approval by the Members, the Program will reserve an additional $82,500 for management fees and $240,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are subject to period adjustments, at least annually, based upon guidance from Tech Council Ventures.

Please refer to **Appendix A** for a summary of Tech Council Ventures and an overview of the firm's eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of TranscendAP 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 is not recommending reserving for follow-on investments at this time, however will periodically adjust follow-on reserves, no less than annually, based on the amount of capital reserved for follow-ons by the Qualified Venture Firm, and other factors including expected timing of follow-on investments and the amount of Program unallocated capital available.

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 $500,000 initial Qualified Investment alongside Tech Council Ventures' matching investment into the innovative, high-growth New Jersey-based company TranscendAP is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional $82,500 and for expected associated direct administrative expenses of up to an additional $240,000.

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Tim Sullivan, CEO

Prepared by:
Kremena Mironova – Senior Product Officer, Venture Products
Alexander Pachman – Manager, Venture Products

Attachments:
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Appendix B – Summary of Qualified Business and Eligibility
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Appendix A – Summary of Qualified Venture Firm and Eligibility

Overview

Founded in 2000, Tech Council Ventures LLC ("Tech Council Ventures") is a New Jersey-based early-stage venture capital firm. The firm has been a leader in investing and supporting New Jersey-based entrepreneurs and companies. The firm has raised capital from public, corporate, and individual business leaders, many with an affinity for the local community. Tech Council Ventures invests in startups across industry sectors such as healthcare, enterprise technology, and CleanTech. Tech Council Ventures currently manages $91M in assets across fund and is investing out of TCV III LP, a 2023 vintage fund targeted to raise $75M. The Authority is a Limited Partner investor in Tech Council Ventures II LP and invested in the firm's predecessor fund, NJTC Venture Fund, L.P. The firm also serves on the Authority's Innovation Advisory Committee and on the NJ Bioscience Incubator Advisory Board, has participated in New Jersey Founders and Funders events, and utilized the Angel Investor Tax Credit program. The firm also received an allocation up to $7.5M of capital through the SSBCI Life Sciences Fund program, though that capital will not be used as part of this transaction.

Strategy

Tech Council Ventures focuses on venture capital investments in early-stage companies within the advanced materials, clean energy, technology, and healthcare sectors. Of the 25 investments made from the firm's second fund, 13 are based in New Jersey, accounting for over 50% of the total invested capital. The remaining investments are spread across the Mid-Atlantic region. Unlike the San Francisco Bay Area and Boston, Tech Council Ventures finds the local market to have more reasonable valuations. They also believe that New Jersey has been underserved by investors, with a decline in funds under management and investment over recent years, leading to less competition for investment.

The firm has a unique affiliation with TechUnited:NJ (formerly New Jersey Technology Council), which is the leading association in the region supporting entrepreneurs, innovators, technology companies, universities, and service providers to this community. This relationship provides Tech Council Ventures enhanced access to deal flow in the region and a strong network to assist initial due diligence and later growth in the companies in which the firm invest.

The TechUnited:NJ network and the firm's extensive experience and historical relationships with the corporate venture capital ecosystem enables Tech Council Ventures to source and diligence new investments, and to assist its portfolio companies with entrepreneurial resources and business acceleration.

Investment and Management Team

The Managing Partners of the firm, Jim Gunton and Stephen Socolof have been investing in this asset class and regional market for over 20 years.

Jim Gunton is the Managing Partner and Founder of Tech Council Ventures. With over two decades of investment experience, Jim has guided high-growth technology companies from their early stages to success. Before founding Tech Council Ventures, he was a partner at Edison Venture Fund and a manager at Oracle Corporation in Silicon Valley. His leadership extends beyond investment, as he currently serves on the Rutgers Health Leadership Council, helping shape the future of healthcare in the region. Jim holds a Bachelor of Science from Stanford University and an MBA with distinction from Duke University.

Steve Socolof, Managing Partner, has been a technology investor for over twenty years, with interests in enterprise software, AI/ML applications, data center to edge, IoT, wireless, and energy, environmental, and materials technologies. He is currently on the board of Adrich, Kintra Fibers, and SunRay Scientific. Steve has previously been a director of Everspin, Stratis IoT, and Vydia, and has sold several companies including Airclic, Alverix, Data Inventions, Flarion, Neohapsis, Silicon Hive, and Sychip. He has also been a leader in the corporate venture community, serving as Chair of the Corporate Venture Group within the National Venture Capital Association and on the Advisory Board of Global Corporate Venturing. Before joining Tech Council Ventures, Steve created a venture incubator for Lucent's Bell Laboratories and ran New Venture Partners for 15 years. He holds an MBA from The Amos Tuck School at Dartmouth and degrees in economics and mathematical sciences from Stanford University.

Mark Kolb serves as a Partner at Tech Council Ventures and has a background in operating successful healthcare technology companies. Mr. Kolb transitioned from an Entrepreneur-in-Residence role at the firm to Partner during the firm's second fund and focuses on the health care industry. He has held various leadership roles, including CEO of Bergen Medical Products and BKHealth, where he and his partner were issued two patents for a physical therapy robot. He also served as Board Chair and CEO of Dynamic Clinical Systems, leading the company to a successful sale to Press Ganey. Earlier in his career, he founded Taratec Development Corporation, a life sciences consulting firm, and later sold it to Patni Computer Systems, where he served as a senior vice president. Mark has consulted for early-stage technology companies and served on several corporate and non-profit boards. He currently chairs the Board of Dorsata and serves on the Optima Global Solutions Advisory Board and the NJEDA Technology Advisory Board. Mark has received several awards, including the E&Y NJ Entrepreneur of the Year and NJTC Growth Company of the Year. He holds a bachelor's degree in electrical engineering from the University of Notre Dame and attended the OPM program at Harvard Business School.

New Jersey Investment History

Over the past several years the firm has invested in the following New Jersey-based businesses: Vydia (April 2018), Holmdel, NJ; SunRay Scientific (March 2019), Eatontown, NJ; Forefront Telecare (April 2019), Hamilton, NJ; Kuiper (Aug 2019), Rumson, NJ; Princeton Identity (December 2019), Hamilton, NJ; Regenosine (March 2021), Jersey City, NJ; Vitalief, (December 2021), New Brunswick, NJ; Abacus Insights (July 2022), Weehawken, NJ; Cytosorbents Corporation (Dec 2023), Princeton, NJ; Princeton Nuenergy (December 2023), Bordentown, NJ; TripWorks (Feb 2024), Morristown, NJ.

Appendix B – Summary of Qualified Business and Eligibility

TranscendAP, Inc.

Business Overview

TranscendAP is a SaaS company specializing in accounts payable automation developed in 2017. The company was originally an offering within Optima Global Solutions, a consulting firm, and has since evolved into a standalone entity. The first phase of the solution involved working with Kofax, a value-added reseller, to implement custom automation solutions. By 2022, TranscendAP had made its solution available on a cloud multitenant offering, and in November 2023, it was formed into a separate firm with Jeff Weinstein and Mahesh Yadav as co-founders.

TranscendAP has proven its product-market fit, achieving $1.1 million in annual recurring revenue (ARR) by the end of 2024 and securing 21 significant enterprise clients. The company continues to expand its market opportunity with integrations to Oracle, Microsoft, and Ellucian, with SAP and IFS integrations planned for the near future. TranscendAP's platform incorporates proven AI technology and has a strong roadmap for AI purpose-built functionality.

The company's target market includes firms with $100 million to $2 billion in revenue, with a current vertical focus on manufacturing, higher education and health care. TranscendAP's cloud (SaaS) and multi-tenant offering was released in 2022, and the company has a solid platform with a strong roadmap, good reference accounts, and an executing go-to-market plan. The company's future roadmap includes personalized user experiences, AI-enhanced capture, straight-through processing, AI and predictive fraud detection, deeper analytics, and an expanded integration framework.

Team

TranscendAP's management team is experienced, with a proven startup track record and a host of successful exits. Jeff Weinstein the President, CEO and co-founder of TranscendAP, is an experienced executive and entrepreneur with a strong background in leading enterprise software companies at various development stages. Throughout his tenure as a technology executive, Jeff has successfully led teams in the areas of AI and machine learning, as well as HR compliance, human capital management, data security, e-commerce, and customer relationship management.
Prior to TranscendAP, Jeff was President and CEO of RightAnswers (knowledge management and customer service), President and COO at Calamu (data security innovator), Chief Growth Officer at Traliant (learning management and HR compliance; listed as one of the Inc. 500 fastest growing firms in the US), President of Valiant (Payroll and HR software leader for the security workforce), and Chief Revenue Officer Strategic Network Design (recognized leader in solutions that drive CRM effectiveness).

Jeff holds an MBA in Accounting from Monmouth University and a BS in Chemistry and Computer Science from Alfred University. Jeff is deeply involved in mentoring and supporting the entrepreneurial ecosystem in the State and is a member of the Innovation Advisory Committee.

Simon Yelsky, Chief Product Officer, is a technology executive with expertise in transforming product development and go-to-market strategies in various domains, including AI, cybersecurity, and cloud integrations. He has held leadership roles in product management at several companies, including Calamu and ADP, and has a background in financial services, having started his career at Citibank. Simon holds a BS in Electrical Engineering from Columbia University and an MBA from NYU Stern.

Mahesh Yadav, Co-Founder and Executive Chairman, has over 25 years of experience in the IT services industry with leadership roles in award winning companies contributing to accelerated growth from start-up to successful exits. Founder & CEO of Optima Global Solutions, Inc., a fast growing software and services firm, Mahesh serves as a Board Member of TechUnited, NJ and as an Advisory Board Member with the School of Business – Dept of information Analytics, Montclair State University, NJ.

Eligibility

NJEDA Staff finds the proposed Qualified Business, TranscendAP, meets all Program Qualified Investment eligibility requirements. As described in Table 1 below, the New Jersey -based, high-growth, innovative business maintains a place of business and its principal business operations in New Jersey. The business meets the requirements for maintaining its principal business operations in New Jersey based on updated standards signed into law in June 2025 (N.J.S.A. 34:1B-289). Specifically, the business is headquartered in Hamilton, New Jersey and New Jersey is also the work location for the largest percentage of the business's full-time employees. The Hamilton, New Jersey headquarters is the company's sole physical office, and represents the location in which the CEO directs, controls, and coordinates the activities of the business. Additionally, the business falls within the Qualified Business size limit of fewer than 250 full-time employees. TranscendAP operates in the Program-targeted information and high technology industry and satisfies the Program's high-growth test using its trailing twelve month revenue growth rate that exceeds 25% as of the end of 2Q 2025. Finally, the proposed Qualified Investment size of $500,000 is within the concentration limit of aggregate investments into any Qualified Business of 10% of the Program's uninvested and invested capital.

Table 1: TranscendAP 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, (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, or (v) the location where the business's high level officers direct, control and coordinate the business's activities is in New Jersey and New Jersey has the	TranscendAP is headquartered in Hamilton, New Jersey. The CEO is based in New Jersey, and New Jersey has the highest percentage (33%) of the business's U.S. -based FTEs.

	largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.	
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.	TranscendAP's corporate headquarters is located in Hamilton, 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.	TranscendAP operates in the Program-targeted Information and High Technology sector.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	TranscendAP maintains nine full-time employees, as evidenced by their employee log and employee payroll
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. For these businesses, Qualified Venture Firms may submit their base case projections and businesses may be	TranscendAP satisfies the Program's high-growth test through revenue growth of 118% for the trailing 12-month period ending June 30, 2025.

	considered high-growth if the projections 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 $500,000 Qualified Investment is less than 2% 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 $10,000,000 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 $12,500,000.

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 $10,000,000 aggregate initial investment limit, or $12,500,000 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) 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, (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, or (v) the location where the business's high level officers direct, control and coordinate the business's activities is in New Jersey and New Jersey has the largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.

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: November 12, 2025

SUBJECT: New Jersey Innovation Fellows (NJIF) AI Cohort Application Approvals and Declinations

SUMMARY

The Members are requested to approve staff's recommendation of the five highest scoring applications (presented in Appendix A) to be included in the AI Cohort of the New Jersey Innovation Fellows Program (NJIF). In aggregate, this recommendation represents awards totaling $1.85 million in the form of two-year income replacement grants and participation in a two-year AI-specific mentorship program that will help to enable these entrepreneurs to launch innovative businesses in New Jersey.

Additionally, staff is requesting approval to discretionarily decline seven applications.

Lastly, should an approved applicant not execute a NJIF grant agreement, staff requests that the Chief Executive Officer be granted delegated authority to award the next highest scored team in the AI Cohort of NJIF.

BACKGROUND

Originally approved by the Authority Board on November 16, 2022 with a $10M allocation, the New Jersey Innovation Fellows (NJIF) Program was established under Sections 65 through 68 of *P.L.2021, c.160* (C.34:1B-370 through C.34:1B-373) and is administered by the New Jersey Economic Development Authority(Authority). The program aims to strategically position New Jersey within the innovation ecosystem by supporting entrepreneurial teams in launching and growing innovative businesses across the state. It does so by providing income replacement grants to first-time entrepreneurs, thereby facilitating economic growth and job creation in eligible municipalities.

The program provides a base income replacement grant of $200,000, distributed over two years, enabling entrepreneurial teams to dedicate their time and resources to launching their startups rather than pursuing traditional employment. Additional bonus funding is available, including $50,000 for entrepreneurs residing in Opportunity Zones. Entrepreneurs may also be eligible for up to $50,000 each for any entrepreneur who self-identifies as diverse or have graduated from a New Jersey college or university, for a maximum of $150,000 in education and diversity bonus funding. In total, participating teams may receive up to $400,000 in grant support.

Through the FY 2025 Appropriations Act, an additional $2Min funding was allocated to support the NJIF AI Cohort, an extension of the NJIF program. to the NJIF AI Cohort supports AI-focused entrepreneurship in collaboration with Princeton University. Of this amount, up to $1.9 million will be distributed as direct grant funding to selected teams, while the remaining $100,000 will support the program's mentorship and administration components.

To be eligible for the NJIF AI Cohort, proposed businesses must focus on at least one of the following six AI technologies:

1. Learning and Adaptation,
2. Autonomous Decision-Making,
3. Data-Driven Insights,
4. Natural Language Processing (NLP),
5. Perception and Interaction and
6. Generative AI.

AI solutions that do not utilize the listed AI as a core component of their proposed solution resulting in measurable efficiency gains or the development of new products or services are deemed ineligible for participation in the AI Cohort. Similarly, proposed AI solutions that solely support or supplement business operations without directly contributing to improved efficiency or the creation of novel products/services within one or more of the targeted industries will not qualify.

The NJIF will leverage Princeton University's research strengths, technical expertise, and industry connections to implement a required mentorship program. The AI Cohort provides a structured pathway for emerging AI entrepreneurs to develop their ideas and encourages the growth and implementation of technologies across diverse targeted industries, further establishing New Jersey as a center for AI innovation.

Summary of AI Cohort Team Applications

	Number of applications
Total	32
Recommended for approval	5
Deemed incomplete	20
Recommended for discretionary declination	7

Profile of recommended teams	**Amount**
Base award	$1,000,000
Diversity bonus eligible	$500,000
Education bonus eligible	$250,000
Opportunity zone bonus eligible	$100,000

REVIEW & COMPETITIVE SCORING

Applications go through an initial review and completeness evaluation that includes a review of all required documentation, such as proof of eligibility, team member qualifications, or other materials specified in the application guidelines. Each eligible applicant is next evaluated competitively by staff. Applicants are scored against the NJIF Scoring Rubric (maximum 29 points) and the NJIF AI Innovation Scoring Rubric (maximum nine (9) points), which represents a combined maximum score of 38 points. Applications are then ranked from high-to-low based upon average score.

NJIF Scoring Rubric	
Well-written business plan:	(0-5 points)
Operations:	(0-4 points)
Management:	(4-20 points)

NJIF AI Innovation Rubric	
AI Innovation and Technological Advancement Score:	(1-3 points)
Feasibility and Implementation:	(1-3 points)
Code of Conduct:	(1-3 points)

Approved applicants will have 30 days from notification of approval to fully form and register their business venture and 60 days from notification of approval to execute the grant agreement.

NJIF AI Cohort Grantee Summaries (Appendix A) provides descriptions of recommended applicants, final scores, and recommended grant award. NJIF AI Cohort Discretionary Declinations (Appendix B) contains summaries of each recommended discretionary declination with a brief explanation of the recommendations.

Summary of Recommended NJIF AI Cohort Grantees

	Applicant	Municipality	Targeted Industry and AI Technology Alignment	Bonus Award	Total Award	Total Avg Score
1.	CHAKRA.io	Newark	AI Governance and Risk Management	$200,000	$400,000	31
2.	FinceAI	Newark	AI-Driven FP&A and Enterprise Financial Management	$150,000	$350,000	30
3.	FinLink AI	New Brunswick	AI-Driven SaaS for Philanthropy and Digital Media Engagement	$150,000	$350,000	29
4.	Bump Labs	Jersey City	Contextual AI Cross-Platform Communication Engine	$150,000	$350,000	28
5.	VerdeLab	Newark	AI-Powered Biomedical Imaging Automation	$200,000	$400,000	26

RECOMMENDATIONS

Staff is recommending approval of the five highest scoring applications (Appendix A) for the AI Cohort. In aggregate, this approval represents $1.85 million of two-year income replacement grants and participation in a two-year AI-specific mentorship program that will help to enable these aspiring entrepreneurs to launch innovative businesses in New Jersey.

Additionally, staff is requesting approval to discretionarily decline seven applications (Appendix B).

Lastly, if an approved team does not execute the grant agreement, staff requests that the Chief Executive Officer be granted delegated authority to select the next highest scoring applicant for inclusion as an approved team.

Tim Sullivan, CEO

Prepared by:
Michelle Martinez, Product Officer, Venture Programs
Curtis Lee, Manager, Venture Engagement

Attachments:
Appendix A – NJIF AI Cohort Grantee Summaries
Appendix B – NJIF AI Cohort Discretionary Declinations

Appendix A: NJIF AI Cohort Grantee Summaries

1. **Proposed Business:** Chakra.io

   Chakra.io is developing an AI-as-a-Service (AIaaS) platform that sets a new benchmark for AI governance, validation, and accountability. The platform provides continuous oversight of how AI systems make decisions, detecting errors or bias, explaining model behavior, and documenting compliance with ethical and regulatory standards. It reviews and verifies algorithmic outputs before they are applied in business operations or automated processes, ensuring that AI-driven decisions are accurate, transparent, and regulatorily compliant. By functioning as an AI firewall, the platform provides enterprises and regulators with a trusted layer of oversight that safeguards against errors, bias, and unintended consequences in real-world AI deployment.

   Leadership Team: Jordyn Washington
   Joanne Geloso
   Rosalind Griffe

Municipality	Targeted Industry	AI Technology	AI Outcome	Bonus Award	Total Award
Newark	Information & High Technology	Learning and Adaptation	Novel Product or Service	$200,000	$400,000

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
22	9	31/38

2. **Proposed Business:** FinceAI

   FinceAI is building an AI-driven financial planning and analysis (FP&A) platform that transforms how organizations manage budgeting, forecasting, scenario modeling, and financial reporting. Positioned at the intersection of FinTech and enterprise financial management, the platform automates complex analytical tasks traditionally performed by financial analysts and CFOs to enhance accuracy, efficiency, and strategic insight. The platform brings advanced financial intelligence to SMBs, nonprofits, and mid-market enterprises, with capabilities such as real-time scenario simulations, automated reporting, and intuitive financial storytelling.

   Leadership Team: Olubukola “Bukie" Amusan
   Lolade O Abanum
   Ugochukwu Onyema Abanum

Municipality	Targeted Industry	AI Technology	AI Outcome	Bonus Award	Total Award
Newark	Finance and Insurance	Learning and Adaptation	Improved Efficiency	$200,000	$400,000

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
24	6	30/38

3. **Proposed Business:** FinLink AI

FinLink AI is an AI-native SaaS platform that leverages machine learning, predictive analytics, and generative AI to intelligently match donors with students and scholarship opportunities. At its core, the platform is built on a continuously trained philanthropic intelligence database that aggregates and learns from donor behavior, funding patterns, and user profiles to enhance matching accuracy and predictive outcomes over time. Designed for nonprofits and educational institutions, the platform automates campaign management through AI-generated outreach, engagement tracking, and real-time performance dashboards that measure and optimize fundraising impact to make philanthropic funding more efficient, transparent, and data-driven.

Leadership Team: Jonathan Dexter Albert
Samuel Noel
Rachel Theka

Municipality	Targeted Industry	AI Technology	AI Outcome	Bonus Award	Total Award
New Brunswick	Information & High Technology	Data Driven Insights	Novel Product or Service	$200,000	$400,000

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
23	6	29/38

4. **Proposed Business:** Bump Labs

Bump is developing an AI-native communication platform within the information technology industry, designed to unify and intelligently manage messages across email, Slack, SMS, and meetings. The platform uses a learning system that structures communication data such as intent, tone, and urgency to organize, prioritize, and automate communication tasks, helping teams work faster and more efficiently. The platform aims to provide a secure, scalable foundation for AI-driven communication, serving to power modern enterprise collaboration and intelligent workflow execution.

Leadership Team: Jacob Solano
Soham Sachin Kulkarni
Vinit Shah

Municipality	Targeted Industry	AI Technology	AI Outcome	Bonus Award	Total Award

Jersey City	Information Technology	Natural Language Processing	Novel Product or Service	$150,000	$350,000

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
21	7	28/38

5. **Proposed Business:** VerdeLab

VerdeLab is building an AI-native SaaS platform transforming medical image analysis within the life sciences industry, supporting biomedical research, biotechnology, and clinical diagnostics. The platform enhances how research teams process, analyze, and interpret imaging data through real-time collaboration, automation, and adaptive AI model training to address major inefficiencies in data management, consistency, and integration across research environments. The platform allows users to easily apply and customize AI models for specialized imaging tasks such as 3D segmentation, quantitative analysis, cell counting, and diagnostic support. Built as a secure, cloud-based solution, it provides scalable infrastructure that improves productivity, accuracy, and innovation across the life sciences ecosystem.

Leadership Team: Weiming He
Hadis Gharacheh
Lei Hao

Municipality	Targeted Industry	AI Technology	AI Outcome	Bonus Award	Total Award
Newark	Life Science	Data Driven Insights	Improved Efficiency	$200,000	$400,000

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
20	6	26/38

Appendix B: NJIF AI Cohort Discretionary Declinations

1. **Proposed Business:** Singularity AI

Declination Reason: The application did not score sufficiently high relative to other applications in the competitive review.

Leadership Team: Weiming He
Hadis Gharacheh
Lei Hao

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
20	6	26/38

2. **Proposed Business:** Intention AI Labs

Declination Reason: The application did not score sufficiently high relative to other applications in the competitive review.

Leadership Team: Yash Maheshwari
Faiz Mohammed Hasanuzzaman
Daniel Neshay Patton

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
19	6	25/38

3. **Proposed Business:** AgentiCUE

Declination Reason: The application did not score sufficiently high relative to other applications in the competitive review.

Leadership Team: Elisa Anna Charters
Franco German Anicama
Jozef Konrad Janosko
Davetivo Weaver

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
19	6	25/38

4. **Proposed Business:** Your Numbers LLC

Declination Reason: The application did not score sufficiently high relative to other applications in the competitive review.

Leadership Team: Oluwabusayo Sarah Faseru
Soffiyat Adebusola Lawal
Oluwatobi Agbejimi

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
20	3	23/38

5. **Proposed Business:** AIgnite Labs

Declination Reason: The application did not score sufficiently high relative to other applications in the competitive review.

Leadership Team: Barbara Magnaye
Janice Dube
Peter Badenhop

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
20	3	23/38

6. **Proposed Business:** SparkFlow Corp

Declination Reason: The application did not score sufficiently high relative to other applications in the competitive review.

Leadership Team: Barbara Magnaye
Janice Dube
Peter Badenhop

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
18	3	21

7. **Proposed Business:** Lily Parking

Declination Reason: The proposed AI solution solely supports or supplements business operations and does not lead to improved efficiency or novel product/service creation

Leadership Team: Paulina Candelejo
Teresa Candelejo
Edgard Balmore Martinez Montoya

NJIF Competitive Scoring Rubric	AI Innovation Scoring Rubric	Total Score
NA	NA	NA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: Utilization of FY26 Main Street Appropriation & Reallocation of Funding

Summary:

The Members' approval is requested to:

1. Utilize $4 million identified in the Fiscal Year 2026 State Budget Appropriation Act (P.L. 2025, c. 74) for the Main Street Recovery Finance Program to fund additional grant approvals for the Small Business Lease Grant (SBLG) and Small Business Improvement Grant (SBIG) with 40% set aside for grants to businesses located in Opportunity Zone eligible census tracts. A 5% administrative fee totaling $200,000 will be deducted from the $4 million to cover the costs needed for the Authority to administer both products.

2. Reallocate a total of $9,716,494.48 from Main Street Recovery Finance Program products that are either closed or overfunded to fund additional grant approvals for the SBLG and SBIG as follows:
   - $1,260,696.54 from the Main Street Lenders Grant (closed)
   - $2,904,086.69 from the Main Street Micro Business Loan (closed)
   - $5,000,000.00 from the Main Street Acquisition Support Grant
   - $551,711.25 from the New Jersey Asset Activation Planning Grant

3. Utilize the above funding, which totals $13,516,494.48 once the administrative fee is deducted, to fund grant approvals as follows:
   - $2,703,298.90 allocated to the SBLG
   - $10,813,195.58 allocated to the SBIG

Background:

On August 11, 2021, the NJEDA Board approved creation of the Small Business Lease Grant (SBLG) and Small Business Improvement Grant (SBIG) and utilization of $50 million of Main Street Recovery Finance Program funds to capitalize the products, with 40% of the total funding set aside for grants to businesses located in Opportunity Zone eligible census tracts. The SBLG offsets a portion of annual lease payments for small businesses leasing between 250-10,000 square feet of new or additional space. The SBIG reimburses 50% of eligible project costs for building improvements and/or the purchase of new furniture, fixtures and equipment, not to exceed $50,000.

Due to consistent demand for the products, the Board subsequently approved additional funding in December 2022, October 2023, June 2024 and May 2025. Total funding approved to date for both programs is $116,052,500 with $46,421,000 set aside for Opportunity Zones. Exhibit A provides a recap of all approvals through September 2025.

Both the SBLG and SBIG are high volume products with thousands of applications submitted annually. As of September 2025, SBLG approvals exceed $22.8 million and average 14 new applications a week. SBIG approvals exceed $76.4 million and average 25 new applications a week.

The Main Street Recovery Finance Program appropriation for Fiscal Year 2026 is $4,000,000. Exhibit B illustrates all NJEDA Main Street Recovery Finance Program products and their respective funding, balances and pending application activity through September 2025. Currently, pending applications for the SBLG nearly exceed, and for the SBIG exceed, the remaining funds available, demonstrating the need for additional funding. Therefore, it is requested that the total $4 million Fiscal Year 2026 appropriation be allocated to fund SBLG and SBIG approvals.

Other pilot products established under the Main Street Recovery Finance Program are the Main Street Lenders Grant approved by the Board on February 9, 2021, Main Street Micro Business Loan approved on November 10, 2021, and Main Street Acquisition Support Grant approved on February 7, 2024. The Lenders Grant and Micro Business Loan products were made available for 3 years from launch and closed on May 5, 2025, and October 5, 2025, respectively. The Lenders Grant has a remaining balance of $800,000 after making 14 approvals, since this program is closed, staff can no longer take applications. There was $460,696.54 recently returned by lenders that were unable to deploy the funding within the three-year compliance period, leaving $1,260,696.54 in unused funding. In the future, there may be additional funds that will be recaptured as more awardee compliance periods expire. The Micro Business Loan has a remaining balance of 2,904,086.69 of unutilized funds due to awardees either withdrawing or not closing on their loan.

The Main Street Acquisition Support Grant has been open for one full year. In the 12 months since its launch, approvals are at $655,982 with an average of 1-2 applications a week. It is estimated that only $5 million of the total $10 million approved to capitalize the product will be needed to allow the program to remain open for the maximum of three years established by the board memo. Therefore, it is requested that a total of $9,164,783.23 from these products be reallocated to fund SBLG and SBIG approvals.

The NJ Asset Activation Planning Grant, a pilot product, was approved by the Board on March 12, 2022, and initially funded through the Main Street Recovery Finance Program. The product promotes the State Economic Plan goals by providing grants of up to $50,000 for pre-development planning projects that will activate distressed and under-utilized public assets and benefit their communities and the regional economy. The program has made available three rounds of grants offering over $2 million in funding for planning activities that facilitate development of the target assets. As of September 2025, the Board approved staff the ability to use $300,000 of the $851,711.25 balance that is available to offer a fourth round of the New Jersey Asset Activation Planning Grant Program. Therefore, it is requested that the remaining balance of $551,711.25 be allocated to fund SBLG and SBIG approvals since this product was initially funded through the Main Street Recovery Finance Program.

With this approval, the total allocation to fund grant approvals for the SBLG would be $31,630,798.90 and SBIG would be $97,938,195.58. The combined total set aside for Opportunity Zones would be $47,941,000. All program requirements and regulations for SBLG and SBIG, which are found at N.J.A.C. 19:31E-1.1 et seq., remain unchanged.

The requested additional funding and reallocation is necessary to enable staff to continue to meet the public demand for these products. The allocations to SBLG and SBIG help to ensure each product remains funded throughout the majority of 2026. With these additional funds, NJEDA can continue to accept applications, thereby maintaining our commitment to support small businesses throughout New Jersey, especially during a time of economic uncertainty and when small businesses need to be assured there are resources to support their needs.

Recommendation:

The Members are asked to approve:

1. Utilize $4 million identified in the Fiscal Year 26 State Budget Appropriation Act from the Main Street Recovery Finance Program (P.L. 2023, c.74) to fund additional grant approvals for the Small Business Lease Grant (SBLG) and Small Business Improvement Grant (SBIG) with 40% set aside for grants to businesses located in Opportunity Zone eligible census tracts. Utilize an additional 5% administrative fee in the amount of $200,000, from the $4 million to cover the costs needed to administer both products.

2. Reallocate a total of $9,716,494.48 from products that are closed or overfunded to fund additional grant approvals for the SBLG and SBIG.
   - $1,260,696.54 from the Main Street Lenders Grant
   - $2,904,086.69 from the Main Street Micro Business Loan
   - $5,000,000.00 from the Main Street Acquisition Support Grant
   - $551,711.25 from the New Jersey Asset Activation Planning Grant

3. Utilize the remaining $13,516,494.48 for grant approvals as follows:
    - $2,703,298.90 allocated to the SBLG
    - $10,813,195.58 allocated to the SBIG

____
Tim Sullivan, CEO

Prepared by: Holly Morgan, Team Lead
Maggie Peters, Director Small Business Services

Exhibit A – SBLG & SBIG Funding Approved through September 2025
Exhibit B – Main Street Recovery Finance Program Product Summary

Small Business Lease Grant & Small Business Improvement Grant
Funding Approved Through September 2025

Date	Approved By	Funding Requested	Cumulative for SBLG & SBIG 8/11/2021-5/13/2025			
			Total Approved	OZ Set-aside	Administrative Cost	Temporary Staff
8/11/2021	Board	$25 million of Main Street Recovery Finance Program funds to capitalize SBIG ($15M) and SBLG ($10m) w/delegated authority to CEO to increase funding up to $30 million.	$25,000,000	$10,000,000	$750,000	$500,000
10/4/2022	Delegated Authority	Additional $25 million to supplement SBIG ($15m) and SBLG ($10M)	$50,000,000	$20,000,000	$1,500,000	$500,000
12/21/2022	Board	$15 million of Main Street Recovery Finance Program funds for SBIG w/delegated authority to CEO to increase funding up to $30 million	$65,000,000	$26,000,000	$1,950,000	$1,000,000
10/12/2023	Board	$1 million of Main Street Recovery Finance Program funds to cover SBIG and SBLG continued temporary staffing costs	$65,000,000	$26,000,000	$1,950,000	$2,000,000
4/25/2024	Delegated Authority	Additional $15 million to supplement SBIG	$80,000,000	$32,000,000	$2,400,000	$2,000,000
6/12/2024	Board	$27,950,000 balance of FY24 Main Street Recovery Finance Program funds for SBIG ($20m) and SBLG ($6,552,500)	$106,552,500	$42,621,000	$3,797,500	$2,000,000
5/13/2025	Board	Utilization of FY25 Main Street Appropriation (10 million)	$116,052,500	$46,421,000	$4,297,500	$2,000,000

New Jersey Economic Development Authority
Main Street Recovery Finance Program Product Summary

Main Street Products	Board Approved	Approvals	Approved Amount	Balance of Funding	Applications Under Review	Under Review Amount	Board Approval	Product Launch
Small Business Lease Grant	$ 28,927,500.00	896	$22,657,183.76	$ 6,270,316.24	139	$5,291,481.88	August of 2021	10/20/2021
EDA Admin Fee	$ 600,000.00							
Temp Funding	$ 250,000.00							
Total	**$ 29,777,500.00**							
Small Business Improvement Grant	$ 87,125,000.00	2,894	$ 75,346,814.21	$ 11,778,185.79	350	$12,110,754.11	August of 2021	2/10/2022
EDA Admin Fee	$ 3,697,500.00							
Temp Funding	$ 1,750,000.00							
Total	**$ 92,572,500.00**							
Main Street Lenders Grant (Closed/Reconciling Balances)	$ 22,500,000.00	14	$ 20,200,000.00	$ 2,300,000.00	1	$ 1,500,000.00	February of 2022	5/26/2022
EDA Admin Fee	$ 675,000.00							
Temp Funding	$ -							
Total	**$ 23,175,000.00**							
Main Street Micro Business Loan (Closed)*	$ 20,000,000.00	411	$ 19,993,056.80	$ 6,943.20	0		September of 2022	10/6/2022
EDA Admin Fee	$ 600,000.00							
Temp Funding	$ 1,000,000.00							
Total	**$ 21,600,000.00**							
Main Street Micro Business Loan (Closed)*	$ 28,300,000.00		$ 69,667,038.00	$ 2,947,143.49	0	$ -	September of 2022	10/6/2022
EDA Admin Fee	$ 849,000.00						May of 2023	
Temp Funding	$ -							
Total	$ 28,375,000.00	544	$ 25,427,856.51	$ 2,947,143.49				
Total for MBLs	**$ 72,625,000.00**	1466	$ 69,667,038.00					
Main Street Acquisition Support Grant	$ 10,000,000.00	21	$ 655,982.31	$ 9,344,017.69	26	$ 969,033.85	February of 2024	10/1/2024
EDA Admin Fee	$ 500,000.00							
Temp	$ 500,000.00							
Total	**$ 11,000,000.00**							
Small Business Liquor License Grant (Not Launched/In Progress)	$ 10,000,000.00						November of 2024	Hasn't launched yet
EDA Admin Fee	$ 500,000.00							
Temp	$ -							
Total	**$ 10,500,000.00**							
E-commerce Technical Assistance	**$ 10,000,000.00**	666	$5,222,680.91	$ 4,777,319.09	0	$0.00	12/21/2022	2/24/2023
Total of funds allocated to products	**$ 227,000,000.00**	**6368**	**$193,542,755.99**	**$ 37,423,925.50**	**516**	**$19,871,269.84**		

Total Main Street Appropriation	**$ 231,000,000.00**
Allocated to Fund Approvals	$ 216,078,500.00
Allocated to EDA Admin Fees	$ 7,421,500.00
Allocated to Temps	$ 3,500,000.00
Balance	**$ 4,000,000.00**

*Main Street Micro Business Loan separated into funding approved in two separate Board actions.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 12, 2025

SUBJECT: Board Approval of NJ BASE Program Parameters

Request:

The Members of the Board are requested to approve the following components of the New Jersey Business Acceleration and Soft Landing Ecosystem (NJ BASE) program.

1. Approval of the NJ BASE program including its core objectives, costs, recruitment strategy for international companies, as well as offering completely subsided space for a limited period of time to participants paid for by NJEDA, as a core program tenet.

2. Delegation of authority to the NJEDA CEO to make individual approvals and non-discretionary declinations of program applicants in accordance with requirements contained herein.

3. No application fees for NJ BASE because it is a pilot program that will be in effect for three years, and based on the nature of the program to recruit international companies to ensure barrier-free access to the U.S. market allowing for competitiveness with other states, and due to the program's operation by a third party which is fully funded which shall not add additional costs.

Background:

In June 2025, the Board approved the RFP and lease of the New Jersey Business Acceleration and Soft Landing Ecosystem (NJ BASE), an NJEDA-led initiative to serve as a landing pad for international companies scaling their operations in the United States. NJ BASE is designed to attract foreign companies by offering free, high-quality co-working space, targeted business support services, and a Business Immersion Program (BIP) that connects participants with New Jersey's innovation ecosystem and market opportunities. The NJEDA program will be managed by SOSA USA LLC, as a third-party operator selected through a competitive RFP process, supported by New Jersey ecosystem partners to guide strategy, market integration, and impact measurement. SOSA will make recommendations, and final decisions will be made by NJEDA.

In September 2025, members approved the award of the New Jersey International Landing Center Contract, 2025-RFP-252 to SOSA USA LLC, to serve as the Operator for the New Jersey Business Acceleration and Soft Landing Ecosystem (NJ BASE) for one (1) three (3) year term valued at $2,352,000 following a process led by NJEDA Procurement.

Purpose

NJ BASE was created following conversations with entrepreneurs abroad seeking office space to access the U.S. beyond options in New York. NJ BASE provides a dedicated "landing pad" for foreign companies in New Jersey wishing to enter the U.S. market. Overseen by NJEDA and managed by a third-party operator, NJ BASE is in a key location in Jersey City next to public transportation, near global markets, and will accommodate between 12 and 20 companies, based on a ranking and application process to be undertaken by all participants, as noted herein, bound by the limitations of the NJ BASE leased space. The NJ BASE location includes 12 private offices (each with two desks) and an additional 12 desks in the open workspace, allowing for a total capacity of up to 36 individuals from participating companies. Given this capacity, the inaugural BASE cohort will be comprised of 12 companies, with each company allotted up to three workspace seats. If one or more of the 12 selected companies elects to bring fewer representatives, the remaining space will be offered to the next highest scoring applicants, providing them the opportunity to join the cohort and utilize the available workspace, up to a maximum of 20 companies. The EDA has full discretion on placement of participating companies in the office space.

Foreign direct investment (FDI) has proven to be a key tool for economic growth in New Jersey over the past eight years. Since the beginning of the Murphy Administration, New Jersey has seen over $13 billion of FDI enter the state, leading to several thousand jobs. NJ BASE enables more companies to enter New Jersey, leading to more investment, jobs, and innovation which can help accelerate growth across the entire state's economy. This program will also allow New Jersey to remain competitive with other U.S. states which are offer programs and incentives to attract FDI.

SOSA will guide companies into the U.S. market from New Jersey by creating and managing the Business Immersion Program (BIP), leading on marketing materials, leveraging their global network for participant recruitment, and relying on the NJEDA's fully subsidized rent initiative within NJ BASE to offer space at no cost for at least one year to the participating companies. A personalized program plan will be developed for each participating company, tailored to its stage of growth and industry sector, ensuring that the support provided is relevant and impactful. Leveraging the event space of the building being used for NJ BASE, NJEDA will also create an ecosystem and programming around the participating companies to support economic growth with assistance from SOSA including integration of other NJEDA programs. Together, this will lead to sustained growth of foreign companies in the state for years to come while attracting more interest in New Jersey from other foreign markets.

<u>Program Overview:</u>
The program will be executed in cooperation with the chosen Operator, SOSA LLC USA, which will assist in the creation of a Guidebook consistent with the program specifications detailed in this memo that will be approved by NJEDA . The Guidebook shall outline daily operating and management procedures of the program. SOSA will manage the BIP which will have monthly programs requiring participants to join at least once per month. The contents of the BIP will be included in the Guidebook. NJEDA will maintain final authority on all matters of NJ BASE with daily management overseen by SOSA.

SOSA will act in their capacity to attract, grow, and guide companies for expansion into New Jersey in order to access the U.S. market from leased Authority space in Jersey City.

<u>Recommendation:</u>

The Members of the Board are requested to approve:

1. Approval of the NJ BASE program including its core objectives, costs, recruitment strategy for international companies, as well as offering completely subsided space for a limited period of time to participants paid for by NJEDA, as a core program tenet.

2. Delegation of authority to the NJEDA CEO to make individual approvals and non-discretionary declination of program applicants in accordance with requirements contained herein.

3. No application fees for NJ BASE because it is a pilot program that will be in effect for three years, and based on the nature of the program to recruit international companies to ensure barrier-free access to the U.S. market allowing for competitiveness with other states, and due to the program's operation by a third party which is fully funded which shall not add additional costs.

Tim Sullivan, CEO

Attachment: Appendix A - NJ BASE Parameters and Guidebook

Appendix A
NJ BASE Parameters and Guidebook

<table>
<tr><th colspan="2">Proposed Program Specifications
October 30, 2025</th></tr>
<tr><td>Role of Operator</td><td>SOSA shall provide ongoing assistance to BIP Participants to ensure daily operations run smoothly, including programming, connectivity with NJEDA programs, external events, relations with external stakeholders, benchmarking, daily office oversight with reporting to NJEDA, applicant selection process and criteria, communications management, and other roles as set forth in their RFP process and as mandated by NJEDA.

Using the global networks of SOSA, NJEDA, and external partners, the Operator shall identify, recruit, and conduct an application process to populate NJ BASE with appropriate participants with the goal of supporting the New Jersey's economic growth. This process will be supported by SOSA with full NJEDA approval and declination of participants.</td></tr>
<tr><td>Participant Selection Criteria:</td><td>The NJ BASE initiative, led by NJEDA in collaboration with the SOSA, aims to attract and select top-tier international startups to establish operations in New Jersey. The overarching goals of the selection process are:

1. Generating high-quality applications by reaching innovative technology companies across global ecosystems.
2. Selecting the best companies through a structured and data-driven evaluation framework that identifies the most promising candidates aligned with New Jersey's economic priorities.
3. Ensuring a fair and transparent process, with clearly defined criteria, documented scoring, and NJEDA oversight at all decision-making stages.

This process supports NJEDA's mission of stimulating innovation-driven economic development and strengthening the state's global reputation as a hub for emerging technologies and entrepreneurship.

SOSA will leverage its established application and evaluation methodology to ensure the rigorous, objective, and transparent selection of companies for the NJ BASE program in accordance with the requirements contained herein. The process comprises the following stages:

1. <u>Media and Outreach:</u> A comprehensive marketing and outreach campaign will be launched through SOSA's international network and relevant media channels. These include targeted digital campaigns, partnerships with startup hubs, accelerators, trade missions, and press releases coordinated with NJEDA's communications team. The goal is to drive qualified traffic to a dedicated</td></tr>
</table>

	NJ BASE landing page and encourage eligible startups to apply. All marketing, communications, and public relations activities will be developed and executed in close coordination with NJEDA's communications and marketing teams to ensure full alignment with the Authority's brand, messaging, and strategic objectives. Promotion of NJ BASE will include social media engagement and public engagement to ensure a fair and equal opportunity for companies to apply. 2. <u>Landing Page and Application Form</u>: Applications will be collected through a dedicated landing page on the EDA website, designed to communicate program details clearly and guide companies through a seamless submission process. A frontage website will be created by SOSA that will drive applications to the website on the NJEDA server. Applicants will complete a structured online form and upload supporting materials, such as pitch decks, product demos, investor information, and other relevant documentation, to provide a comprehensive overview of their business. To enhance the completeness and reliability of applicant data, SOSA may use third-party databases for data enrichment where relevant. This may include verifying company details, funding history, market activity, and other performance indicators that contribute to a robust, data-driven evaluation. All scoring results, evaluator notes, and company rankings will be documented and securely maintained as part of the official program records, ensuring traceability, consistency, and accountability throughout the evaluation process. These materials will be maintained by NJEDA consistent with the handling of all state data and per the Evaluation and Scoring section herein. The NJ BASE application will collect key information in the following categories: 1. <u>General Company Details</u>: year founded, country of incorporation, office locations, number of employees, primary industry. 2. <u>Founders and Team</u>: founder profiles, relevant professional experience and background. 3. <u>Product & Market Data</u>: product description and value proposition, commercialization stage, business model, target customers, market size, client pipeline, competitive differentiation. 4. <u>Traction & Performance</u>: funding raised, investors, partnerships, intellectual property, patents, key customers. 5. <u>Financial Data</u>: capitalization, revenue performance, financial runway, and growth projections.

	6. <u>NJ BASE–Specific Information</u>: rationale for applying, expected outcomes, and plans for U.S. and New Jersey market expansion.
Company Evaluation and Scoring	1. <u>Applications Management</u>: All applications will be managed through a Customer Relationship Management (CRM) system maintained by SOSA, with data shared with NJEDA. Applications will be held in cohorts with deadlines for participants to apply. Each submission will be logged, verified, and scored according to the evaluation rubric (see below), ensuring systematic documentation and transparency at every stage. Applicants will be screened for disqualifying factors at the onset of the application process including a risk assessment, detailed herein. 2. <u>Compliance</u>: Once a risk assessment is completed, the initial application process must be completed. Following this, all applicants who pass selection shall be given provisionary approval until mandatory NJEDA program requirements are complete, as confirmed by NJEDA. This includes New Jersey business registration and tax clearance certification and other documents mandated for all NJEDA programs. Full approval shall not be granted until the license agreement and grant agreement are signed by participants, with NJEDA final approval being given as the final step. Applicants will be given 30 days to complete mandated NJEDA documentation to advance beyond provisional approval status and may request an extension with NJEDA approval to complete mandated documents. 3. <u>Evaluation and Scoring</u>: SOSA will apply a standardized rubric to score applicants across quantitative and qualitative parameters. SOSA will comply with all state conflict of interest regulations including the execution of an evaluator conflict of interest form. Any SOSA personnel that are managing SOSA investments or other revenue generating partnerships with startups, will not be involved in the evaluation of BASE applicants, or the day-to-day operations of the center. Applicants shall also be provided an option during their application to confirm if they are party to a conflict of interest. Should a conflict of interest exist, an alternative group of evaluators shall complete the process from NJEDA. 4. <u>Interviews</u>: Interviews will be conducted by two members of SOSA's evaluation team to assess key qualitative dimensions such as leadership and management capabilities, market readiness, and strategic commitment to establishing a U.S. presence in New Jersey. Scoring evaluation final approval will be given NJEDA. The interview process shall be consistent between all applicants with all transcripts and data stored by NJEDA.

	5. <u>Recommendations to NJEDA</u>: Upon completion of interviews and due diligence, SOSA will submit a comprehensive recommendation report to NJEDA. The report will include application data, scoring results, qualitative evaluation summaries, and a proposed shortlist of companies with justifications for each recommendation. 6. <u>Final Selection by NJEDA</u>: NJEDA retains full and final authority to approve, reject, or request additional evaluation of any company based on SOSA's recommendations and alignment with the state's priorities within one week of the deadline for a program cohort. Upon being selected, applicants will receive a uniform approval letter from NJEDA and delivered by SOSA indicating acceptance into the program.

Evaluation Rubric

Evaluation criteria will be based on measurable and transparent indicators to ensure objectivity and alignment with NJEDA's goals. The proposed rubric and weightings include the following categories:

Category	Sub-category	Points
Strategic Reasoning Behind Expansion	Clarity and logic behind expansion rationale (why, the US, why now, and why specifically NJ)	10
	Maturity of expansion plans (business plans, market feasibility studies, hiring plans, etc)	5
Business Strength & Performance	Adequate capitalization and access to funding	10
	Financial performance and growth trajectory	10
	Notable clients, pilots, or partnerships that demonstrate market traction	10
Product & Technology Advantage	Key competitive advantage and differentiation	10
	Depth and uniqueness of technology or intellectual property	5
Team	Founding team's track record and relevant sector experience	10
	Plans for which roles/team members will participate in BASE	5
Market Potential	Is the total addressable market (TAM) in the U.S. clearly defined and significant	5
	Alignment with New Jersey's priority industries	10
Motivation & Persuasiveness	Level of effort and thoughtfulness in the application	5
	Quality of presentation materials (pitch deck, videos, etc)	5

Cohorts may include criteria tailored to its specific goals. These criteria will be defined and agreed upon jointly with NJEDA prior to marketing each cohort.

Disqualifying Criteria

1. Applying participant must have an international headquarters, defined as a company's primary office located outside of the borders of the United States.

2. Applicant is in violation of U.S. Federal laws including those under the U.S. Department of the Treasury and the Office of Foreign Assets Controls (OFAC).

3. A security risk evaluation shall be conducted on all applications managed by NJEDA at the onset of the application process. Failure to pass this evaluation shall result in disqualification.

	4. Product or prototype is not commercially available. 5. Applying participant's product or service does not support the English language. 6. An applying participant already has a presence in the U.S., except for a different subsidiary or business line. 7. Specialized space beyond the standard office space provided by NJ BASE is required, such as a laboratory, manufacturing facility, production site, warehouse, or distribution center. 8. Activities which may violate the terms of the license agreement and grant agreement, to be signed by all Participants, which governs regulations set forth by the landlord and program requirements.
Legal	Participation in the NJ BASE program will be governed by formal agreements executed between NJEDA and the selected companies. Each participating company will sign a license agreement and grant agreement outlining their use of space and acceptance of NJ BASE program terms.
Communication and Events	1. <u>Events</u>: The Operator shall be responsible for planning and managing events, tours, networking opportunities, and other opportunities to connect participants to the business, investor and banking community in and around New Jersey. 2. <u>NJEDA Engagement</u>: NJEDA shall have a constant and regular role in briefing companies and introducing them to NJEDA programs and other Authority related opportunities, such as strategic discussions and events, 3. <u>Communication</u>: The Operator shall also be responsible for marketing materials, a communications strategy, and other media engagement, including social media, to promote NJ BASE, recruit participants, and showcase the program and its BIP cohorts for internal and external use, including NJEDA usage.
Guidebook	The Operator shall be responsible for collaborating with NJEDA on the creation of the NJ BASE Guidebook, subject to Authority approval and support at the initiation of the Contract. This Guidebook shall be based on the program parameters, as included herein, to include the daily functions, responsibilities, plans, rules, metrics, and all necessary parameters of the NJ BASE program at an operational level to fulfill the program. Upon Authority approval under the delegated Authority to the Chief Executive Officer, this Guidebook shall be submitted to Members.
Orientation	Participants go through an orientation process set by SOSA where they become familiar with NJ BASE facilities, policies, resources and expectations. The details of the orientation process and its goals will be detailed in the Guidebook.
Benefits and Rent Limitations	Participants to NJ BASE will be offered a total rental subsidy (free space), for one year maximum , to accommodate a small number of staff estimated between one to three people. The subsidy is paid

	for under NJEDA's budgetary allocation for the NJ BASE program and is subject to its lease agreement with the landlord, as well as a subsequent license agreement to be signed by all participants. Participants will be evaluated monthly to ensure program adherence until one full year is reached, per a grant agreement to be signed by all participants under the authority of NJEDA. Participants shall be evaluated monthly and will adhere to terms set for their usage of space offered in the NJ BASE program. Participants may be offered an extension of their time based on Authority approval and the recommendation of the Operator, however they will be required to reapply to NJ BASE. Participants may exit the premises early, based on criteria to be set forth by the Authority with recommendation from the Operator, which shall be enshrined in the NJ BASE Guidebook.
Completing the BIP	The Operator is required to propose a Graduation Policy outlining the process by which Participants complete their term in the NJ BASE Business Immersion Program (to be detailed in the Guidebook). Participants are expected to complete the full duration of their assigned cohort as will be defined in the License and Grant Agreements. The Operator, in collaboration with NJEDA and SOSA, will establish clear procedures and criteria for graduation and potential renewal. Upon completion of the first year, a Participant may request to remain in the program for a second year by reapplying through the same eligibility and selection process. No Participant may remain in the NJ BASE program for more than two years in total.

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan, CEO

Date: November 12, 2025

Subject: Activation, Revitalization, and Transformation Program – Phase II – Appeal – Asbury Park Music Foundation ("Applicant" or "APMF")

On May 8, 2024, the NJEDA Board approved the utilization of $15 million in appropriated federal funding from the American Rescue Plan (ARP) through the Fiscal Year 2023 Budget Appropriations Act (P.L. 2022, c.49) identified as Arts Support and Placemaking to fund a second round of awards for the Activation, Revitalization, and Transformation (A.R.T.) Program Phase II – Public Space Activation Product. The A.R.T. Program Phase II was designed to help revitalize commercial corridors that were negatively impacted by reduced commuter traffic due to COVID. The loss of vital customer traffic during the pandemic impacted all of New Jersey, but especially those municipalities with major transit hubs. The A.R.T. Program Phase II aimed to proactively address those economic impacts by investing in projects that would attract residents and talent, enable business creation, and build amenities that enhance downtowns.

Eligible applications were scored by the NJEDA Scoring Committee, composed of three reviewers, on a Scale of 0 – 100 points, with award recommendations limited to applications that meet or exceed the minimum requirement of 65 points. On November 21, 2024, the Authority received APMF's application via the online portal established for application submission along with supporting documentation. APMF's application received a score of 64.00, which was below the minimum required score, and they were among the applications declined for that reason in the Board's action on August 18, 2025.

APMF's appeal focused on the low score awarded by reviewers to Question #2 which pertains to the applicant's site use and access; and Question #5b which pertains to how the applicant's project will activate vacant or underutilized space post-Covid. With respect to Question #2, they argued that they demonstrated site use and access and that the application did not require supporting documentation. The Hearing Officer found that this argument fails and supporting documents were required. As such, the Hearing Officer recommends upholding the score for this scoring criteria.

With respect to Question #5b, they argue that one of the reviewers awarded a score of zero (0) because the site was not vacant and failed to consider the underutilization of the site, as required by the program. Here, the Hearing Officer agrees with the applicant that the reviewer who awarded zero points failed to consider the underutilization of the space. As such, the Hearing Officer recommends that this specific score of zero to criteria # 5b be remanded for a rescore by the relevant scorer.

I reviewed the attached Hearing Officer's report, along with the appeal of Asbury Park Music Foundation, and I concur with the Hearing Officer's recommendation.

As part of the remand, I am requesting delegated authority to decision the application following the rescore. Delegated authority is appropriate in this circumstance because of the limited impact of the rescore. The range of potential scores for Question #5b by this reviewer is 0-10, and that reviewer's score is averaged with the existing score of the two other reviewers for that question. This would result in a potential new overall score between 64.00 - 67.3. The lowest awarded score was 75.00. As such, as a result of the rescore, the application will either be declined again as not meeting the minimum score, or be declined as meeting the minimum score but not ranking high enough among all the scored applications to receive an award under the program due to the limited funds available.

Tim Sullivan, CEO

To: Tim Sullivan, CEO

From: Marcus J. Saldutti, Esq., Hearing Officer

Date: November 12, 2025

Subject: PROD-00317769 - Hearing Officer's Recommendation as to the Asbury Park Music Foundation's appeal of its decline for participation in the Activation, Revitalization, and Transformation Program – Phase II

Request

It is requested that the New Jersey Economic Development Authority ("NJEDA" or "Authority") Board members ("Board") adopt the Hearing Officer recommendation to uphold in part and remand in part the scoring of Asbury Park Music Foundation's ("Applicant" or "APMF") application to receive a grant from the Activation, Revitalization, and Transformation Program – Phase II ("Program"). As requested, I served in the role of Hearing Officer to independently review this appeal.

Record Assembled

Asbury Park Arts Music Foundation Program Application

Declination Letter from NJEDA

Asbury Park Music Foundation Appeal Letter

Reviewers' Score Sheets

NJEDA Board Memorandum of Program Creation and Scoring Criteria

Application Checklist

Sample Application

Issues:

Applicant is appealing the low scores awarded by the reviewers to question #2 of the application which pertains to the applicant's site use and access. The response to this question is determinative of the entity's ability to use, or obtain permission to use, the site for the purposes described in the project. Applicants are awarded seven (7) points if they demonstrate site use and access, and zero (0) points if otherwise. In this case the applicant was awarded zero points from each of the three reviewers.

Applicant is also appealing a low score it received for question #5b, which pertains to how the applicant's project will activate vacant or underutilized space post-COVID. Applicants were awarded scores from zero (0) to ten (10), based on the level of detail and quality of their argument. The applicant notes the incongruity of the scores it received, which were 8, 7, and 0, with the lowest scorer's rationale being that the park was not vacant.

Previous Action and Appeal

The Program will disburse $15,000,000 in funding, in amounts ranging between $100,000 and $500,000 to address the impact of COVID-19 in 31 selected municipalities throughout the state to support the creation of public space activation initiatives, such as place making projects, public art installations, and arts-based projects within 1.5 miles of an active passenger rail or light rail station operating within those municipalities.

Eligible applications were scored by the NJEDA Scoring Committee on a Scale of 0 – 100 points, with award recommendations limited to applications that meet or exceed the minimum requirement of 65 points. Projects must be completed, and all grant award funding must be expended by December 31, 2026.

On November 21, 2024, the Authority received the application via the online portal established for application submission along with supporting documentation. There was no documentation uploaded that demonstrated site use and access.

On September 5, 2025, the applicant received a declination letter from the NJEDA noting that the applicant's score did not receive the required minimum score of 65 points from the scoring committee. In order to be eligible for an award under this program, an application had to receive a score of at least 65 points to be eligible for funding as per the board approved program memo and specifications. The letter further indicated the right to appeal the decision within 10 business days of receiving the email, which the applicant did timely submit on September 19, 2025.

The applicant obtained the reviewers' scoring sheets from the NJEDA and their appeal requests the NJEDA to reconsider the scoring of the application regarding the site use and access category for which they were awarded zero points by each of the three reviewers, who uniformly noted the lack of documentation supporting site use and access. The applicant also argues that the score of zero awarded by one of the reviewers to the utilization question was flawed in that the Program's qualifying projects include those involving the activation of both underutilized and vacant spaces.

In sum, the applicant's appeal consists of two points, which are:

• **Site Use & Access Issues:** APMF claims they demonstrated clear site use and access for their concert series, having secured permissions from the City of Asbury Park since 2016. They argue that the reviewers' scoring was improper, as the lack of uploaded documentation was not mandatory.

• **Concerns About Underutilized Space:** The appeal highlights that the scoring for activating vacant or underutilized spaces was inconsistent, with APMF asserting that they should not have received a zero score since their spaces are underutilized and were not required to be vacant.

The applicant also contends that higher scores would have made them eligible for funding since they would only need one additional point to reach the minimum score of 65 to qualify for the Program.

The applicant’s appeal fails for the reasons discussed below.

Hearing Officer’s Analysis

To succeed in an appeal the applicant must demonstrate that the Authority acted arbitrarily, capriciously, unreasonably, or against the great weight of the evidence. An administrative agency's final quasi-judicial decision will be sustained unless there is a clear showing that it is arbitrary, capricious, or unreasonable, or that it lacks fair support in the record." *In re Herrmann*, 192 N.J. 19, 27-28 (2007). The party challenging the administrative action bears the burden of making that showing. *Lavezzi v. State*, 219 N.J. 163, 171 (2014).

The applicant did not demonstrate to any degree deficiencies with the Authority’s issuance of this declination based on applicant’s failure to submit required supporting documentation.

Applicant notes for question 2, regarding site use and access, they were informed on the application the following*: “If you would prefer to upload a document with your response to this question, please do so below.*” The applicant argues that *“prefer”* is not mandatory in that the response to this question did not require the submission of supporting documents and they should not have received zero points for failing to upload site use and access documentation.

The applicant’s argument fails as it relies on a misreading of the application’s requirements. The Application Checklist made available as a part of the application specifically states as follows:

> “Please demonstrate the ability to obtain site control through ‘…Executed documents such as: (signed by both parties) lease, deed, permits, Ordinance showing approval, rental agreement, Board memo, City Ordinance, Letter of Agreement, MOU, Letter of Intent or similar document between owner of site/space and applicant organization detailing terms of usage.’”

Similar language is included on the application itself, the general requirement being submission of supporting documents which is also followed by examples. The online application for this question specifically reads as follows:

> “If you already have access to the project site or if you have started the process of obtaining site access, please use the upload button to include any and all documentation from relevant entities, demonstrating that you have permission and access to the proposed project site for the specified timeframe of the project. For example, if you own the site, show proof of ownership; if the municipality owns the site, show permission to use the site.”

As noted above, the applicant only partially cites language from the online application’s instructions and is therefore inaccurate. Those instructions to which the applicant refers read, in full: *“If you would prefer to upload a document with your response to this question, please do so below and write “Response in Upload” in the box above.”* The *“box above”* refers to the text box wherein an applicant can enter a narrative describing site use and access. The instructions refer to the applicant’s ability to upload a document with the site use and access narrative as a response to the question, in lieu of entering the response into the text box. It does not in any way obviate the requirement of uploading the supporting site use and access documentation.

The applicant also takes issue that the scoring for this question is all or nothing, with scores of 7 or 0 being the only options for the reviewers. This makes sense in that the applicant either uploaded the required supporting documents evidencing site use and access, for which they would get a score of 7 or they did not, for which they would get a score of 0 - as was the case here.

Applicant notes for question 5b, regarding utilization, that one of the reviewers awarded it a score of 0, because the site was not vacant. Applicant takes issue with this rationale, noting the grant pertains to both vacant and underutilized properties, arguing that the low scoring reviewer did not consider the underutilization characteristic of the park and instead based their score entirely on the lack of site vacancy. This is indeed true - the Program contemplates activation of both underutilized and vacant spaces. On this issue the applicant prevails. It appears the reviewer who awarded zero points failed to consider the possibility of the space being underutilized as opposed to vacant, which was made part of this criteria. In fact, the scoring criteria in Exhibit A of the Board memo establishing this Program reads, in pertinent part, as follows:

> **b. Activate vacant or underutilized space post-COVID.** The activation of vacant or underutilized spaces can include but is not limited to facilities, classrooms, production areas, galleries, exhibition and performance spaces, public and private buildings, or parts of buildings, public or private empty/vacant lots or parcels; streets, blocks and/or neighborhoods; public spaces such as parks, playgrounds, or arts installations that have been impacted by COVID.

There is no question that parks are within the purview of the Program, and their underutilization is required to be considered. The Hearing Officer recommends that this specific score of zero to criteria 5b be remanded for a rescore by the relevant scorer consistent with this opinion and for program staff to issue a revised updated scoring.

Conclusion

In considering the assembled record and based upon the above analysis, I conclude that there was a sufficient basis for the scoring of criteria #2 regarding site use and access as the applicant failed to supply the required proof of site use and access, demonstrated by the submission of supporting documentation, which the applicant failed to do. In addition, the Program indeed contemplates the activation of both vacant and underutilized space.

Recommendation

The hearing officer's recommendation is to uphold the scoring for question #2 pertaining to site use and access and remand to the relevant scorer for a rescore of question #5b regarding the utilization, consistent with this opinion.

Sincerely,

Marcus J. Saldutti, Esq.

Marcus J. Saldutti, Esq.
Hearing Officer

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan, CEO

Date: November 12, 2025

Subject: Activation, Revitalization, and Transformation Program – Phase II – Appeal – Asbury Park Arts Council ("Applicant" or "APAC")

On May 8, 2024, the NJEDA Board approved the utilization of $15 million in appropriated federal funding from the American Rescue Plan (ARP) through the Fiscal Year 2023 Budget Appropriations Act (P.L. 2022, c.49) identified as Arts Support and Placemaking to fund a second round of awards for the Activation, Revitalization, and Transformation (A.R.T.) Program Phase II – Public Space Activation Product. The A.R.T. Program Phase II was designed to help revitalize commercial corridors that were negatively impacted by reduced commuter traffic due to COVID. The loss of vital customer traffic during the pandemic impacted all of New Jersey, but especially those municipalities with major transit hubs. The A.R.T. Program Phase II aimed to proactively address those economic impacts by investing in projects that would attract residents and talent, enable business creation, and build amenities that enhance downtowns.

Eligible applications were scored by the NJEDA Scoring Committee, composed of three reviewers, on a Scale of 0 – 100 points, with award recommendations limited to applications that meet or exceed the minimum requirement of 65 points. On November 25, 2024, the Authority received APAC's application via the online portal established for application submission along with supporting documentation. APAC's application received a score of 72.00, which was above the minimum required score, but did not rank high enough among all the scored applications to receive an award under the program due to the limited funds available, and they were among the applicants declined for that reason in the Board's action on August 18, 2025.

APAC's appeal focused on the low score awarded by reviewers to Question #2 which pertains to the applicant's site use and access. They argued that their documents provided in support of this question were sufficient to fulfill the requirement and award the available points for that scoring criteria. The Hearing Officer found that the supporting documentation does not confer any right to the applicant for the use of the proposed project site and does not detail terms of usage, as required.

I reviewed the attached Hearing Officer's report, along with the appeal of Asbury Park Arts Council, and I concur with the recommendation that the declination of its application be upheld based on their scoring.

____
Tim Sullivan, CEO

To: Tim Sullivan, CEO

From: Marcus J. Saldutti, Esq., Hearing Officer

Date: November 12, 2025

Subject: PROD - 00317794 - Hearing Officer's Recommendation as to the Asbury Park Arts Council's appeal of its decline in the Activation, Revitalization, and Transformation Program – Phase II

Request

It is requested that the New Jersey Economic Development Authority ("NJEDA" or "Authority") Board members ("Board") adopt the Hearing Officer recommendation to uphold the Board's declination of Asbury Park Arts Council's ("applicant" or "APAC") application to the Activation, Revitalization, and Transformation Program – Phase II ("Program"). As requested, I served in the role of Hearing Officer to independently review this appeal.

Record Assembled

Asbury Park Arts Council Program Application

Declination Letter from NJEDA

Asbury Park Arts Council Appeal Letter

Reviewers' Score Sheets

Madison Marquette Letter of Support (Madison Asbury Retail)

Asbury Park Letter of Intent

NJEDA Board Memorandum of Program Creation and Scoring Criteria

Application Checklist

Sample Application

Issue:

Applicant is appealing the low scores awarded by the reviewers to question #2 of the application which pertains to the applicant's site use and access. The response to this question is determinative of the entity's ability to use, or obtain permission to use, the site for the purposes described in the project. Applicants are awarded seven (7) points if they demonstrate site use and access, and zero (0) points if otherwise. In this case the applicant was awarded zero points from each of the three reviewers.

<u>Previous Action and Appeal</u>

The Program will disburse $15,000,000 in funding, in amounts ranging between $100,000 and $500,000 to address the impact of COVID-19 in 31 selected municipalities throughout the state to support the creation of public space activation initiatives, such as place making projects, public art installations, and arts-based projects within 1.5 miles of an active passenger rail or light rail station operating within those municipalities.

Eligible applications were scored by the NJEDA Scoring Committee on a Scale of 0 – 100 points, with award recommendations limited to applications that meet or exceed the minimum requirement of 65 points. Projects must be completed, and all grant award funding must be expended by December 31, 2026.

On November 25, 2024, the Authority received APAC's application via the online portal established for application submission along with supporting documentation, which included the following items relevant to the applicant's ability to use the site or obtain permission to use the site; these included a letter of intent with the City of Asbury Park signed by both Mayor John Moore and APAC Executive Director, Carrie Turner and a letter from Gary Mottola, the President of Madison Asbury Retail, the developer in control of the site via a 99-year lease with the city.

This letter, while indicating the developer's interest in participating in the project, also indicated that the developer "…maintains the right to use the spaces for commercial, recreational, and entertainment purposes, and any other use in which they have been historically used." It should be noted that this letter was sent unilaterally by the developer to the applicant and does not provide a space for applicant's countersignature. The letter does not confer any right to the applicant for the use of the proposed project site and does not detail terms of usage, as required.

On September 5, 2025, the applicant received a declination letter from the NJEDA noting that the applicant's score did not rank high enough among all the scored applications to receive an award under this program due to the limited funds available. The letter further indicated the right to appeal the decision within 10 business days of receiving the email, which the applicant did timely submit on September 18, 2025.

The applicant obtained the reviewers' scoring sheets from the NJEDA and requested the Authority reconsider the scoring of the application, particularly regarding the site use and access category for which they were awarded zero points by all three reviewers, who each noted that the letter from the developer was not signed by both parties. The applicant argues that the lack of a countersignature on the letter from the developer should not have resulted in a score of zero, as it does not align with the guidance materials or scoring criteria provided by NJEDA. In sum, the applicant's appeal consists of two points, which are:

• **Inconsistent scoring criteria:** The applicant claims that the guidance materials do not explicitly require dual signatures for site access documentation, only that the applicant demonstrates the ability to use the site. They assert that the existing documentation meets this requirement.

• **Documentation sufficiency:** The applicant highlights that the site access letter from the developer confirms permission for site use, fulfilling the requirement, and that a signed Letter of Intent with the City of Asbury Park further supports their application. They also argue that the absence of their signature was a clerical oversight.

The applicant's appeal fails for the reasons discussed below.

Hearing Officer's Analysis

To succeed in an appeal the applicant must demonstrate that the Authority acted arbitrarily, capriciously, unreasonably, or against the great weight of the evidence. An administrative agency's final quasi-judicial decision will be sustained unless there is a clear showing that it is arbitrary, capricious, or unreasonable, or that it lacks fair support in the record." *In re Herrmann*, 192 N.J. 19, 27-28 (2007). The party challenging the administrative action bears the burden of making that showing. *Lavezzi v. State*, 219 N.J. 163, 171 (2014). The applicant did not demonstrate to any degree deficiencies with the Authority's issuance of this declination.

Applicant argues the guidance materials are not explicit in requiring dual signatures for site access documents and that the applicant is only required to demonstrate ability to use the site; however, the Application Checklist made available as a part of the application specifically states as follows:

> "Please demonstrate the ability to obtain site control through '…Executed documents such as: (signed by both parties) lease, deed, permits, Ordinance showing approval, rental agreement, Board memo, City Ordinance, Letter of Agreement, MOU, Letter of Intent or *similar document between owner of site/space and applicant organization detailing terms of usage.*'" (emphasis added).

Similar language is included in the application itself. The general requirement is the submission of "Executed documents" followed by examples, which, to come into force and effect, require execution. Some of these examples are self-executing, requiring no further action, such as deeds, ordinances showing approval, and permits. Others can only come into force and effect if executed by both parties. Such examples include leases, rental agreements, MOUs, and Letters of Intent.

The letter from the developer neither makes any promise to the applicant nor confers any right to access. This is confirmed by the lack of detail related to terms of usage, as required by the program. The letter cannot be read to mean anything other than the developer's interest in participating in the project should it go forward, which interest being freely revokable at any time at the developer's will, and indeed the letter provides no place for the applicant to sign and execute anything. One can argue that had the applicant signed the letter then the reviewers might have awarded the seven points, but that is purely hypothetical and not relevant to this analysis as the broader requirement is the demonstration of site control or the ability to obtain site control with executed documents. Here, there was no executed document provided that the reviewers could consider in making a site use and access determination.

The applicant also argues the developer's letter confirms permission to use the site and that the Letter of Intent with the City of Asbury Park, which owns the site and is signed by both parties, is sufficient to support the application. Again, the developer's letter confers no rights to the applicant. In fact, the letter iterates the developer's control of the site by virtue of a 99-year lease with the city.

The applicant's argument that the lack of its signature on the developer's letter was the result of a clerical oversight is immaterial to this analysis and is not worthy of further consideration.

Conclusion

In considering the assembled record and based upon the above analysis, I conclude that applicant's scoring was sufficient and in line with program requirements. Applicant has not identified any grounds justifying the overturning of its declination based on scoring or that the Authority otherwise acted arbitrarily, capriciously or unreasonably. The Program requires proof of site control or the ability to obtain site control. The unilateral letter from the developer is clearly non-binding, does not detail terms of usage as required, and fails as a result thereof.

Furthermore, the letter was not executed by both parties, which had it been signed by the applicant, could arguably have influenced the reviewers to award points as being sufficient to demonstrate the ability to obtain site control; however, the developer's letter was clearly not intended to be an executed instrument and any argument that the reviewers would have awarded points had it been signed by the applicant is purely speculative.

Recommendation

The hearing officer's recommendation is to uphold the Board's decline of this application.

Sincerely,

Marcus J. Saldutti, Esq.

Marcus J. Saldutti, Esq.
Hearing Officer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: The Atlantic City Sewerage Company. PROD-00321879

PROJECT USER: Same as applicant

PROJECT LOCATION: Various locations throughout Atlantic City, Atlantic County, New Jersey

APPLICANT BACKGROUND:

The Atlantic City Sewerage Company. ("ACSC"), a wholly owned subsidiary of SR Utility Holding Corp., was founded in 1888 and incorporated in 1890 to lay, operate and improve the sanitary sewerage system for the City of Atlantic City. ACSC is a privately-owned, public utility corporation that owns and operates a wastewater collection system that is comprised of approximately 100 miles of sewers and seven pumping stations with a combined capacity of 50 million gallons a day. This system services approximately 7,700 customers in its franchised area of Atlantic City. The actual sewerage treatment is provided by the Atlantic County Utilities Authority. The Company's rates for its customers are subject to the jurisdiction of the New Jersey Board of Public Utilities.

This project qualifies as an Exempt Public Facility- Sewage project under Section 142(a)(5) of the IRS Code and therefore is exempt from the $20 million capital expenditure limitation under Section 144 of the Code.

OTHER NJEDA SERVICES:

PROD: 157463 Stand-Alone Bond for $6,000,000, Closed 12/29/2008, Status: Closed/Compliance Monitoring
PROD: 167883 Stand-Alone Bond for $8,000,000, Closed 12/17/2010, Status: Closed/Compliance Monitoring
PROD: 179756 Stand-Alone Bond for $6,000,000, Closed 12/30/2014, Status: Closed/Compliance Monitoring
PROD: 152415 Stand-Alone Bond for $5,000,000, Closed 8/21/2018, Status: Closed/Compliance Monitoring
PROD: 129277 Refunding Bond for $3,000,000, Closed 8/21/2018, Status: Closed/Compliance Monitoring
PROD: 302085 Stand-Alone Bond for $7,000,000, Closed 6/24/2022, Status: Closed/Compliance Monitoring

PROD: 086310 Stand-Alone Bond for $3,400,000, Closed 8/12/1983, Status: Ended/Completed
PROD: 088429 Stand-Alone Bond for $5,500,000, Closed 12/23/1991, Status: Ended/Completed
PROD: 129811 Stand-Alone Bond for $6,000,000, Closed 11/27/1998, Status: Ended/Refunded
PROD: 131421 Refunding Bond for $3,655,000, Closed 6/27/2002, Status: Ended/Completed
PROD: 131417 Stand-Alone Bond for $2,040,000, Closed 6/27/2002

No compliance issues have been reported for the bonds.

APPROVAL REQUEST:

Preliminary Approval was received September 10, 2025. This project is being presented for Final Approval.

Authority assistance will enable ACSC to finance the reconstruction, rehabilitation, remediation, upgrade and expansion of various sections and components of the Applicant's sanitary sewer system required to meet the needs and demands of Atlantic City, while maintaining the environmental integrity of the region. Proceeds of the bond will also pay for the costs of issuance of the Bonds.

FINANCING SUMMARY:

BOND PURCHASER: Fulton Bank

AMOUNT OF BOND: $9,000,000

TERMS OF BOND: 20-Year Term, 20-Year Amortization
Monthly payments of principal and interest
Interest Rate / Call Options:
Floating Rate: Tax exempt equivalent of the 30-Day Term SOFR plus 135 basis points. Purchaser has the option to call the bond at the end of ten years if SWAP not selected.
Swap Option: Applicant has the option to enter an interest rate SWAP for a portion or the entire loan amount. A fixed rate will be offered for either five, seven or ten years. The call option will be commensurate with the fixed rate option.

ENHANCEMENT: N/A

PRODUCT COSTS:

Renovation of Existing Building	$515,000.00	Upgrade Equipment	$180,000.00
Construction of New Building or Addition	$2,335,000.00	Environmental Investigation & Remediation	$2,604,000.00
Construction of Roads, Utilities, Etc.	$2,805,000.00	Interest During Construction	$250,000.00
Finance Fees	$185,000.00	Architectural/Engineering Fees	$420,000.00
Legal Fees	$100,000.00	New Equipment	$706,000.00

TOTAL COSTS: $10,100,000.00

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
38	38	0	14

PUBLIC HEARING: 9/10/2025

BOND COUNSEL: McCarter & English

DEVELOPMENT OFFICER: Brian Timberman

UNDERWRITER OFFICER: Angela Kiel

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: November 12, 2025

SUBJECT: Request for Approval of Real Estate Project Delivery Methods (#PROD-00228010)

Request

I request the Members approve the following delivery methods:

1. Self-performing Construction Manager (CM) with or without a Guaranteed Maximum Price (GMP)
2. Design-build with or without a GMP

Background

In 2001, the Members authorized the CM, with or without a GMP, project delivery method. The Real Estate Development (RED) team has successfully solicited, managed, and maintained numerous real estate projects for the Authority and the State using this method.

The CM delivery method is executed at the cost of the work plus a fee and includes the following:

- Oversight of the construction
- Entering into subcontracts that are competitively bid to complete the work
- If selected as the Authority's option, provides a GMP for the work (i.e., cost of the work plus a fee, with a GMP)

The GMP designation allocates the project cost to the CM, with the exception of Owner precipitated changes or design errors or omission. In addition, depending upon the completeness of the design/construction documents and the reconciled cost estimates prepared separately by the design team and the CM, the Authority may opt to enter into a contract for the cost of the work plus a fee without a GMP, referred to as "Cost Plus."

Historically, RED has issued a project specific request for qualifications (RFQ) solicitation, and then a subsequent request for proposal (RFP). However, this process has the potential to extend the procurement timeframe of a CM thus increasing the overall development schedule. To mitigate this in 2025, the Authority has used existing lists of pre-qualified firms established and maintained by the Department of Treasury's Division of Property Management and Construction (DPMC) for projects with funding expenditure deadlines. Use of DPMC's list has resulted in successful procurement of firms, but respondent turnout was lower than expected.

Given the successful use of the DPMC's pre-qualified firms' approach and no established CM list existing at the Authority, the Executive team has directed the RED and the Procurement teams to create a pre-qualified list of firms. This may be completed through one or more solicitations.

In developing the pre-qualified list of firms, the RED and Procurement teams are tasked with creating a list that provides the most flexibility to undertake various projects at differing levels of existing planning and design. In contemplating this, the RED team proposes adding two (2) additional project delivery methods: self-performance and design-build.

In self-performance, the CM can directly perform all or a portion of the work, including specialized tasks, using the CM's own labor pool. This method can streamline the schedule and enhance coordination between the Owner and CM, providing better control over work quality. However, the disadvantage is that this method can increase the CM's liability, as they are acting as a General Contractor. Given this, firms that have experience as a self-performing CM or as a General Contractor will be eligible to be pre-qualified in this category.

Self-performance would likely be established as a not to exceed percentage of the work in the RFP for a specific project. The Authority's existing contract permits the use of Self-Performance, but has not been utilized to date. Upon approval of this method, the Authority could elect to set a percentage in this section for future solicitations. It should be noted that self-performance can be incorporated into a cost plus or GMP delivery method.

In a design-build process, the design and construction phases are combined into a single contract. The Owner would select a CM who presents a design-build team to complete the project from start to finish, resulting in a streamlined procurement process and depending upon, the size, cost and technical difficulties included in the project, potentially faster completion time because of the integrated design and construction. However, this method gives the owner less control over the design process and reduces competition among contractors, which could lead to higher costs. This method can be incorporated into a cost plus or GMP delivery method.

In addition, depending upon the complexity of the project, The Authority may still need to procure an architectural and engineering team to develop bridging documents that will be used in the solicitation for a CM. The time to develop bridging documents can be reduced if the bridging document is prepared by Authority staff, is provided under existing contract, or is developed by the Authority's project partner.

While there are examples of firms that perform both CM and design-builder services, due to the differences between the delivery methods and the agreement structures, the Authority may elect to create separate lists of pre-qualified firms for each delivery method. The Authority may also elect to pursue an alternate project delivery method with a firm through standard procurement procedures.

Selection of a Delivery Method

Upon board approval of these additional delivery methods, the RED staff will develop an internal Standard Operating Procedure (SOP) for the selection of the approved delivery method for a specific project scope prior to issuance of an RFP. This SOP will be developed by the RED team and will be presented to the Executive team for approval. The RED team will not use the self-performance or the design-build delivery methods until the Executive team approves the SOP.

Summary of Delivery Methods

Upon the Members approval, RED will be authorized to use the following construction project management delivery methods:

- Cost of the Work Plus a Fee without a GMP (cost plus)
- Cost of the Work Plus a Fee with a GMP (at-risk)
- self-performance with or without a GMP
- design-build with or without a GMP

Recommendation

I request the Members approve the following construction manager delivery methods:

1. self-perform CM with or without a GMP
2. design-build with or without a GMP

Tim Sullivan, CEO

Prepared By: John Benigno, PE
Assistant Director - Real Estate Development

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 12, 2025

RE: New Jersey Bioscience Center
Ninth Amendment to the PILOT Other Matters with North Brunswick Township PROD-00227998

Summary

I ask the Members to approve the Ninth Amendment ("Ninth Amendment") to the Agreement Concerning Payment in Lieu of Taxes and Other Matters dated June 3, 1996 ("PILOT Agreement") between the Authority and the Township of North Brunswick ("Township") for the New Jersey Bioscience Center ("NJBC"). The Amendment will:

- Establish the tax assessment for buildings 1 through 4
- Establish a uniform PILOT rate for NJBC tenants of $5.641 per square foot for the calendar year 2026
- Cap the annual increase in PILOT for the following four calendar years (January 1, 2026 through December 31, 2030) at the lesser of the increase in the applicable Township tax rate or two percent (2%) of the prior year's rate

Background

In April 1996, the Members approved the initial PILOT Agreement for NJBC (formerly known as the Technology Centre of New Jersey) with the Township of North Brunswick. Since 1996, the Members have approved eight amendments to the PILOT Agreement.

In the Fall of 2024, the Real Estate Division engaged Office of the Attorney General (OAG) and an appraiser to assist in negotiating the terms of the Ninth Amendment to the PILOT Agreement. Staff communicated with the Township's tax assessor and attorney on several occasions, which resulted in the following proposed Ninth Amendment to the PILOT Agreement commencing January 1, 2026 and ending December 31, 2030:

- The annual PILOT per square foot that will be charged the tenants will be based on the assessment of the existing buildings (Buildings 1-4). Building 5 is excluded because it is vacant unfinished shell. The calculations of the assessment and the proposed annual PILOT rate per square foot for 2026 and subsequent years are included in Exhibit A which is attached to this memo. In the future, any new building developed at the NJBC will be assessed consistent with current real estate tax law and the NJBC's assessment and PILOT will be adjusted accordingly.

- The annual PILOT increase will be capped at the lesser of: two percent (2%) of the prior year's square foot rate, or the Township's actual tax rate applied to the assessment and divided by the NJBC's rentable square feet.

- Commencing in 2026, the annual tax rate will change mid-year, consistent with the real estate tax rate is updated by the Township.

The proposed Ninth Amendment will yield the following positive results:

- The PILOT Agreement dollar per square foot rate will be based on the tax assessment for Buildings 1 through 4, which is consistent with the requirement of EDA's enabling act which provides that an Authority tenant must pay a PILOT that is equivalent to "taxes on real and personal property. . . which [tenant] would have been required to pay had it been the owner of such property." N.J.S.A. 34:1B-15.

- All current and future tenants will pay a uniform rate irrespective of which building is currently occupied or will be occupied.

Because the PILOT is an obligation of the tenants and not the Authority, each tenant must approve the Ninth Amendment. If a tenant does not agree, the tenant would be subject to paying an amount equal to the property taxes based on the Township's actual tax rate. The Authority will not execute the Ninth Amendment unless and until it receives written agreement from the applicable tenants.

The following tenants will not be required to approve the Ninth Amendment: tenants within the Incubator at North Brunswick ("Incubator") and the Step-Out Labs at North Brunswick in Building 4 second floor ("Step-Out"), all of which have executed or will execute gross leases which include PILOT payments. Accordingly, the cost of any annual increase in PILOT payments for these tenants will be borne by the Authority as the landlord.

The PILOT for the Incubator and Step-Out space will be calculated based on the rentable square feet using the actual common area factor.

Attached as Exhibit B to this memo is the proposed Ninth Amendment to the PILOT Agreement which has been approved by the Township.

Recommendation

I request the Members approve the Ninth Amendment to the PILOT Agreement with the Township as described above and the attached Exhibits, and to make all other changes necessary to carry out this transaction on terms acceptable to the Chief Executive Officer and the Attorney General's Office.

Tim Sullivan, CEO

Prepared by: Brian Keenan, Senior Project Manager

Attachments

Exhibit A: Calculation of Assessment, 2026 Tax Rate, and 2026-2030 Tax Rate estimates

Exhibit B: Ninth Amendment to Agreement Concerning Payment In Lieu of Taxes and Other Matters

Exhibit A

NEW JERSEY BIOSCIENCE CENTER PILOT AGREEMENT
CALCULATION OF ASSESSMENT, 2021 TAX RATE, AND 2022-2025 TAX RATE ESTIMATES

-------------------DRAFT IN PROCESS----------------

Exhibit B

NINTH AMENDMENT TO AGREEMENT CONCERNING PAYMENT IN LIEU OF TAXES AND OTHER MATTERS

This Ninth Amendment to Agreement Concerning Payment in lieu of Taxes (this "**Ninth Amendment**") made as of this 31st day of December, 2025, by and between the Township of North Brunswick (the "**Township**"), a municipality of the State of New Jersey, with offices at 710 Hermann Road, North Brunswick, New Jersey 08902, and the New Jersey Economic Development Authority (the "**EDA**"), an instrumentality of the State of New Jersey, with offices at 36 West State Street, Post Office Box 990, Trenton, New Jersey 08625 (being hereafter collectively referred to as the "**Parties**").

WITNESSETH

WHEREAS, the EDA is the owner of the New Jersey Bioscience Center (formerly known as the Technology Centre of New Jersey) (the "**Center**"), which is located in North Brunswick Township and is designated as Block 194, Lot 28.01 on the North Brunswick Tax Map; and

WHEREAS, the EDA continues to develop the Center as an economic development project by leasing space at the Center. Private sector tenants ("**Tenants**") who lease space at the Center are required by New Jersey statute to make payments in lieu of taxes ("**P.I.L.O.T**."); and

WHEREAS, the Parties entered into an Agreement Concerning Payment in Lieu of Taxes (the "**P.I.L.O.T. Agreement**") dated June 3, 1996, which establishes a method for calculating P.I.L.O.T. owed by Tenants in connection with their occupancy of leased space at the Center: and

WHEREAS, the Parties entered into an Amendment to Agreement for the calendar years 2000 to 2002, inclusive; and

WHEREAS, the Parties entered into a Second Amendment to Agreement for the calendar years 2003 to 2005, inclusive; and

WHEREAS, the Parties entered into a Third Amendment to Agreement for the calendar years 2006 to 2008, inclusive; and

WHEREAS, the Parties entered into a Fourth Amendment to Agreement for the calendar years 2009 to 2011 inclusive; and

WHEREAS, the Parties entered into a Fifth Amendment to Agreement for the calendar years 2012 to 2014, inclusive; and

WHEREAS, the Parties entered into a Sixth Amendment to Agreement for the calendar years 2015 to 2017, inclusive; and

WHEREAS, the parties entered into a Seventh Amendment to Agreement for the calendar years 2018 to 2020, inclusive; and

WHEREAS, the parties entered into an Eighth Amendment to Agreement for the calendar years 2021 to 2025, inclusive; and

WHEREAS, the Eighth Amendment to Agreement requires the Parties to renegotiate and enter into a revised agreement for the calendar years 2025 and thereafter; and

WHEREAS, the Parties, with the consent of each of the Tenants who pay P.I.L.O.T., have agreed upon a revised method for calculating P.I.L.O.T.;

NOW, THEREFORE, the Parties agree to amend, reaffirm and continue the P.I.L.O.T. Agreement as follows:

1. Paragraph 2 of the P.I.L.O.T. Agreement shall be amended by incorporating Exhibit A attached hereto and made a part hereof with the Tenants and P.I.L.O.T. rates for calendar years 2026, 2027, 2028, 2029 and 2030, subject to adjustment as provided therein.

2. P.I.L.O.T. are to be made by the Tenants, and the EDA will act as a collection agency transferring the P.I.L.O.T. monies from Tenants to the Township of North Brunswick. Payments are to be remitted to the Township in four (4) quarterly installments to be paid on or before April 10th, July 10th, October 10th and January 10th. Notwithstanding the foregoing, if a Tenant vacates any space during the term of this Agreement, then the P.I.L.O.T. for such Tenant shall be prorated to the date such Tenant vacates and until such space, or any part thereof, is leased to a new taxable Tenant, no P.I.L.O.T. will be due.

3. The Township reserves the right to assess Tenants' interest at the statutory rate (N.J.S.A. 54:4-67) for late payment of the P.I.L.O.T. EDA agrees to cooperate with the Township in identifying any Tenant who does not make timely P.I.L.O.T. payments.

4. For calendar year 2026 and subsequent years, assessment of P.I.L.O.T. for the buildings listed in Exhibit A will be set at mutually agreed upon amounts.

5. For new Tenants who occupy space in any of the existing buildings at the Center, the P.I.L.O.T. amounts for such Tenants will be based on the applicable P.I.L.O.T. rates determined in accordance with Exhibit A commencing on the date of occupancy of any such space.

6. EDA will make diligent efforts to collect the payments mentioned in Paragraph 1 above from Tenants and forward such payments to North Brunswick Township by the due dates in Paragraph 2. As used in this paragraph "diligent efforts to collect" does not mean declaring a Tenant to be in default under its lease or initiating legal action.

7. P.I.L.O.T. assessed under the P.I.L.O.T. Agreement (including the provisions of this Ninth Amendment) shall satisfy all of the ad valorem property tax obligations imposed upon the Center and shall be consistent with all applicable statutory standards. The Township shall share P.I.L.O.T. received under the P.I.L.O.T. Agreement (including the provisions of this Ninth Amendment) with the County of Middlesex and the North Brunswick Township Board of Education only if and to the extent so required under applicable state statutes.

8. The first payment under this Ninth Amendment is due on April 10, 2026.

9. If there is an approved reassessment or revaluation in the Township that becomes effective during the term of this Ninth Amendment, then the Parties agree that they will negotiate a revised P.I.L.O.T. that will be uniform, on a per square foot basis, for the buildings at the Center

and based on an agreed upon overall assessment.

10. Except as expressly amended herein, all of the provisions of the P.I.L.O.T. Agreement shall remain in full force and effect and are hereby ratified, renewed, confirmed and continued in their entirety. Terms used in this Ninth Amendment shall have the same meaning given to them in the P.I.L.O.T. Agreement.

IN WITNESS WHEREOF, the Township of North Brunswick and the New Jersey Economic Development Authority have each caused this Ninth Amendment to be duly executed in its name and behalf as of the date first above written.

<table>
<tr><td>ATTEST:</td><td>TOWNSHIP OF NORTH BRUNSWICK</td></tr>
<tr><td>______________________________
Name:_________________________
Title: _________________________</td><td>______________________________
Name: _________________________
Title: _________________________</td></tr>
<tr><td>ATTEST:</td><td>NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY</td></tr>
<tr><td>______________________________
Name:_________________________
Title: _________________________</td><td>______________________________
Name: _________________________
Title: _________________________</td></tr>
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<u>**Exhibit A**</u>
P.I.L.O.T. Agreement 2026 - 2030
New Jersey Bioscience Center – North Brunswick, New Jersey

(1) Building	(2) Tenant	Rentable Square Feet	(3) Jan 1, 2026 PILOT/s.f.	Total 1/1/26-6/30/26	Monthly Amount	(4) July 1, 2026 PILOT/s.f.	Total 7/1/26-6/30/27	Monthly Amount	(5) July 1, 2027 PILOT/s.f.	Total 7/1/27-6/30/28	Monthly Amount	(5) July 1, 2028 PILOT/s.f.	Total 7/1/28-6/30/29	Monthly Amount	(5) July 1, 2029 PILOT/s.f.	Total 7/1/29-6/30/30	Monthly Amount	(5) July 1, 2030 PILOT/s.f.	Total 7/1/30-12/31/30	Monthly Amount
Bldg I	Boehringer Ingelheim	75,674	$5.519	$208,822.38	$34,803.73	$5.629	$0	$0	$5.742	$434,520.12	$36,210.01	$5.856	$443,146.92	$36,928.91	$5.974	$452,076.48	$37,673.04	$6.093	$230,540.82	$38,423.47
Bldg II	Ascendia	59,558	$5.519	$164,350.32	$27,391.72	$5.629	$335,252.04	$27,937.67	$5.742	$341,982.00	$28,498.50	$5.856	$348,771.60	$29,064.30	$5.974	$355,799.52	$29,649.96	$6.093	$181,443.42	$30,240.57
Bldg III	Rutgers (exempt)	26,975	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bldg III	AIM Immunotech	5,210	$5.519	$14,377.02	$2,396.17	$5.629	$29,327.04	$2,443.92	$5.742	$14,957.94	$2,492.99	$5.856	$30,509.76	$2,542.48	$5.974	$31,124.52	$2,593.71	$6.093	$15,872.28	$2,645.38
Bldg III	vacant	7,135	$5.519	$19,689.06	$3,281.51	$5.629	$40,162.92	$3,346.91	$5.742	$40,969.20	$3,414.10	$5.856	$41,782.56	$3,481.88	$5.974	$42,624.48	$3,552.04	$6.093	$21,736.80	$3,622.80
Bldg III	Incubator (6)	34,469	$5.519	$95,117.22	$15,852.87	$5.629	$194,025.96	$16,168.83	$5.742	$197,921.04	$16,493.42	$5.856	$201,850.44	$16,820.87	$5.974	$205,917.84	$17,159.82	$6.093	$105,009.78	$17,501.63
Bldg III	NJEDA staff (2nd floor – exempt)	11,546	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bldg IV	MiRNA Scientific	14,662	$5.519	$40,459.80	$6,743.30	$5.629	$41,266.20	$6,877.70	$5.742	$84,189.24	$7,015.77	$5.856	$85,860.72	$7,155.06	$5.974	$87,590.76	$7,299.23	$6.093	$44,667.78	$7,444.63
Bldg IV	Sonder	12,251	$5.519	$33,806.64	$5,634.44	$5.629	$68,960.88	$5,746.74	$5.742	$70,345.20	$5,862.10	$5.856	$71,741.88	$5,978.49	$5.974	$73,187.52	$6,098.96	$6.093	$37,322.70	$6,220.45
Bldg IV	Step Out Labs (6)	29,954	$5.519	$82,658.04	$13,776.34	$5.629	$168,611.04	$14,050.92	$5.742	$171,995.88	$14,332.99	$5.856	$175,410.60	$14,617.55	$5.974	$178,945.20	$14,912.10	$6.093	$91,254.84	$15,209.14
Bldg V	vacant	24,203	$5.519		$0.00	$5.629		$0.00	$5.742		$0.00	$5.856		$0.00	$5.974		$0.00	$6.093		$0.00
TOTAL	(7)	301,637		$659,280.48	$109,880.08		$877,606.08	$76,572.69		$1,356,880.62	$114,319.88		$1,399,074.48	$116,589.54		$1,427,266.32	$118,938.86		$727,848.42	$121,308.07

(1) Bldg V is currently vacant.

(2) List of tenants as of June 1, 2025. Assuming 6 month vacancy for any lease term that ends prior to the end of this agreement (highlighted in gray), with the exception of bldg I where the assumption is for one year vacancy.

(3) The July 2025 PILOT/sf was calculated by multiplying the July 2024 tax rate of $6.336 posted on the township website by the two (2%) percent maximum increase to $6.463 per $100 of assessed value of $25,756,200; then dividing the product thereof ($1,664,623.21) by the total rentable area of 301,637 sf for a new rate of $5.519/sf. The July 2025 PILOT/sf, shall remain in effect until the July 2026 PILOT/sf is determined.

(4) Estimate only. When the tax rate is fixed in July 2026, the PILOT/sf, annual amount and monthly amount shall be recalculated in accordance with the formula in footnote (3) and will remain in effect until the July 2027 tax rate is determined. The monthly amount would also be revised accordingly commencing as of July 1, 2026. For example, if the July 2026 tax rate is determined to be $6.750 per $100 of assessed value, then the July 2026 PILOT/sf would be increased to $5.764/sf ($0.0675 x $25,756,200 = $1,738,543.50 / 301,637 sf). The monthly amount would also be revised accordingly, commencing as of July 1, 2027. Anything to the contrary notwithstanding, the increase, if any, in the PILOT/sf over the prior year shall not exceed two (2%) percent. Thus, the maximum increase in the PILOT/sf will be ($0.11), for a maximum total PILOT/sf of $5.629/sf.

(5) Estimate only. When the tax rate is fixed in July 2027 and subsequent years, the PILOT/sf, annual amount and monthly amount shall be recalculated in accordance with the formula in footnote (3) and will remain in effect until the tax rate for the subsequent year is determined. The monthly amount would also be revised accordingly commencing as of July 1, in each year. Anything to the contrary notwithstanding, the increase, if any, in the PILOT/sf over the prior year shall not exceed two (2%) percent.

(6) Estimate of rentable area for Incubator and Step Out Labs in January 1, 2025. Therefore, the actual P.I.L.O.T. for this space may vary.

(7) Total rentable square feet includes occupied space subject to P.I.L.O.T. payments and vacant/exempt space not currently subject to P.I.L.O.T. payments.

TOWNSHIP OF NORTH BRUNSWICK
RESOLUTION 311-10.25

Authorizing the Ninth Amendment to the Agreement with the New Jersey Economic Development Authority (EDA) Concerning Payment In Lieu Of Taxes and Other Matters

WHEREAS, the Township Council of the Township of North Brunswick ("Township") previously entered into an Agreement Concerning Payment In lieu of Taxes ("PILOT Agreement") with the New Jersey Economic Development Authority ("EDA") for property known as the New Jersey Bioscience Center (formerly the Technology Centre of New Jersey), designated as Block 194, Lot 28.01 on the North Brunswick Tax Map; and

WHEREAS, pursuant to N.J.S.A. 34:1B-15, the EDA is authorized to enter into agreements providing for payments in lieu of taxes for certain projects and leases; and

WHEREAS, Township officials and representatives for the EDA have negotiated a Ninth Amendment to the Agreement Concerning Payment In lieu of Taxes and Other Matters (the "Ninth Amendment"), which (i) updates the method for calculating PILOTs paid by private-sector tenants at the Center, and (ii) sets Tenant PILOT rates for calendar years 2026 through 2030 as set forth in Exhibit A to the Ninth Amendment; and

WHEREAS, under the Ninth Amendment, PILOT payments are to be remitted to the Township by the EDA in four (4) quarterly installments due on or before April 10, July 10, October 10, and January 10, with the first payment under the Ninth Amendment due April 10, 2026; and

WHEREAS, the Township Council finds it to be in the best interests of the Township to approve and execute the Ninth Amendment.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of North Brunswick, County of Middlesex, State of New Jersey, that:

1. The Ninth Amendment to Agreement Concerning Payment In lieu of Taxes and Other Matters between the Township and the EDA, is hereby approved and a copy is attached hereto and made a part hereof by reference.
2. The Mayor is hereby authorized to execute the Ninth Amendment on behalf of the Township, and the Township Clerk is authorized to witness and attest to the Mayor's signature and to take all other actions necessary to effectuate this Resolution.
3. All prior actions of Township officials and employees taken in furtherance of the Ninth Amendment are hereby ratified and confirmed.

Cavel Gallimore, Chief Financial Officer

Jason Sheets, Tax Assessor

TOWNSHIP OF NORTH BRUNSWICK
RESOLUTION 311-10.25

Justine Progebin, Business Administrator

Ronald Gordon, Esq., Township Attorney
Approved as to legal form

COUNCIL MEMBER	MOT	SEC	YES	NO	ABSENT	ABSTAIN
RICH					X	
HUTCHINSON		X	X			
MEHTA			X			
DAVIS			X			
SOCIO	X		X			
GUADAGNINO			X			

I hereby certify that the foregoing to be a true copy of a resolution, adopted by the North Brunswick Township Council at a meeting held on October 6, 2025.

Monica Orlando, RMC Deputy Municipal Clerk

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 12, 2025

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

The following projects were approved under Delegated Authority in October 2025:

Direct Loan Program:

1) Coastal Boat Sales, LLC (PROD-00320741), located in Brick Township, Ocean County, was formed in 2009 as a full-service marine dealership specializing in new and pre-owned boats, including customization, service, and financing. The NJEDA approved a loan up to $359,238.25 to purchase specialized equipment, such as bulkheading and a 20-ton travel lift for the marina. Currently, the Company has 14 positions and plans to create 2 new positions over the next two years.

2) Second Street Youth Center, Inc. ("SSYC") (PROD-00322345), located in Plainfield City, Union County, was formed in 1967 as a 501(c)(3) and incorporated in 1968. SSYC operates a multi-purpose not-for-profit organization to enhance community relations by providing activities for youth and adults in the Plainfield community. SSYC provides educational, social, athletic and recreational activities for children, parents, caretakers, guardians, and community residents, with the goal of providing opportunities for people to reach their full potential. Programs include accredited preschool, after school programs, child summer camp, family and community services (social services, financial literacy training, and financial resources). The NJEDA approved a $1,875,000 loan to purchase the project property. The Company currently has 45 employees.

Small Business Fund Program:

1) Anzalone & Scotto LLC ("A&S") (PROD-00319580), located in Hillsboro Township, Somerset County, is a real estate holding company formed in 2023 to purchase the project property. The operating company, Joe Family Pizzeria & Ristorante Inc., is a family-owned and operated Italian restaurant renowned for its authentic cuisine and strong community ties. Established in 2019, the restaurant has become a staple in the local dining scene, offering a menu inspired by the owner's Italian heritage and culinary experience. The restaurant operates as a BYOB venue, offering dine-in services, curbside pickup, catering, and accommodation for private parties. The NJEDA approved a loan up to $400,000 to pay off an existing mortgage. The Company currently has 6 employees and plans to create 6 new jobs within the next two years.

2) The Garden Childcare Center LLC ("GCC") (PROD-00322072) was formed in 2014 as a licensed childcare facility that provides full-time center-based childcare services for children from newborn to 13 years of age. GCC is fully licensed by the New Jersey Department of Children and Families to accommodate up to 20 children and participates in the NJ subsidized childcare program, making it accessible to families who qualify for financial assistance. GCC operates out of two locations in Clifton, NJ. The NJEDA approved a $477,000 loan to purchase the project property. Currently, the Company has 8 employees and plans to create 10 new positions over the next two years.

Tim Sullivan, CEO

Prepared by: G. Robins

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 12, 2025

SUBJECT: Post-Closing Incentives Delegated Authority Memo – 3rd Quarter 2025

(For Informational Purposes Only)

Since 2001, and most recently in April 2023, the members have approved delegations to staff for post- closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the Incentives Delegated Authority Modifications that were approved in the 3rd Quarter ending September 30, 2025.

Tim Sullivan, CEO

Prepared by: S. Greitz

ACTIONS APPROVED UNDER DELEGATED AUTHORITY

THIRD QUARTER ENDING September 30, 2025

GROW NJ ASSISTANCE PROGRAM

Recent amendments to the Grow NJ law allow businesses located outside enhanced areas or government-restricted municipalities to request to waive the 60% in-person at-work requirement at the Qualified Business Facility ("QBF"). To be eligible for the waiver, the business must agree that 1) incented full-time employees must be at the QBF at least 40% of the employees work time during each tax period, 2) the business must extend its commitment to the QBF by two years, and 3) a fee equal to 10% of the eligible maximum annual tax credit must be paid yearly.

Staff provided consent to approve such requests to waive for the following businesses:

Applicant	Modification Action	Approved Award
Hackensack Meridian School of Medicine	• Effective for the period beginning April 1, 2024, and all subsequent tax periods • The Commitment Duration Agreement has been extended from 2034 to 2036.	$16,937,500
Quest Diagnostic Incorporated	• Effective for the period beginning April 1, 2024, and all subsequent tax periods • The Commitment Duration Agreement has been extended from 2033 to 2035.	$18,593,750

Staff provided consent to approve the request to terminate the Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 for the following business:

Applicant	Termination Effective Year	Approved Award
Northeast Precast LLC	2021	$8,126,630

BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

Staff provided consent to approve the modification requests for the following business:

Applicant	Modification Action	Approved Award
CVS Pharmacy, Inc. and Caremark, LLC – P38368	• Reduction in award percentage from 60% to 55% due to the decrease of NEC from 250 to 41 effective December 31, 2023.	$5,961,313
Bracco Diagnostics, Inc. – P35150	• Amend the BEIP Agreement with a location change from 259 Prospect Plains Road, Building H, Clearbrook Park, Monroe Township to 510 Carnegie Center, Suite 300, Princeton effective November 1, 2024.	$1,652,138
Commvault Systems, Inc and Commvault Tinton Falls Urban Renewal LLC- P37286	• Reduction in award percentage from 80% to 75% due to the decrease of NEC from 161 to 43 effective December 31, 2023.	$7,206,000

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: November 12, 2025

SUBJECT: Post Closing Credit Delegated Authority Approvals for 3rd Quarter 2025
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the third quarter of 2025:

Name	**EDA Credit Exposure**	**Action**
Cooperative Business Assistance Corporation	$250,000 DIRLO	Extend loan maturity by 5 years allowing time to fully amortize the loan.
Bestwork Industries for the Blind, Inc.	$451,327 SLPPL	Extend loan maturity for 5 years in conjunction with a simultaneous extension from TD Bank.

Tim Sullivan, CEO

Prepared by: Nicole Torres and Mansi Naik

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan, CEO

DATE: November 12, 2025

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses for July 2025 - ***For Informational Purposes Only***

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in July2025:

LEASES

TENANT	LOCATION	TYPE	TERM	S.F.
Euprovita Biolabs	BSCI	Lease	One Year	1862
PolyGone Systems	BSCI	Lease	One Year	931
Enquyst	BSCI	Lease	One Year	1307

RIGHT OF ENTRY/LICENSES/EXTENSIONS
None for the Month of July

MISCELLANEOUS
None for the Month of July

Tim Sullivan, CEO