MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: October 9, 2025

SUBJECT: Agenda for Board Meeting of the Authority October 9, 2025

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Public Comment

Economic Transformation

Community Development

Authority Matters

Bond Project

Incentives

Board Memoranda

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 10, 2025

MINUTES OF THE MEETING

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

Members of the Authority present: Chairman Terry O'Toole, Public Members Charles Sarlo, Vice Chair; Phil Alagia, Massiel Medina Ferrara, Josh Weinreich, and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority present via Microsoft Teams or conference call: Aaron Creuz, Executive Representative; 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 Fred Dumont, and Robert Shimko, First Alternate Public Member.

Members of the Authority absent: Ex-officio Member Elizabeth Maher Muoio, State Treasurer and Public Member, Aisha Glover.

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 10:01 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan announced that notice of this meeting has been sent to the *Bergen Record*, the *Trentonian*, and the *Star Ledger* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the Department of State. Mr. Sullivan also 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 June 13, 2025 Board Retreat meeting minutes. A motion was made to approve the minutes by Mr. Weinreich, seconded by Ms. Antoine-Johnson, and approved by the twelve (12) voting members present.

The next item of business was the approval of the June 13, 2025 Executive Session Board Retreat meeting minutes. A motion was made to approve the minutes by Ms. Antoine-Johnson, seconded by Mr. Weinreich, and approved by the twelve (12) voting members present.

The next item of business was the approval of the August 18, 2025 special meeting minutes. A motion was made to approve the minutes by Mr. Alagia, seconded by Mr. Weinreich, and approved by the twelve (12) 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

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

Ms. Lisa Grega, President of Noble Valley Harvest Company, addressed the Board regarding the NJ Leaf Program and about eligibility of Angel Tax Credit businesses to be able to participate in Cannabis Grant Programs.

Dr. Alyza Brevard-Rodriquez, Owner, The Other Side Dispensary, addressed the Board regarding the Cannabis Industry.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from August 27, 2025.

AUTHORITY MATTERS

ITEM: EDA Annual Organization Meeting
REQUEST: To approve: (1) Election of a Vice Chair and Treasurer; (2) Appointment of Assistant Secretaries; (3) Committee appointments; (4) Reaffirmation of the Authority's Records Custodian and Assistant Records Custodian and reaffirmation of the Authority's Ethics Liaison Officer; (5) Reaffirmation of the Authority's Administrative Practice Officer and affirm the Deputy Administrative Practice Officer; and (6) Adoption of the Calendar of Meetings through September 2026.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

REAL ESTATE

ITEM: NJ BASE Operator – Recommendation of Award
REQUEST: To approve the award of the NJ Business Acceleration and Soft Landing Ecosystem (NJ BASE) Operator contract for a three-year term.
MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

COMMUNITY DEVELOPMENT

ITEM: Creation of NJ LEAF, the New Jersey Lending for Equity, Access, and Financing Pilot Program
REQUEST: To approve: (1) The establishment of the NJ LEAF Pilot Program, a three- year pilot program offering up funds in fixed asset and funds in working capital financing to eligible cannabis businesses in New Jersey licensed by NJ Cannabis Regulatory Commission; (2) the utilization of funds from the Economic Recovery Fund (ERF) to fund the NJ LEAF Pilot Program; and (3) delegation of authority to the CEO to approve individual applications under the NJ LEAF Pilot Program.
MOTION TO APPROVE: Mr. Alagia SECOND: Mr. Shimko AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Cannabis Equity Grant Program Update and Term Extensions
REQUEST: To approve delegated authority to the CEO to approve Grant Agreement term extensions under the program.
MOTION TO APPROVE: Ms. Ferrara SECOND: Ms. Antoine-Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ECONOMIC TRANSFORMATION

ITEM: The Next New Jersey Manufacturing Program Rules
REQUEST: 1.) To approve the special adoption of the new rules and concurrently proposed new rules for the Next New Jersey Manufacturing Program and 2.) Creation of the Next New Jersey Manufacturing Program, a tax credit incentive program, to attract and support manufacturers and clean energy product manufacturers throughout New Jersey.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Commuter and Transit Bus Private Carrier Relief and Jobs Program
REQUEST: To approve: 1.) The Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3; 2.) Utilization of funds appropriated to the Authority through the SFY2026 State Budget to fund the Program - to provide grants to eligible applicants, and a portion of the funds to support Authority administrative costs associated with operating the program; and 3.) Delegation of Authority to the CEO to approve eligible applications and decline those based solely on non-discretionary reasons.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: New Jersey Innovation Evergreen Fund: September 2025 Qualified Investment Approval
REQUEST: To approve a Qualified Investment presented under the New Jersey Innovation Evergreen Program.
MOTION TO APPROVE: Mr. Weinreich SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: New Jersey Innovation Fellows Award
REQUEST: To expand the number of NJIF Cohort I awards to include an additional applicant in the mentorship program.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Delegated Authority Regarding New Jersey Green Bank Bylaws
REQUEST: To approve delegated authority to the NJEDA CEO to appoint the first New Jersey Green Bank Executive Director.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

INCENTIVES

FOR INFORMATION ONLY: The next item was a summary of the Incentives Committee meeting from August 26, 2025 and September 5, 2025.

HISTORIC PROPERTY REINVESTMENT PROGRAM

ITEM: Historic Property Reinvestment Program Updated Rules
REQUEST: To approve the Special Adoption Rules and concurrently proposed rules for the Historic Property Reinvestment Program.
MOTION TO APPROVE: Ms. Ferrara SECOND: Ms. Dragon AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Newark Commons, Newark - Recommendation of Award
REQUEST: To approve a Historic Property Reinvestment tax credit award to QOZB Ellavoz Newark Urban Renewal, LLC for the Newark Commons.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Sarlo AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: 10 Park Place, Newark - Recommendation of Award
REQUEST: To approve a Historic Property Reinvestment tax credit award to 10 Park Place Newark LLC for the 10 Park Place Newark Rehabilitation Project.
MOTION TO APPROVE: Ms. Dragon SECOND: Ms. Ferrara AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Mr. Alagia recused from voting because his employer, Essex County, may be involved in the project.

ASPIRE

ITEM: 10 Park Place Newark LLC ("Applicant") & HOM NJ Park Place LLC, ("Co-Applicant")
REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in Newark, New Jersey, Essex County, up to 60% of the eligible project cost.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Mr. Alagia recused from voting because his employer, Essex County, may be involved in the project.

ITEM: 533 Main Street LLC ("Applicant"), NSI Aspire LLC ("Co-Applicant")
REQUEST: To approve issuance of tax credits from the Aspire program for a single phased transformative residential project located in East Orange, New Jersey, Essex County, up to 80% of the eligible project cost.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Weinreich AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Mr. O'Toole recused from voting because his former employer is an investor in the program.

ITEM: 11 Spring Street Urban Renewal LLC ("Applicant") Elizabeth Development Company of New Jersey ("Co-Applicant")
REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in New Brunswick, New Jersey, Middlesex County, up to 80% of the eligible project cost.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Rowan Preservation LLC ("Applicant") Community Housing and Opportunity Foundation Inc. ("Co-Applicant")
REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in Trenton, New Jersey, Mercer County, up to 85% of the eligible project cost.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Weinreich AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Ms. Ferrara recused from voting because the Applicant is an active applicant with the Trenton Land Use Board.

NOL

ITEM: **Technology Business Tax Certificate Transfer (NOL) Program: 2025 Program Approvals**
REQUEST: To approve applications under the Technology Business Tax Certificate Transfer (NOL) Program, which have been evaluated according to the criteria established by the legislation.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

BOND PROJECT

FOR INFORMATION ONLY: The next item was a summary of the Directors' Loan Review Committee meeting from August 26, 2025.

APPLICANT: The Atlantic City Sewerage Company *PROD-00321879
LOCATION: Atlantic City, Atlantic County
PROCEEDS FOR: To finance the reconstruction, rehabilitation, replacement, upgrade and expansion of various sections and components of the sanitary sewer system.
AMOUNT OF BOND: Estimated at $9,000,000 but not to exceed total project costs.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Sarlo AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

REAL ESTATE

FOR INFORMATION ONLY: The next item was a summary of the Real Estate Committee meeting from September 3, 2025.

ITEM: Memorandum of Understanding with the Casino Reinvestment Development Authority for Renaissance Plaza
REQUEST: To approve a grant to the CRDA from the Property Assemblage Fund for capital improvements to Renaissance Plaza and delegated authority to the CEO to enter into an MOU with CRDA to accept and use the funds for this initiative.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Dumont AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

Mr. Alagia left the meeting at this time.
Ms. Antoine-Johnson stepped out of the Board Room at this time.

ITEM: Liberty State Park Revitalization Program, Phase 2 - Recommendation to Award Construction Manager and Establish Budget
REQUEST: To Approve the Authority's selection and award of a construction management contract for LSP-RP Northern Priority Areas and the establishment of a preconstruction budget for preconstruction activities.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Dragon AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Ms. Antoine-Johnson rejoined the meeting at this time.

ITEM: Garden State C-PACE Program - Policy Adjustment
REQUEST: To Approve the adjustment of C-PACE policy for retroactive projects whereby projects are exempted from prevailing wage requirements so long as: 1.) the project was deemed substantially complete by October 9, 2024; 2.) project application is submitted no more than three months following Board approval of this request; 3.) project costs hits the minimum construction value; and 4.) The applicant certifies that a portion of all project labor costs (that is, payment to contractor/subcontractor employees) comprised wages and benefits were paid at or above the applicable prevailing wage and benefit rate for the respective trades of those employees during the time of construction for the project.
MOTION TO APPROVE: Mr. Sarlo SECOND: Ms. Ferrara AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: Monmouth County Office Space
REQUEST: To approve: 1.) Delegated authority to the CEO to execute a lease, consistent with the terms of the letter of intent for a new Authority Monmouth County office space;
2.) To approve expenditures for tenant improvements, fixtures, furniture and equipment, and moving expenses; and 3.) Delegated authority to the CEO to execute a reimbursement agreement consistent with the approved terms.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

BOARD MEMORANDUM – FYI ONLY

- Credit Underwriting Projects Approved Under Delegated Authority, July - August 2025
- Economic Transformation Products Delegated Authority Approvals, Declinations, & Other Actions, Q2 2025
- Post Closing Credit Delegated Authority Approvals, Q2, 2025
- Post Closing Incentives Delegated Authority Memo, Q2, 2025

There being no further business, on a motion by Ms. Antoine-Johnson, and seconded by Ms. Ferrara, the meeting was adjourned at 12:28pm.

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: October 9, 2025

Re: October 2025 Board Meeting – CEO Report

As we near the end of Hispanic Heritage Month, I wanted to reaffirm the New Jersey Economic Development Authority's (NJEDA) commitment to serving the state's Hispanic community, which plays a critical role in our cultural and economic makeup. Through our various programs and initiatives, we are uplifting Hispanic small business owners and unlocking access to funding and resources needed to thrive.

It was great to be in Atlantic City last month for the 2025 Governor's Conference on Housing and Economic Development. As always, the conference was a great opportunity to connect with our sister agencies and other industry professionals to discuss ways to advance our mission of expanding affordable housing and increasing economic activity in communities across the state. The NJEDA hosted a panel discussion focused on equitable redevelopment and how the Authority's programs are laying the groundwork for stronger communities for the next generation.

Last month, I joined Governor Phil Murphy and Choose New Jersey on an economic mission trip to India. This was the administration's second visit to the country. The six-day, four-city mission, held September 19-24, included meetings in New Delhi, Kochi, Bengaluru, and Mumbai. The mission focused on deepening economic, academic, and cultural ties with India and delivered commitments to create nearly 400 jobs in New Jersey. Indian companies have become key contributors to New Jersey's economic growth, and we are committed to deepening our partnership and creating even more opportunities.

I joined Camden Mayor Victor Carstarphen last week at a press conference announcing $5.7 million under the Urban Investment Fund to support five revitalization projects across the city. The funding will support several building rehabilitation and public space projects in the city, which was negatively impacted by the COVID-19 pandemic. The Urban Investment Fund has awarded millions of dollars to cities across New Jersey, including Newark, New Brunswick, Passaic, and Paterson, to implement revitalization strategies to respond to decreased foot traffic and revenue due to the pandemic by helping cities enhance vitality.

The NJEDA recently opened applications for the Next New Jersey Manufacturing program, which encourages growth in our manufacturing sector by offering long-term benefits to manufacturing companies. The tax credit initiative is designed to spur significant investment and solidify the state's manufacturing industry. As more manufacturers establish and grow successful operations in New Jersey, new, good-paying jobs will be created, helping support stronger families and communities.

Over the next few weeks, we will launch new programs and continue to make meaningful investments into our small businesses and communities. I appreciate the commitment from our staff for working on behalf of New Jersey's residents, with the goal of creating a stronger economy for the next generation.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 9, 2025

SUBJECT: RETROFIT NJ Program

Request:

The Members of the Board are requested to approve:

1. The Reducing Emissions through Retrofits, Optimization, Fuel-Switching, and Innovative Technologies Grant Program ("RETROFIT NJ" or "Program"), a pilot initiative designed to support large, complex building decarbonization projects that are not well served by existing state programs.

2. Utilization of $75 million of 2023-25 Regional Greenhouse Gas Initiative (RGGI) Funds to capitalize the Program.

3. Delegation of authority to the Chief Executive Officer to increase funding from $75,000,000 to up to $150,000,000 based on available RGGI funding if application demand exceeds the initial $75,000,000 funding allocation.

4. Delegation of authority to the Chief Executive Officer 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.

Background:

The New Jersey 2019 Energy Master Plan identifies the building sector as responsible for 62% of the State's total end-use energy consumption. To meet the State's 2050 carbon reduction goals, it calls for widespread electrification of buildings and recommends the establishment of demonstration projects in collaboration with private industry. The plan states that New Jersey must "partner with private industry to establish electrified building demonstration projects" and "the state must also develop a transition plan to a fully electrified building sector, including incentivizing appliances like electrified heat pumps and hot water heaters."

Responses to NJEDA's previous Request for Information (RFI) for Commercial Building Decarbonization released in June 2023[1] and ongoing stakeholder engagement around the existing NJ Cool program have revealed a pipeline of high value decarbonization projects involving large buildings and campus retrofits that are not well-served by existing State programs. These engagements have highlighted greater need to

[1] https://www.njeda.gov/wp-content/uploads/2023/06/2023-RFI-180-Commercial-Building-Decarbonization-Addendum-1.pdf

provide financial and technical support for decarbonizing large commercial and institutional[2] buildings, especially as these projects often involve complex infrastructure, longer development timelines, and substantial implementation costs. In addition, emerging technologies such as Thermal Energy Networks (TENs)[3]—which can significantly reduce emissions across multiple buildings—are not yet covered by any existing State programs and require greater implementation support given their significant cost. For example, a modest TEN project in Framingham, MA had a total cost of approximately $21 million, while a Con-Edison project in New York City is anticipated to cost $45.5 million to serve a 291-unit New York City Housing Authority complex[4] and a project in Baltimore, MD is estimated at $60-70 million.[5]

While NJEDA's NJ Cool program has seen continued uptake with applications for smaller to medium-sized building decarbonization projects, there are other high-value projects involving large buildings and campus retrofits that are not well-suited for the requirements or program caps of the NJ Cool program. Outreach conducted for NJ Cool has indicated a strong demand for a program that encompasses building retrofit decarbonization strategies without the scope limitations that NJ Cool currently has in place, such as the $1 million grant cap functionally limiting larger projects, restrictions on multi-building campus applications, prescriptive fuel-switching/refrigerant replacement requirements, geographic eligibility limits, and the lack of funding for essential design and engineering work. The current limits of NJ Cool, combined with the rollback of some federal incentives, necessitate the development of a program designed to support larger building projects. These larger decarbonization projects can serve as flagship examples for the market and demonstrate how to decarbonize and successfully deploy various clean energy technologies. An expanded award size and more flexibility for uses of funding would generate greater market interest among large retrofit projects, such as municipally-owned and campus-style buildings that require both greater funding and extended timelines to design and implement high-impact decarbonization projects.

The projects realized through this Program will help establish New Jersey as a national leader in advancing innovative and large-scale building decarbonization, and accelerate the adoption of building decarbonization systems, technologies, and construction practices within the State, all while putting people to work and generating economic development activity.

<u>Program Overview:</u>

RETROFIT NJ is designed to support multi-pronged, large-scale retrofit projects that enable holistic energy improvements at buildings, campuses, and multi-building facilities. By deploying $75 million in RGGI funds, this program aims to catalyze high-impact, high-visibility projects that significantly reduce carbon emissions, serve as replicable models, accelerate New Jersey's clean energy transition, and stimulate economic growth in the clean energy industry, one of the State's targeted industries.

The Program will offer grant awards between $2.5 million and $12.5 million to commercial, industrial, and institutional building owners undertaking retrofit projects with a minimum total project cost of $5 million. Eligible projects must include at least three clean energy or electrification components—such as solar, energy storage, electrification of heating, refrigerant replacement, or energy efficiency upgrades—or involve TENs. Funding provided by the Program will cover both hard and soft costs, including design, equipment, construction, and commissioning. Non-profit and institutional applicants receive up to 60%

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

[3] A Thermal Energy Network is defined as a centralized or distributed system that supplies thermal energy (heating and/or cooling) to multiple buildings via a network of insulated pipes. The network utilizes one or more energy sources—such as geothermal systems, heat pumps, waste heat recovery, or combined heat and power (CHP)—to deliver conditioned water or other heat-transfer fluids for space conditioning and/or domestic hot water. Designed for efficiency, decarbonization, and scalability, thermal energy networks may support bidirectional energy exchange and integration of renewable energy sources.

[4] Chelsea, Manhattan Utility Thermal Energy Network (UTEN) Pilot Project Stage 2 Filing Final Pilot Engineering Design and Customer Protection Plan Case 22-M-049 July 9, 2025 chelsea-uten-cecony-stage-2-filing.pdf

[5] July 1, 2025 - Washington Gas filing to Public Service Commission of Maryland - RE: Case No. 9749 – Washington Gas Proposal for a Thermal Energy Network Pilot System

reimbursement, while for-profit commercial entities are eligible for up to 50% reimbursement, with an additional 5% bonus for Overburdened Community (OBC)[6] locations for all entity types. Structured as a rolling application process with phased disbursements, the program is built to be inclusive of projects utilizing multiple clean energy technologies that need support to proceed. The Program shall be implemented in accordance with the Program Specifications attached thereto as Appendix A.

Program Funding:

The Program will utilize $75,000,000 in RGGI funds available to NJEDA under the 2023-2025 RGGI Funding Plan. After the Program application is open to the public, 50% of the funding pool ($37,500,000) will be set-aside exclusively for applications submitted for projects in Overburdened Communities and/or for Institutional applicants for one calendar year. Upon expiration of this set-aside, any unallocated set-aside funding will be open to all eligible applicants on a first-come, first-served basis. After applications open to the public, staff will evaluate program uptake. Delegated authority is requested to utilize up to an additional $75,000,000 in RGGI funds available to NJEDA to expand the pilot if program demand surpasses the initial $75,000,000 funding allocation. The set-aside for funding will only apply to the initial $75,000,000 funding allocation. Administrative costs for the program will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.

Grant Amounts:

For all projects, the minimum grant award size is $2,500,000. For projects involving TENs, the maximum grant award size is $12,500,000 per project/Employer Identification Number (EIN). For all other projects, the maximum grant award size is $10,000,000 per project/EIN.

Delegated Authority:

In addition to the delegated authority identified above for funding allocation, staff is also requesting delegated authority to the Chief Executive Officer 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. The requests are necessary because of the unpredictability in delays for construction timelines and financing approvals that can be impacted by a number of variables, including but not limited to supply chain issues, labor shortages, and project cost overruns. Such adjustments shall be permitted provided that they are within the Program's specifications and do not substantively change the application's eligibility or completeness.

Recommendation:

The Members of the Board are requested to approve:

1. The Reducing Emissions through Retrofits, Optimization, Fuel-Switching, and Innovative Technologies Grant Program ("RETROFIT NJ" or "Program"), a pilot initiative designed to support large, complex building decarbonization projects that are not well served by existing state programs.

2. Utilization of $75 million of 2023-25 Regional Greenhouse Gas Initiative (RGGI) Funds to capitalize the Program.

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[6] NJ's Environmental Justice Law at N.J.S.A 13:1D-157 defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency. (https://dep.nj.gov/ej/communities/)

3. Delegation of authority to the Chief Executive Officer to increase funding from $75,000,000 to up to $150,000,000 based on available RGGI funding if application demand exceeds the initial $75,000,000 funding allocation.

4. Delegation of authority to the Chief Executive Officer 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.

Tim Sullivan, CEO

Prepared by: Andres Garcia

Appendix A – Proposed Product Specifications: RETROFIT NJ Program

Appendix A
RETROFIT NJ Program

Proposed Program Specifications October 9, 2025	
Program Overview	RETROFIT NJ is designed to support multi-pronged, large-scale retrofit projects that enable holistic energy improvements at buildings, campuses, and multi-building facilities. By deploying $75 million in RGGI funds, this program aims to catalyze high-impact, high-visibility projects that significantly reduce carbon emissions, serve as replicable models, accelerate New Jersey's clean energy transition, and stimulate economic growth in the clean energy industry, one of the State's targeted industries. The Program will offer grant awards between $2.5 million and $12.5 million to commercial, industrial, and institutional building owners undertaking retrofit projects with a minimum total project cost of $5 million. Eligible projects must include at least three clean energy or electrification components—such as solar, energy storage, electrification of heating, refrigerant replacement, or energy efficiency upgrades—or involve TENs. Funding provided by the Program will cover both hard and soft costs, including design, equipment, construction, and commissioning. Non-profit and institutional applicants receive up to 60% reimbursement, while for-profit commercial entities are eligible for up to 50% reimbursement, with an additional 5% bonus for Overburdened Community (OBC)[7] locations for all entity types. Structured as a rolling application process with phased disbursements, the program is built to be inclusive of projects utilizing multiple clean energy technologies that need support to proceed. The Program shall be implemented in accordance with the Program Specifications attached thereto as Appendix A.
Program Funding	The Program will utilize $75,000,000 in RGGI funds available to NJEDA under the 2023-2025 RGGI Funding Plan. After the Program application is open to the public, 50% of the funding pool ($37,500,000) will be set-aside exclusively for applications submitted for projects in Overburdened Communities and/or for Institutional applicants for one calendar year. Upon expiration of this set-aside, any unallocated set-aside funding will be open to all eligible applicants on a first-come, first-served basis. After applications open to the public, staff will evaluate program uptake. Delegated authority is requested to utilize up to an additional $75,000,000 in RGGI funds available to NJEDA to expand the pilot if program demand surpasses the initial $75,000,000 funding allocation. The set-aside for funding will only apply to the initial $75,000,000 funding allocation. Administrative costs for the program will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.
Grant Amounts	For all projects, the minimum grant award size is $2,500,000. For projects involving TENs, the maximum grant award size is $12,500,000 per project/Employer Identification Number (EIN). For all other projects, the maximum grant award size is $10,000,000 per project/EIN.
Eligibility Requirements	• Applicant Eligibility o Applicants must be Commercial, Industrial, or Institutional building owners OR equivalent tenants seeking to complete retrofit construction projects in existing eligible building spaces. Tenants must demonstrate owner approval and a valid lease for one year beyond the length of the proposed project's construction timeline. o The applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development and NJ Department of Environmental Protection to participate in the program.

[7] NJ's Environmental Justice Law at N.J.S.A 13:1D-157 defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency. (https://dep.nj.gov/ej/communities/)

	- The applicant must provide a current tax clearance certificate at the time of grant agreement execution to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation. - Project Scope Eligibility Requirements: - Projects must include work from at least three of the following scope categories: - On-site renewable energy generation (solar, etc.) - On-site energy storage (battery, thermal, etc.) - Electrification/Fuel Switching of Heating Systems - Refrigerant Replacement for Cooling Systems (new system must have lower Global Warming Potential (GWP) than previous system and GWP must be 700 or less) - Energy Efficiency Improvements (BMS, envelope, heat recovery, lighting upgrades, green roofs/cool roofs, electrifying appliances, etc.) ***OR:*** - A project scope involving Thermal Energy Networks does not need to meet the above scoping requirements. - Project Eligibility - Projects must demonstrate total eligible costs of at least $5,000,000. - Projects must be located within New Jersey. - Applicants must provide, at time of application, a verified projection from a qualified third-party professional for reducing/avoiding at least one metric ton of carbon dioxide equivalent (CO_2e) for every $250 in requested NJEDA grant award amount over the project's useful life (e.g. a $5 million grant award would need to show that the proposed project can reduce at least 20,000 metric tons of CO_2e over the project's useful life) - Qualified third-party professionals include but are not limited to: - Licensed engineer (NJ state professional engineer or other state's equivalent) - Licensed architect (NJ state registered architect or other state's equivalent) - Certified Energy Auditor (CEA certification from the Association of Energy Engineers) - Certified Energy Manager (CEM certification from the Association of Energy Engineers) - Energy Management Professional (EMP certification from the Energy Management Association) - Building Energy Assessment Professional (BEAP certification from the American Society of Heating, Refrigeration, and Air-Conditioning Engineers) - Building Eligibility - Meet one of the following property classes as defined by NJAC 18:12-22: - Class 4A: Commercial Property Class 4B: Industrial Property - Class 4C: Apartments (for purposes of this Program, applicants that are Class 4C must be multi-family that are owned by a commercial business or institutional entity) - Class 15A: Public School Property - Class 15B: Other School Property - Class 15C: Public Property

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

	the Consortium can utilize an existing or create a newly formed business or institutional entity with its own specific EIN that represents the interests of the Consortium for the purposes of the proposed grant project. o Projects involving new construction and substantial rehabilitation/redevelopment are excluded from Program funding. However, if the new construction or substantial rehabilitation/redevelopment project is a portion of a larger retrofit project that includes a connected building(s) otherwise qualified for the Program, then expenses associated with the energy system for the new construction or substantial rehab/redevelopment are eligible. Substantial rehabilitation shall have the same meaning as "reconstruction" in N.J.A.C. 5:23-6.3. o A lookback period of up to 18 months prior to the date of application submission shall apply to design, engineering, planning, and/or audit activities initiated or completed in furtherance of the project. Such costs may be included in the total eligible project cost. Construction or building maintenance costs incurred prior to application submission are ineligible for the lookback period. Reimbursement for expenses incurred during the lookback period shall not exceed twenty percent (20%) of the total eligible project cost. o The applicant and any collaborators performing capital work will be subject to labor compliance, including New Jersey affirmative action, prevailing wage requirements, and the requirement to complete New Jersey Contractor Registration. o Except for the NJEDA's NJ Cool program, the grant award is stackable with any other incentives from utilities and/or federal, state, and local government agencies. NJEDA will conduct a review in coordination with other State agencies to ensure there is no duplication of benefits.
Application Process	Complete applications will be reviewed on a rolling basis using the following steps: • **Step 1 – Application Requirements**: Applicant submits application to NJEDA, which shall include, among other items: o Building address and property information (size, type, occupancy, etc.) o Proof of building ownership/proof of building owner permission to undertake project o If Applicant leases space, a copy of their lease extending one year past the construction timeline and a signed acknowledgement from the landlord that they have reviewed and approved the proposed facility improvement(s). o If Applicant owns space, a deed, property tax statement, or current mortgage statement from the lender. o A description of the proposed project o Project design drawings o Photos of the existing building space o Cost estimate budget spreadsheet using NJEDA template, which is supported by: o Quote(s) from contractor(s) that are registered with NJDOL as a Publics Works Registered Contractor with costs consistent with New Jersey State prevailing wage rates o Vendor quotes or similar retailer price information for any relevant items/equipment to be purchased directly by the applicant o A soft commitment for matching funding (e.g., promissory note, letter of commitment from a financial institution, etc.) OR proof of funding in-place (e.g. bank statements, executed financing agreement, or similar indication of

	availability of working capital for proposed project) to demonstrate Applicant's ability to cover the balance of project costs not covered by this grant IN ADDITION TO a 10% contingency to cover any potential project cost overruns. o Estimated project schedule o Requested grant award amount o Expected utility/state energy efficiency incentive payments (if applicable) o Recent utility bill(s) (water and energy), as well as building occupancy and energy consumption (e.g. oil, propane) data for prior 12 months of operation o Projected operating greenhouse gas emissions savings to be realized as a result of the project (calculated by a 3rd party qualified professional) with supporting information and additional documentation as required (HVAC equipment information, etc.). • **Step 2 – Application Review:** NJEDA reviews the submitted application materials and performs a completeness review of each submitted application. If the submitted application is incomplete, staff shall send written notice providing applicants fifteen (15) business days to provide the missing documents or information in their application. Staff shall also complete an initial project financial viability review based on the soft commitment for matching funding or proof of funding in-place submitted as part of the application materials to demonstrate the Applicant's ability to cover balance of project costs not covered by the grant in addition to a 10% project contingency for any potential project cost overruns. • **Step 3 – Application Approval:** If eligible and applicable, NJEDA will provide an approval letter to the applicant with the maximum potential grant award available for the project and enter into a grant agreement. If not already provided the applicant must provide a current tax clearance certificate at the time of grant agreement. NJEDA grant awards will not be adjusted following notice of application approval and the applicant will be responsible for any additional or unexpected project costs, even if relevant to the eligible project scope. • **Step 4 – Proof of Funding:** If only a soft commitment for matching funding is provided at time of application, the Applicant will have twelve (12) months from execution of grant agreement with NJEDA to submit proof of funding for the balance of project costs, with the possibility for additional six-month extension(s) at the discretion of the NJEDA. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs. NJEDA will review and provide approval for proof of funding via its underwriting process. Additional financing provided by NJEDA may also be used to cover project costs not met by the grant award, including through the NJ Clean Energy Loans program and the New Jersey Green Bank, a subsidiary of the NJEDA, may be able to offer loan financing to complement the grant award. However, the applicant cannot use both NJ Cool program funding and RETROFIT NJ funding for the same project. • **Step 5 – Construction Initiation:** Project construction activity must commence on-site within twelve (12) months of grant agreement execution, or the applicant must demonstrate that permit applications (if required) are pending with relevant building authorities, with the possibility for six-month extension(s) at the discretion of the NJEDA. • **Step 6 – Construction Completion:** Applicants will have three (3) years from project construction commencement to achieve project completion, with the possibility for one-year extension(s) at the discretion of the NJEDA.

Grant Disbursement	NJEDA will provide a maximum disbursement of 50% of total eligible project costs for for-profit commercial projects, and a maximum disbursement of 60% of total eligible project costs for Institutional and non-profit projects, up to the maximum allowable grant award amount of $12,500,000 for TENs and $10,000,000 for all other projects. The maximum disbursement amount will be increased by an additional 5% if the applicant's proposed project/building is located within an OBC or adjacent census block, in accordance with RGGI requirements to prioritize OBCs. Maximum eligible grant award size will be determined at time of application approval. NJEDA will disburse funds on a pro-rata basis based on construction progress, or other milestones, via payments to the grant recipient in tranches as will be provided in the grant agreement. Final payment may be adjusted for any work not completed/project scope changes, and/or underspending. NJEDA **shall recapture** any grant funds used for (1) an ineligible purpose or (2) any purpose outside of the Program's approved scope of work.
Compliance and Reporting	Applicants are required to ensure all contractors working on the project are New Jersey Department of Labor (NJDOL) Public Work Certified and abide by prevailing wage and affirmative action requirements. As part of the application process, applicants must submit at least prior 12 months of utility bills, energy consumption data (e.g. oil, propane, etc.), and building occupancy data to help establish baseline energy consumption. When the building is fully operational again following construction completion, the grant recipient must submit utility bills, energy consumption, and occupancy data for at least the first 12 months following construction to help verify the estimated energy and emissions savings as a result of the project. Grant recipients are also required to provide details on other projects undertaken by the building during the grant term that are not funded by the grant award and could impact the building's energy usage (including other clean energy or energy efficiency initiatives and participation in any demand response programs). The NJEDA reserves the right to conduct site visits at any time during construction, in addition to site visits scheduled by the grant recipient for the purpose of progress disbursements.
Fees	NJEDA will charge a $1,000 application fee per project application.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 9, 2025

SUBJECT: MOU with New Jersey Transit to expand the Camden Bus Electrification Program

Request

The Members are asked to approve:

1. Entering into a Memorandum of Understanding ("MOU") with New Jersey Transit ("NJT" or "NJ Transit") to support the purchase of eight electric buses for and expansion of electric vehicle charging infrastructure at NJ Transit's Newton Avenue Garage in Camden, NJ ("Project").
2. Utilization of $16,537,751 of RGGI funds ("Funds") provided by NJEDA to NJ Transit to complete the Project.

Background:

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO_2) emissions from the electric power generation sector and therefore allows for auctioning of emissions rights. States use the proceeds from the CO_2 allowance auctions to invest in programs to help further reduce CO_2 and other greenhouse gas pollution, spur clean and renewable energy, and provide relief on energy bills.

Through its participation in RGGI auctions and fixed price allowance sales held between 2020 and 2022, New Jersey received funding that totaled approximately $372 million. In 2023 and 2024, RGGI auctions and fixed price sales resulted in over $465 million in funding to the State. In 2025, New Jersey received over $197 million in funding to-date through the RGGI auctions and fixed price sales in the first three quarters of the year.

Three agencies, New Jersey Department of Environmental Protection ("NJDEP"), New Jersey Board of Public Utilities ("NJBPU"), and New Jersey Economic Development Authority ("NJEDA"), collaborate on the creation of New Jersey's RGGI Strategic Funding Plan, which identifies how the RGGI auction proceeds will be utilized over 3-year funding periods.

As mandated in the current and previous RGGI Strategic Funding Plan (2020-2022 and 2023-2025), the Authority must spend its allocation on, among other areas, clean, equitable transportation programs in the commercial, industrial, and institutional sectors demonstrating net emission reductions and economic co-benefits.

Policy Alignment:

In 2018, Governor Murphy first shared his economic development strategic plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey". The plan detailed goals and provided a framework to achieve tremendous economic growth for the State. More specifically, the plan set forth, amongst other key areas of focus, innovations in clean energy and advanced transportation as a path to catalyze economic growth.

Alongside the State's economic agenda, New Jersey has ambitious climate policies to accelerate decarbonization. The New Jersey Global Warming Response Act ("GWRA"), P.L. 2007, c. 112; P.L. 2018, c. 197, set a goal of reducing carbon emissions to 80% below 2006 levels by the year 2050. In 2023, Governor Murphy subsequently accelerated this goal to 2035 with Executive Order 315.

Complementing the GWRA, the 2019 Energy Master Plan, emphasizing 100% clean energy, establishes emission reductions from medium- and heavy-duty transportation. Under the 2019 Energy Master Plan, 50% of heavy-duty vehicles must be zero-emission vehicles (ZEV) by 2050.

In addition, New Jersey's Electric Vehicle ("EV") Law, N.J.S.A. 48:25-1 through -20, sets requirements to advance the adoption of EVs across the State, including by establishing Plug-In EV sale and lease targets, instituting an EV incentive program, increasing publicly-accessible charging infrastructure, and electrifying State-Owned and publicly owned fleets, including a mandate of 10% of new bus purchases by NJ Transit to be Zero-Emission Buses by December 31, 2024, 50% by December 31, 2026, and 100% by December 31, 2032.

To meet the requirements of the EV Law, NJ Transit launched a bus electrification program at its garage located at 350 Newton Avenue, Camden, NJ ("Newton Garage") in 2022, where eight battery electric buses are currently operating. On August 20, 2025, Governor Murphy announced an expansion of NJ Transit's Camden program with the addition of eight new electric buses.

To effectively meet these policy goals and mandates, NJ Transit will need to transition its class 8 diesel-powered vehicles that produce harmful tailpipe emissions with battery electric class 8 buses.

Regional Greenhouse Gas Initiative

RGGI is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia to cap and reduce greenhouse gas emissions from the electricity generating sector. The program issues CO_2 allowances and establishes participation in regional CO_2 allowance auctions. The auction proceeds are allocated among states to support economic growth, decarbonization, and other focal areas.

To participate in the cap-and-trade program, New Jersey enacted the Global Warming Solutions Fund Act, P.L. 2007, c. 340 (N.J.S.A. 26:2C-45 to 57) ("GWSF"). The statute established specific State agency funding allocations and programmatic areas of focus. Funding under the GWSF is allocated by percentage to three state agencies (60% to the NJEDA, 20% to the NJBPU, and 20% to the NJDEP), and those agencies are required to spend funds within specific program areas.

Per the 2023-2025 RGGI Strategic Plan, NJEDA must dedicate 56% of its funding allocation to support transportation decarbonization. The recommendation in this memo to fund the expansion of the Camden Bus Electrification Program with RGGI dollars furthers this purpose and fosters future economic opportunity, technical innovation, environmental justice, and greenhouse gas mitigation throughout New Jersey. These benefits are part of NJEDA's efforts to further the State's climate and economic goals and meet the goals and mandates of the State's EV Law.

Project Details

To meet the requirements of the EV Law, NJ Transit launched a bus electrification program at Newton Garage in Camden, NJ in 2022, where eight battery electric buses are currently operating. NJEDA will provide up to $16,537,751 of RGGI funds to engage NJ Transit to procure, maintain ownership, and put into service eight (8) additional class 8 electric buses to be used to expand the Camden Bus Electrification Program. Additionally, the funds provided in this MOU will be used to procure and install electric charging station equipment for Newton Garage to meet the expanded charging needs resulting from the acquisition of the new electric buses.

NJEDA shall have the following responsibilities under the proposed MOU (Exhibit A). NJEDA shall:

1. Provide funding to NJT in accordance with Section 5 of the MOU;
2. Review and approve the annual progress report template submitted by NJT pursuant to Section 4.h of the MOU.
3. Schedule semi-annual check-in meetings with NJT to track the progress of the activities outlined in Section 4 of the MOU; and
4. Report updates on Project progress and spending of RGGI funds allocated for this Project to NJDEP quarterly.

NJ Transit shall have the following responsibilities under the proposed MOU. NJ Transit shall:

1. Procure, insure, maintain ownership of and put into service eight EV buses to be used to expand the bus electrification program at Newton Garage;
2. Procure and install electric charging station equipment at Newton Garage to meet the expanded charging needs resulting from the acquisition of the new electric buses;
3. Participate in semi-annual check-in meetings with NJEDA to report on the status of the Project and related activities on an as-needed cadence at NJEDA's reasonable discretion;
4. Provide Project oversight and facilitation including safety, training, procurement of services, completion of design, engineering, structural, and electrical work, and acquisition of required approvals and permits, in collaboration with any subcontracted third party as needed;
5. Procure or cause to be procured all other services that are necessary to complete NJT's obligations under this MOU;
6. Within 120 days of the Effective Date, submit a plan and project timeline to NJEDA describing in detail the Project's schedule and key activities for meeting the obligations set forth under this MOU.
7. Provide NJEDA with an annual budget update each January that includes an accounting of all NJEDA funds used for procurement, construction, maintenance, and operational expenses in the categories listed in the Project Budget attached as Exhibit A in the MOU. NJT shall include documentary evidence of all Project expenses incurred by NJT (or any

sub-contractor or vendor of NJT) to NJEDA's reasonable satisfaction. Such documentary evidence may be in the form of work orders, contracts, invoices, pay receipts, or any other form, as deemed appropriate by NJEDA to satisfy NJT's documentary evidence obligations; and

8. Provide NJEDA with an annual progress report each January using a template created by NJT and approved by NJEDA that describes the progress on the procurement and operation of EV buses and charging stations, and progress updates for all other activities outlined in Section 4 of the MOU, including, but not limited to, information such as challenges in procuring EV buses, any technical or operational issues, record of mileage driven by the procured EV buses, and utilization data for the charging stations.

Funding

NJEDA shall provide NJT with up to $16,537,751 of its RGGI Fund allocation in two disbursements that shall be made within thirty (30) calendar days of achieving each of the following milestones:

- 50% of Funds will be disbursed upon the execution of this MOU;
- 50% of Funds will be disbursed upon NJT's submittal to NJEDA of an invoice or purchase order for the eight EV buses.

The Funds shall be used solely for the purposes set forth in the MOU. At the conclusion of the Project, NJT shall return any unspent Funds to NJEDA. If NJEDA is unable to provide NJT with sufficient Funds to complete the Project, NJEDA shall have the right to reduce the scope of this MOU via a written amendment to the MOU signed by the Parties, or terminate the MOU pursuant to Section 8 of the MOU.

Recommendation

The Members are asked to approve:

1. Entering into a MOU with NJT to support the purchase of eight electric buses for and expansion of electric vehicle charging infrastructure at the Newton Garage.
2. Utilization of $16,537,751 of RGGI Funds provided by NJEDA to NJ Transit to complete the Project.

Tim Sullivan, CEO

Prepared by:

Ahmed Chaudry, Manager, Clean Energy

Attachment:

Exhibit A: MOU between the NJEDA and NJ Transit to expand the Camden Bus Electrification Program

Exhibit A: MOU between the NJEDA and NJ Transit to expand the Camden Bus Electrification Program

MEMORANDUM OF UNDERSTANDING
BETWEEN
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AND
NEW JERSEY TRANSIT CORPORATION

This **MEMORANDUM OF UNDERSTANDING** ("MOU"), made on this ____ day of ________________, 2025, and effective as of the date of the last signature of the parties hereto (the "Effective Date"), is between **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY** ("NJEDA") and **NEW JERSEY TRANSIT CORPORATION** ("NJT") (each a "Party", and collectively "the Parties").

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

WHEREAS, the Regional Greenhouse Gas Initiative ("RGGI") is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont to cap and reduce CO_2 emissions from the power sector; and

WHEREAS, each RGGI state established its own program ("CO_2 Budget Trading Program") which limits emissions of CO_2 from electric power plants, issues CO_2 allowances and establishes participation in regional CO_2 allowance auctions, which together comprise a regional cap and market for allowances; and

WHEREAS, New Jersey enacted the Global Warming Response Act ("the Act") at N.J.S.A. 26:2C-37 to 68, which set a goal of reducing short-lived climate pollutants and limits the level of Statewide greenhouse gas emissions, and greenhouse gas emissions from electricity generated outside the State but consumed in the State, to 80% below the 2006 level by the year 2050. The Act enabled the State to participate in a greenhouse gas emissions allowance trading program, established specific state agency funding allocations with programmatic areas of focus (N.J.S.A. 26:2C-51), and established the Global Warming Solutions Fund ("RGGI Fund") at N.J.S.A. 26:2C-50, with rules at N.J.A.C. 7:27D-1 et seq; and

WHEREAS, pursuant to N.J.S.A. 26:2C-51, the RGGI Fund is allocated by percentage to three state agencies: 60% to NJEDA, 20% to the New Jersey Board of Public Utilities ("NJBPU"), and 20% to the New Jersey Department of Environmental Protection ("NJDEP"); and

WHEREAS, N.J.S.A. 26:2C-51(b)(1) requires NJEDA to utilize its 60% allocation of RGGI Funds to provide grants and other forms of financial assistance to commercial, institutional, and industrial entities to support, amongst other things, "end-use energy efficiency projects and new, efficient electric generation facilities that are state of the art…including but not limited to energy efficiency and renewable energy applications, to develop combined heat and power production and other high efficiency electric generation facilities, to stimulate or reward investment in the development of innovative carbon emissions abatement technologies with significant carbon emissions reduction or avoidance potential"; and

WHEREAS, NJT is New Jersey's public transportation corporation serving nearly 270 million passenger trips annually and is the nation's third-largest provider of bus, rail, and light rail transit operating an active fleet of 2,221 buses, 1,231 trains, and 93 light rail vehicles across 253 bus routes and 12 rail lines statewide; and

WHEREAS, New Jersey's Electric Vehicle ("EV") Law, N.J.S.A. 48:25-1 through -20, sets requirements to advance the adoption of EVs across the state, including by establishing plug-in EV sale and lease targets, instituting EV incentive programs, increasing publicly-accessible charging infrastructure, and electrifying State-owned and publicly owned fleets, including a mandate that 10% of new bus purchases by NJT be zero-emission buses by December 31,2024, 50% by December 31, 2026, and 100% by December 31, 2032; and

WHEREAS, to meet the requirements of the EV Law, NJT launched a bus electrification program at its garage located at 350 Newton Ave., Camden, NJ ("Newton Garage") in 2022, where eight EV buses are currently operating; and

WHEREAS, on August 20, 2025, Governor Murphy announced an expansion of NJT's bus electrification program in Camden with the addition of eight new EV buses; and

WHEREAS, in order to further the State's efforts to decarbonize the transportation sector by promoting vehicle electrification, NJEDA desires to use up to $16,537,751 of its RGGI Fund allocation to engage NJT to procure the necessary upgrades and charging equipment to add eight EV buses, which produce no harmful tailpipe emissions, to its current fleet at Newton Garage as a replacement for class eight diesel-powered vehicles ("Project"); and

WHEREAS, NJEDA is satisfied that the Project will advance the goals of the EV Law and the State's NJT bus electrification mandates; and

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

WHEREAS, the Parties have determined that they can assist each other with the implementation of the Project by providing the support outlined below and that it is mutually beneficial to enter into this MOU.

NOW, THEREFORE, the Parties hereby agree as follows:

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

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

3. <u>Responsibilities of NJEDA</u>. NJEDA shall:
    1. Provide funding to NJT in accordance with Section 5 below;
    2. Review and approve the annual progress report template submitted by NJT pursuant to Section 4.h below.
    3. Schedule semi-annual check-in meetings with NJT to track the progress of the activities outlined in Section 4 below; and
    4. Report updates on Project progress and spending of RGGI funds allocated for this Project to NJDEP quarterly.

4. <u>Responsibilities of NJT</u>. NJT shall:
    a. Procure, insure, maintain ownership of and put into service eight EV buses to be used to expand the bus electrification program at Newton Garage;

    b. Procure and install electric charging station equipment at Newton Garage to meet the expanded charging needs resulting from the acquisition of the new electric buses;

c. Participate in semi-annual check-in meetings with NJEDA to report on the status of the Project and related activities on an as-needed cadence at NJEDA's reasonable discretion;

d. Provide Project oversight and facilitation including safety, training, procurement of services, completion of design, engineering, structural, and electrical work, and acquisition of required approvals and permits, in collaboration with any subcontracted third party as needed;

e. Procure or cause to be procured all other services that are necessary to complete NJT's obligations under this MOU;

f. Within 120 days of the Effective Date, submit a plan and project timeline to NJEDA describing in detail the Project's schedule and key activities for meeting the obligations set forth under this MOU.

g. Provide NJEDA with an annual budget update each January that includes an accounting of all NJEDA funds used for procurement, construction, maintenance, and operational expenses in the categories listed in the Project Budget attached as Exhibit A hereto. NJT shall include documentary evidence of all Project expenses incurred by NJT (or any sub-contractor or vendor of NJT) to NJEDA's reasonable satisfaction. Such documentary evidence may be in the form of work orders, contracts, invoices, pay receipts, or any other form, as deemed appropriate by NJEDA to satisfy NJT's documentary evidence obligations; and

h. Provide NJEDA with an annual progress report each January using a template created by NJT and approved by NJEDA that describes the progress on the procurement and operation of EV buses and charging stations, and progress updates for all other activities outlined in this Section 4, including, but not limited to, information such as challenges in procuring EV buses, any technical or operational issues, record of mileage driven by the procured EV buses, and utilization data for the charging stations.

5. <u>Funding</u>. NJEDA shall provide NJT with up to $16,537,751 ("Funds") of its RGGI Fund allocation in two disbursements that shall be made within thirty (30) calendar days of achieving each of the following milestones:
   a. 50% of Funds will be disbursed upon the execution of this MOU;
   b. 50% of Funds will be disbursed upon NJT's submittal to NJEDA of an invoice or purchase order for the eight EV buses.

   The Funds shall be used solely for the purposes set forth in this MOU. At the conclusion of the Project, NJT shall return any unspent Funds to NJEDA. If NJEDA is unable to provide NJT with sufficient Funds to complete the Project, NJEDA shall have the right to reduce the scope of this MOU via a written amendment to this MOU signed by the Parties, or terminate this MOU pursuant to Section 8 below.

   NJT will submit all invoices to the NJEDA at APinvoices@njeda.gov, with a copy to dan.fatton@njeda.gov.

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

For NJEDA:	For NJT:
Dan Fatton	James Berry
36 West State St,	283-299 Market Street
Trenton, NJ 08625	Newark, NJ 07102
Dan.fatton@njeda.gov	jwberry@njtransit.com

7. <u>Term and Extension.</u> This MOU shall become effective on the Effective Date and shall expire four (4) years thereafter. The Parties may extend the MOU for one additional year by mutual

consent, provided that such consent is in writing and signed by the authorized representatives of each Party.

8. Termination.
   a. This MOU may be terminated by either Party for convenience or without cause with thirty (30) days' written notice to the other Party. Upon the date of termination, NJT shall be prohibited from using the Funds for any further activity under this Agreement, except for payment of any invoices for services that preceded termination. NJT shall return all unspent, uncommitted, and cancellable Funds in NJT's possession to NJEDA within thirty (30) business days of the termination date, with a full accounting of the Funds received and spent by NJT.

   b. Either Party may terminate this MOU in the event of a breach of this MOU by the other Party, provided that the breaching Party is afforded written notice and ten (10) business days to cure such breach. In the event the breach is not cured after ten (10) business days, the MOU shall terminate. Upon the date of termination, NJT shall be prohibited from using the Funds for any further activity under this Agreement, except for payment of any invoices for services that preceded termination. NJT shall return all unspent, uncommitted, and cancellable Funds in NJT's possession to NJEDA within thirty (30) business days of the termination date, with a full accounting of the Funds received, spent and obligated by NJT.

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

NJEDA	NJT
Tim Sullivan, CEO 36 West State Street P.O. Box 990 Trenton, NJ 08625	James Berry 283-299 Market Street Newark, NJ 07102

10. Assignment. This MOU may not be assigned by a Party without the prior written consent of the other Party. Any and all assignments not made in accordance with this section are void.

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

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

13. Applicable Law, Forum and Venue. Each Party shall be responsible for adhering to all applicable laws and regulations in the performance its obligations under this MOU. This MOU shall be governed by the laws of the State of New Jersey, without regard to its conflict of laws provision.

14. Publicity and Public Announcements. Each Party agrees to obtain permission from the other Party's authorized representative before using the name of the other Party in any public announcement or other publicity.

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

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

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

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

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

For NJEDA	For NJT
Name:	Name:
Title:	Title:
Signature:	Signature:
Date:	Date:

Attachment:
Exhibit A – Project Budget

EXHIBIT A
Project Budget

Cost Breakdown	
Buses - 8 New Flyer 40ft Electric Buses (1.5m Each)	**$12,000,000 ***
Infrastructure	
General Requirements	$ 83,472
Site Work & Masonry	$61,946
Structural Work	$174,720
Electrical Work	$571,000
Electrical Installation	$,716,979
Maintenance Area Upgrades	$350,000
Sprinkler Upgrades	$1,000,000
Design Fee (8%)	$236,649
Project Administration Fee (5%)	$147,906
Construction Administration (5)	$147,906
PSE&G Utility Connection	$0
Project Contingency (30%)	$1,047,173
Estimated Infrastructure Upgrade Cost	**$4,537,751**
EST TOTAL COST (Buses & Infrastructure)	**$16,537,751**

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 9, 2025

Subject: Addendum One to Council on the Green Economy Memorandum of Understanding – New Jersey Economic Development Authority and New Jersey Department of Environmental Protection

Summary:

Members of the Board are requested to approve:

1. An addendum to the Memorandum of Understanding (MOU) dated March 28, 2024, between the New Jersey Economic Development Authority (NJEDA) and the New Jersey Department of Environmental Protection (NJDEP). Addendum One to the MOU (Addendum One) will enable the NJDEP to provide $6 million in funding to NJEDA to continue supporting the efforts of the Governor's Council on the Green Economy. The full text of Addendum One, provided in substantially final form, is included as Exhibit A of this memorandum. The MOU is attached as Exhibit B.

Background:

In February 2021, Governor Murphy announced the creation of the Council on the Green Economy (Green Council or Green Jobs Council), convening cross-sector leaders in New Jersey's growing green economy to harness the opportunity created by our state's robust climate and clean energy policy accomplishments. Members of the Green Council include representatives from State departments, as well as leaders from chambers of commerce, organized labor, industry, utilities, green business, environmental justice communities, academia, small business, workforce development, and environmental advocacy.

The Green Council was tasked with delivering a Future of Green Jobs Report to define the pathways for green job creation, development of workforce capacity, and support for an innovation ecosystem critical for a nation-leading green economy. The report, published in September 2022 as a culmination of the Council's first phase of work, outlined several strategies to meet the objectives of the Green Council and to grow New Jersey's green economy in a sustainable and inclusive way. The Green Council subsequently launched the Clean Buildings Work Group to focus on developing a blueprint for achieving emissions reduction in the state's building sector, including an in-depth assessment of the landscape of building decarbonization workers, and workforce projections associated with retrofitting the state's current building stock to zero emissions technology.

In March of 2024, the NJEDA Board approved the first MOU between NJEDA and NJDEP, which enabled the NJDEP to provide $5 million in funding to NJEDA to support the continued efforts of the Governor's Council on the Green Economy. NJEDA utilized these funds to create the Green Workforce Training Grant Challenge to prepare New Jersey residents for jobs in the green economy, for which the Authority approved four applicants for an award. Additionally, with these funds NJEDA procured consulting services to refine research on green economy job and training opportunities, develop a Clean Building roadmap, and conduct a clean transportation center feasibility study.

Addendum One Description:

Addendum One will provide an additional $6 million in funding to NJEDA to support the continued efforts of the Green Council. The funding will support the following activities:

- Implementation of a competitive grant program(s) to support workforce training programs focused on green economy occupations, which may include, but are not limited to, those involving renewable energy, building decarbonization, energy efficiency, electric vehicles, green infrastructure, and/or clean building, similar to the NJ Green Workforce Training Grant Challenge consistent with the MOU; and

- Implementation of a new fellowship program for students attending private and public colleges and universities in New Jersey to further the development of New Jersey's clean energy industry and build student and faculty expertise consistent with the MOU and Addendum One; and

- Other programs or initiatives to support the development of a green workforce in NJ consistent with the MOU, subject to approval by NJDEP provided by electronic correspondence to NJEDA.

Consistent with the terms of the MOU, up to $180,000 (equaling 3% of the $6 million additional funding amount) may be used for NJEDA administrative expenses tied to the implementation of Green Council initiatives covered in Addendum One.

The term of Addendum One will be consistent with the MOU term, which is two (2) years or until the Green Council Funds are fully expended, whichever occurs first, but NJEDA staff intends to utilize the funding provided through Addendum One as timely as possible.

Under the terms of the MOU, NJEDA staff will continue to provide the NJDEP staff with annual reports detailing the status of NJEDA's Green Council initiatives, including the new programs described in Addendum One.

Recommendation:

The Members of the Board are asked to approve:

1. An addendum to the Memorandum of Understanding between the New Jersey Economic Development Authority (NJEDA) and the New Jersey Department of Environmental Protection (NJDEP). This Addendum One to the MOU (Addendum One) will enable the NJDEP to provide $6 million in funding to NJEDA to continue supporting the efforts of the Governor's Council on the Green Economy. The full text of Addendum One, provided in substantially final form, is included as Exhibit A of this memorandum.

____
Tim Sullivan, CEO

Prepared by: Cathy Yuhas

Exhibit A:
Addendum One to the MOU

Exhibit B:
MOU dated March 28, 2024, between the New Jersey Economic Development Authority and the New Jersey Department of Environmental Protection

Exhibit A:

ADDENDUM ONE TO THE COUNCIL ON THE GREEN ECONOMY MEMORANDUM OF UNDERSTANDING BETWEEN THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AND THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

THIS ADDENDUM ONE ("Addendum One") to the Memorandum of Understanding ("MOU") between the New Jersey Economic Development Authority (hereinafter "NJEDA") and the New Jersey Department of Environmental Protection (hereinafter "NJDEP") is made on this _______ day of _______________, 2025.

WHEREAS, the Parties entered into an MOU on March 28, 2024, in which NJDEP agreed to provide NJEDA with five million dollars ($5,000,000) from the funds appropriated to NJDEP to support the Council on Green Jobs[1] ("Green Council Funds") under the Fiscal Year 2024 Appropriations Act (P.L.2023, c.74) for NJEDA to further the objectives outlined in the Green Council's "Green Jobs for a Sustainable Future" report by continuing targeted workforce research and supporting the development of workforce training programs for green economy occupations; and

WHEREAS, on June 28, 2024, Governor Murphy signed into law the Fiscal Year 2025 Appropriations Act (P.L.2024, c.74) ("the FY25 Budget"), which appropriated four million dollars ($4,000,000) to NJDEP in support of the Council on Green Jobs; and

WHEREAS, on June 30, 2025, Governor Murphy signed into law the Fiscal Year 2026 Appropriations Act (P.L.2025, c.74) ("the FY 2026 Budget"), which appropriated two million dollars ($2,000,000) to NJDEP in support of the Council on Green Jobs; and

WHEREAS, the Parties have agreed that NJEDA is best positioned to timely deploy the aforementioned funds appropriated to NJDEP; and

WHEREAS, NJDEP has agreed to provide NJEDA with six million dollars ($6,000,000) for NJEDA to implement new programs and perform additional targeted workforce research, as described in more detail below; and

WHEREAS, the duties of the Parties under this Addendum One will continue to advance the priorities outlined in the Green Jobs for Sustainable Future report; and

WHEREAS, the Parties, under the powers vested in them by N.J.S.A. 52:14-2, have determined that it is in their mutual best interests and in the best interests of the public to enter into this Addendum One.

[1] The Council on the Green Economy created by Governor Murphy in February of 2021 is referred to interchangeably as the "the Green Council", "the Council on Green Jobs" or the "Green Jobs Council".

NOW, THEREFORE, the Parties agree as follows:

1. **INCORPORATION**: The recitals set forth above are hereby incorporated into and made part of this Addendum One.

2. **PURPOSE OF ADDENDUM ONE**: The Parties are entering into this Addendum One to expand the scope of the MOU to include additional funding and programs.

3. **TERM:** This Addendum One shall become effective on the date of the last signature of the Parties hereto ("Addendum One Effective Date") and shall remain in effect: (i) for two (2) years from this Addendum One's effective date or (ii) until the MOU expires or is terminated.

4. **DUTIES OF THE PARTIES:** The Parties hereby agree as follows:

   a. NJDEP will transfer $6,000,000 to NJEDA in two installments. NJDEP will transfer $4,090,000 to NJEDA within fifteen (15) business days of the Addendum One Effective Date and transfer the remaining $1,910,000 to NJEDA upon NJEDA providing documentary evidence demonstrating that the initial installment and the remaining $1,910,000 have been contractually obligated or spent in accordance with this Addendum One. Documentary evidence may include, but is not limited to, work/purchase orders, contracts, invoices, and pay receipts and NJEDA Board approved Board Memos. The term "Green Council Funds" defined in the MOU is hereby amended to include the funds described in this section 4.a. For the avoidance of any doubt, the Administrative Fee described in Section 5 of the MOU shall apply to these funds.

   b. NJEDA will utilize the Green Council Funds to support the new programs described below. The term "Proposed Programs" defined in Section 5(b) the MOU is hereby amended to include one or more of the following programs:

      i. Implementation of a competitive grant program(s) (also known as a "grant challenge") to support workforce training programs focused on green economy occupations, including but not limited to those involving renewable energy, building decarbonization, energy efficiency, electric vehicles, green infrastructure, and/or clean building, similar to the NJ Green Workforce Training Grant Challenge consistent with the MOU; and

      ii. Implementation of a new fellowship program for students attending private and public colleges and universities in New Jersey to further the development of New Jersey's targeted industries and build student and faculty expertise consistent with the MOU and Addendum One; and

      iii. Implementation of a program or initiative to support the development of a green workforce in New Jersey consistent with the MOU, subject to approval by NJDEP provided by electronic correspondence to NJEDA.

5. **ENTIRE AGREEMENT**: All of the terms and conditions of the MOU shall apply to this Addendum One and shall remain in full force and effect except as modified herein. In the event of any conflict between the terms of this Addendum One and the terms of the MOU, the terms of this Addendum One shall prevail. The MOU and this Addendum One contain

the entire understanding of the Parties and supersede any prior understandings of the Parties, oral or otherwise, regarding the subject matter of the MOU. All negotiations, oral agreements, and understandings are merged herein.

6. **AUTHORITY:** By the signatures below, the Parties execute this Addendum One and confirm that they are mutually bound by and fully authorized and empowered to enter into and bind their organization by all provisions contained herein.

7. **SIGNATURES:** The terms and conditions of this Addendum One have been read and understood by the persons whose signatures appear below, and the Parties agree to comply with the terms and conditions set forth on the preceding pages. The Parties agree that the execution of this Addendum One by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

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

For NJEDA	For NJDEP
Name: Tim Sullivan	Name: Elizabeth Dragon
Title: Chief Executive Officer	Title: Assistant Commissioner, CIER
Signature:	Signature:
Date:	Date:

Exhibit B:

COUNCIL ON THE GREEN ECONOMY
MEMORANDUM OF UNDERSTANDING
BETWEEN THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AND THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of this 4th day of March 2024, by and between

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, with its principal office at 36 West State Street, Trenton, New Jersey 08625 (hereinafter "NJEDA"), and

THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, with its principal office in the Department of Environmental Protection Building, 401 East State Street, Trenton, New Jersey 08625 (hereinafter "NJDEP");

NJEDA and the NJDEP are collectively referred to herein as the "Parties," with each individually referred to as a "Party."

WHEREAS, NJEDA is an independent State agency, in but not of the Department of Treasury, that serves as the State's principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy; and

WHEREAS, NJDEP serves as the State's principal agency for protecting against climate threats, in addition to protecting air, water, land, and natural historic resources; and

WHEREAS, in February of 2021, Governor Murphy announced the creation of a Council on the Green Economy (hereinafter "the Green Council"), staffed by the Governor's Office of Climate Action and the Green Economy, to convene cross-sector State leaders to harness the opportunity created by the State's robust climate and clean energy policy accomplishments; and

WHEREAS in September of 2022, the Green Council issued the "Green Jobs for a Sustainable Future" report, which defined pathways for green job creation, development of workforce capacity, and support for an innovation ecosystem critical for a nation-leading green economy; and

WHEREAS, on June 30, 2023, Governor Murphy signed into law the Fiscal Year 2024 Appropriations Act (P.L.2023, c.74) (hereinafter "the Budget"); and

WHEREAS, the Budget appropriated five million dollars ($5,000,000) to NJDEP in support of the Council on Green Jobs; and

WHEREAS, the Parties have a history of partnering with each other in the furtherance of clean energy and environmental sustainability economic development; and

WHEREAS, the Parties have agreed that NJEDA is best positioned to deploy the 2024 funds appropriated to the Council on Green Jobs (hereinafter the "Green Council Funds") in a timely manner; and

WHEREAS, the Parties agree that this MOU is in the best interests of the public; and

WHEREAS, NJDEP has agreed to provide NJEDA with five million dollars ($5,000,000) from the Green Council Funds for NJEDA to further the objectives outlined in the "Green Jobs for a Sustainable Future" report by continuing targeted workforce research and supporting the development of workforce training programs for green economy occupations; and

WHEREAS, this MOU will advance the priorities outlined in the Green Jobs for Sustainable Future report; and

WHEREAS, the Parties, under the powers vested to them by N.J.S.A. 52:14-2, have determined that it is in their mutual interest to enter into this MOU.

NOW, THEREFORE, the Parties agree as follows:

1. **INCORPORATION**: The recitals set forth above are hereby incorporated into and made part of this MOU.

2. **PURPOSE OF MOU**: The Parties are entering into this MOU to document the mutual understanding and intention of the Parties in carrying out their respective obligations under this MOU.

3. **TERM:** This MOU shall become effective on the date of the last signature of the Parties hereto (hereinafter the "Effective Date"). This MOU, unless terminated sooner as set forth in Section 10 ("TERMINATION") below, shall remain in effect: (i) for two (2) years from this MOU's Effective Date; or (ii) until the Green Council Funds are fully expended, whichever occurs first. The Parties may extend the MOU by mutual consent, provided that such consent is in writing and signed by the authorized representative of each Party.

4. **SUBJECT TO THE AVAILABILITY OF FUNDING:** NJDEP's obligations under this MOU are subject to appropriations and the availability of funds. NJEDA hereby acknowledges that funding availability may impact the amount of Green Council Funds that NJDEP may provide to NJEDA under this MOU.

5. **DUTIES OF THE PARTIES:** To achieve the goals of this MOU, the Parties hereby agree as follows.

   a. NJDEP will transfer the Green Council Funds, a total of $5,000,000, to NJEDA within fifteen (15) business days of the Effective Date of this MOU.

b. NJEDA will dedicate the Green Council Funds to the following programs (hereinafter "Proposed Programs"):

1) Procurement of consulting services to continue targeted research on employment projection and staffing analyses for occupations in the green economy that will be shared with the Green Council, including but not limited to renewable energy, electric vehicles, offshore wind, green infrastructure, and clean buildings, and the production of public- facing reports that synthesize research findings.

2) Implementation of a competitive grant program (also known as a "grant challenge") to support workforce training programs focused on green economy occupations, including but not limited to those involving renewable energy, electric vehicles, offshore wind, green infrastructure, and clean building, similar to the grant program NJDEP implemented with the 2023 legislative appropriation for the Green Council.

c. If NJEDA chooses to not pursue one or more of the Proposed Programs, NJEDA shall notify NJDEP no later than thirty (30) business days after such determination and shall propose alternatives for NJDEP's consideration and approval.

d. NJEDA will provide to NJDEP annual written reports that include: the progress of each of the Proposed Programs; Proposed Programs that are completed; any issues encountered in implementing the Proposed Programs and their resolution or proposed resolution; committed and paid expenditures to date; and plans for the following year with respect to each of the Proposed Programs.

5. **ADMINISTRATION FEE:** NJEDA may utilize up to three percent (3%) of the Green Council Funds to support the administrative, personnel, and overhead costs of implementing the Proposed Programs.

6. **THIRD-PARTY BENEFICIARIES:** This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status. The rights, duties and obligations contained herein shall operate only between the Parties and shall inure solely to the benefit of the Parties. The provisions of this MOU are intended only to assist the Parties in determining and performing the obligations set forth herein.

7. **AMENDMENT:** This MOU may be amended, supplemented, changed, modified, or altered only by mutual agreement of the Parties in writing that shall be effective as of the date stipulated therein.

8. **ASSIGNMENT:** This MOU may not be assigned by a Party without the prior written consent of the other Party.

9. **DISPUTE:** If there are any disputes among the Parties concerning this MOU, the Commissioner of NJDEP and the CEO of NJEDA, or their authorized representatives, shall confer to resolve the dispute.

10. **TERMINATION:** Either Party may terminate this MOU with or without cause upon thirty (30) business days' written notice to the other Party of such intention to

terminate. In the event of termination, the Parties agree to conduct a final accounting within sixty (60) business days of the termination effective date. At the termination or expiration of this MOU, NJEDA will return to NJDEP any unexpended Green Council Funds remaining after all costs, direct or indirect, incurred by NJEDA under the terms of this MOU have been paid, or, alternatively, with written consent from NJDEP, rollover any uncommitted funds to future MOUs regarding the subject matter of this MOU.

11. **NOTICE:** All correspondence and notices from one Party to the other regarding this MOU shall be sent to the designated contacts provided below. The Parties will notify each other in writing of any change in these contacts within ten (10) business days.

    For NJDEP:

    Elizabeth Dragon
    Assistant Commissioner, Community Investment & Economic Revitalization (CIER) New Jersey Department of Environmental Protection
    401 East State St, PO Box 401, Trenton, NJ 08625
    Elizabeth.Dragon@dep.nj.gov

    For NJEDA:

    Jen Becker
    Vice President, Offshore Wind
    New Jersey Economic Development Authority
    36 West State Street, PO Box 990, Trenton, NJ 08625
    Jen.becker@njeda.gov

12. **APPLICABLE LAW**: The Parties shall retain all the respective powers, obligations, and immunities provided by law. Each Party shall be responsible for adhering to all applicable laws, regulations, and its own Standard Operating Procedures in the performance of its obligations under this MOU.

13. **PUBLICITY AND PUBLIC ANNOUNCEMENTS**: Each Party agrees to obtain the written permission of the other Party before using the name of the other Party in any public announcement or other publicity related to this MOU.

14. **ENTIRE AGREEMENT:** This MOU contains the entire understanding of the Parties and supersedes any prior understandings of the Parties, oral or otherwise, regarding the subject matter of this MOU. All negotiations, oral agreements, and understandings are merged herein.

15. **AUTHORITY:** By the signatures below, the Parties execute this MOU and confirm that they are mutually bound by and fully authorized and empowered to enter into and bind their organization by all provisions contained herein.

16. **COUNTERPARTS:** This MOU may be signed in counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

17. **SIGNATURES:** The terms and conditions of this MOU have been read and understood by the persons whose signatures appear below, and the Parties agree to comply with the terms and conditions set forth on the preceding pages. The Parties agree that the execution of this MOU by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

[This space intentionally left blank; signature page follows]

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

For NJEDA	For NJDEP
Name: Tim Sullivan	Name: Elizabeth Dragon
Title: Chief Executive Officer	Title: Assistant Commissioner, CIER
Signature:	Signature: Elizabeth Dragon
Date: March 28, 2024	Date: March 4, 2024

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: October 9, 2025

RE: New Jersey Film Works Grant Program Awards and Declinations

Summary

The Members are requested:

- To approve five (5) applications and their respective grant awards for the NJ Film Works Grant Program totaling $3 million utilizing funding from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid) for the following applicants: (1) Reel Stories Teen Filmmaking, Inc., (2) Aspire Youth Development, (3) Invest Newark, (4) Abel Cine Tech, and (5) Independent Content Studio; and to decline all other applications.

Background

The NJEDA Board approved the creation of the NJ Film Works Grant Program (Grant Program) at its March 12, 2025, meeting to support the State's goals to prepare New Jersey residents for jobs in the growing film and digital media industry. The Grant Program was a competitive program to award grants that aide in implementing innovative workforce development, training, and skills programs focused on strengthening and diversifying New Jersey's film and digital media talent pipeline, with a particular focus on serving NJ's Overburdened Communities. A maximum of $3 million was made available through this Grant Program utilizing funding from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid). The minimum and maximum amounts for individual awards were set at $250,000 and $750,000, respectively.

NJ Film Works Grant Program Requirements

NJEDA issued a Notice of Funding Availability for the Grant Program on May 5, 2025, and all information about the Grant Program, including answers to submitted questions, was posted on a dedicated webpage on NJEDA's website. The application window for the Grant Program opened on May 12, 2025, and closed on July 11, 2025.

The Grant Program is intended to provide funding support to entities that provide New Jersey residents with access to workforce development training, internship, apprenticeship, and learning opportunities for careers in the targeted industry of film & digital media, with a particular focus on access for residents of New Jersey's Overburdened Communities. Eligible applicants included, but were not limited to, community-based organizations, non-profit organizations, private workforce training organizations, labor unions, educational institutions, for-profit film and digital media companies or consortium/associations of private film and digital media companies.

Applicants were required to propose workforce development training, internship, apprenticeship, and/or learning opportunities in at least 1 (one) but no more than 3 (three) eligible occupation(s) listed in the Grant Program's specifications the Eligible Occupations for the Grant Program.

Applicants were allowed to collaborate with additional entities to implement the training program as needed. However, the NJEDA will only award and enter into a grant agreement with the applicant entity.

In addition to these eligibility parameters, the applicants were required to be in substantial good standing with the New Jersey Department of Labor and Workforce Development (NJDOL) and, as applicable, the NJ Department of Environmental Protection (NJDEP) to participate in the program. At the time of the execution of a grant agreement, a current tax clearance certificate will be required to demonstrate the applicant is properly registered to do business in New Jersey and in good standing with the NJ Division of Taxation.

As part of the application, applicants were required to submit proposals, including a narrative and budget, that outlined compelling plans to:

- Implement a New Jersey based program that will allow New Jerseyans to access workforce opportunities in the film and digital media industry by providing tangible skills sought by employers. Components of programs must include direct workforce training/skill development, and, where relevant, wraparound services such as access to career services, mentorship, family services (such as childcare, eldercare, or other similar services), counseling, transportation, etc.
- Connect with industry and other stakeholders to implement a program that prepares and connects participants with job opportunities in targeted industries in high-growth and in-demand occupations. Applicants are expected to demonstrate that their proposed program will provide meaningful career opportunities through labor market research, employer and industry engagements, and other relevant analysis.
- Develop and/or utilize outreach, recruitment best practices, program design approaches, and wraparound supports that target and support a diverse and inclusive pool of training participants to successfully complete the program.
- Define program evaluation and success metrics such as recruitment, enrollment, completion, job placement, and learning acquisition targets.
- Reach and target New Jersey's Overburdened Communities and provide opportunities for economic mobility for these communities.
- Collect, track, and report programmatic data, including trainee demographics, trainee surveys, instructor evaluations, training enrollments and completions, and job placement and retention information.
- Execute the project efficiently and on schedule, achieving well-defined milestones to complete the proposed initiative.

As included in the Grant Program Specifications, proposals were evaluated based on five primary criteria:

1. Impactful program design and implementation approach, and the ability of the initiative to meet the needs of New Jersey's growing film and digital media industry (up to 35 points)

2. Ability to serve NJ's Overburdened Communities (up to 10 points)
3. Ability to provide wraparound supports and low- or no-cost training (up to 15 points)
4. Ability to implement proposed program for film and digital media occupations and prior experience implementing workforce development initiatives and prior experience creating and implementing workforce development initiatives (up to 30 points)
5. Justification for the proposed use of funds with a reasonable budget to implement the proposed training program (up to 10 points)

The minimum score required to be considered for an award is 80 points, with the highest score possible being 100 points.

To maximize the total amount of funding allocated through this grant, NJEDA had the option to request revisions to the proposed budgets or scopes per the following protocol: NJEDA will fully fund the top scoring proposals within the maximum program funding of $3 million. If the next highest scoring applicant(s) has a budget request that would exceed the total maximum program funding available, NJEDA may request that the applicant(s) revise their budget and/or scope. The applicant(s) has the right to decline or accept the budget revision option.

- If this applicant(s) declines, NJEDA may make the same offer to the next highest scoring applicant(s).
- This process may continue until a qualifying applicant(s)'s proposal either fits within the maximum of $3 million available or the applicant(s) accepts the offer to revise its budget to fit within the maximum program funding available.
- Any applicant(s) that accepts the offer to revise their budget will have the revised application evaluated by NJEDA to determine if the revision would lower their proposal's ranking to an extent that they are no longer the next highest ranked proposal or they no longer meet the minimum score.

Overview of Applications Recommended for Grant Award

NJEDA received 38 applications for the Grant Program. Three (3) applications were deemed incomplete, rejected and not scored, as they did not submit required documents and/or information during the cure period of 10 business days. The Evaluation Committee reviewed the remaining 35 proposals against the documented scoring criteria. Of the 35 applications, 8 scored an 80 or above (the minimum score required to be considered for an award) and 27 scored below 80. The following 5 applicants had the highest scores within the available funding amount and are recommended for awards:

1. Reel Stories Teen Filmmaking, Inc, doing business as Reel Works, will train individuals for the following occupations: Assistant Camera, Production Accountant, and Set Carpenter. Training will be in a hybrid format, and in-person training will take place in and around Oceanport near the planned Netflix Studio campus at Fort Monmouth. Reel Works will collaborate with the International Alliance of Theatrical Stage Employees (IATSE) Locals 52 and 600 and others for instruction and employment connections. Supportive services include training stipends, transportation stipends, meals, and other supports as needed. The budget for the program is $750,000. The proposal received a score of 89.93.

2. Aspire Youth Development will train for the following occupations: Assistant Editor, Camera Operator, and Film & TV Editor. In-person training will take place primarily in Lumberton and be accessible to Camden, Gloucester, and Burlington Counties residents. Aspire Youth Development will collaborate with Creative Content OnDemand to deliver

core technical instruction and leverage their existing network to create employment, apprenticeship, and other work experience opportunities. Supportive services include transportation, childcare, equipment access and other services as needed. The budget for the program is $444,164. The proposal received a score of 88.20.

3. Invest Newark will train for the following occupations: Production Assistant and Rigger/Grip/Set Grip. In-person training will take place primarily in Newark. Invest Newark will collaborate with the Newark Office of Film and TV, Express Newark's Community Media Center, NewarkWORKS One Stop Career Center, Newark Film School, and the New Jersey Performing Arts Center to provide technical training and job placement assistance. Supportive services include training stipends, transportation vouchers, meals, and other services as needed. The budget for the program is $750,000. The proposal received a score of 87.60.

4. Abel Cine Tech LLC will be training for the following occupations: Audio and Video Technician, Camera Operator, and Digital Imaging Technician (DIT). The training will be hybrid, and in-person training will take place primarily in Newark. Abel Cine is a training partner with IATSE Local 600 and other guilds and will utilize internal business units and their existing network for job placements. Supportive services include transportation stipends, childcare and eldercare stipends, and other services as needed. The budget for the program is $668,838. The proposal received a score of 86.40.

5. Independent Content Studio will train for the following occupations: Assistant Editor, Audio & Video Technician, and Set Design. The program will be hybrid, and in-person training will take place in Paulsboro and Gibbstown. Independent Content Studio will collaborate with Paulsboro High School, Rowan University, and All That's Good Productions to deliver the proposed program. Supportive services include transportation assistance, career readiness, and other services as needed. Independent Content Studio's application was the fifth highest scoring proposal; however, their initial funding request of $749,200 placed the cumulative funding requests above the funding cap of $3 million. As such, NJEDA staff requested a revised budget and scope from Independent Content Studio, in accordance with the process for maximizing funding that is described above. The revised proposal and budget submitted by Independent Content Studio was accepted by NJEDA. The revised budget for the program is $386,998. The Committee evaluated the applicant's program with the revised budget and the proposal received a score of 84.20.

The following applicants met the minimum required score of 80 but could not be awarded within the maximum program funding of $3 million. As such, these applicants are recommended for declination: Newark International Film Festival Foundation (Score: 81.93), Montclair Film Festival Inc. (Score: 81.73), and Kvibe Productions LLC (Score: 81.27).

The applicants that did not meet the minimum score of 80 and are recommended for declination are The Trustees of Princeton University (Score: 79.53), Corporate Community Connections, Inc. (Score: 77.40), Worldcast Live Inc (Score: 73.53), Blackbelt Country Productions (Score: 73.27), The Color Organization Inc. (Score: 72.40), Winslow Township School District (Score: 71.93), Friends of Fort Lee Film, Inc. (Score: 71.20), Rowan University (Score: 68.40), The Apprenticeship Network (Score: 66.87), Rutgers, the State University of NJ (Score: 65.27), Syndicate Productions LLC (Score: 63.53), Get-Kinetic Incorporated (Score: 62.87), SISU Production Studios, LLC (Score: 59.47), Albert iSlay Walden Education Alliance (Score: 58.53), HerComedy Media (Score: 58.07), Ameenha Lee LLC (Score: 57.87), Join Our Youth INC (Score: 57.67), Black Ink Creative Partners LLC (Score: 56.73), Jvargas Enterprises LLC (Score: 55.67), Write The Vision Entertainment L.L.C. (Score: 55.27), Davidzon Media, Inc. (Score: 54.47), Klick Studios LLC (Score: 54.07), Joe 2 Joe LLC (Score: 51.00), W3K Productions, LLC (Score: 47.40), SRN Communication LLC (Score: 42.73), My Hero Pictures, LLC (Score: 42.67), and Arise Rebirth Legacy (Score: 2.67).

Upon NJEDA Board approval, NJEDA will enter into grant agreements with each of the five (5) awarded applicants.

Recommendation

The Members are requested:

- To approve five (5) applications and their respective grant awards for the NJ Film Works Grant Program totaling $3 million utilizing funding from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid) for the following applicants: (1) Reel Stories Teen Filmmaking, Inc., (2) Aspire Youth Development, (3) Invest Newark, (4) Abel Cine Tech, and (5) Independent Content Studio; and to decline all other applications.

Tim Sullivan, CEO

Prepared by: Luke Brunskill

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 9, 2025

SUBJECT: Asset Activation Planning Grant Program - Round Four Funding and Revisions

Summary

The Members are asked to approve:

1) Utilization of $300,000 in remaining funds from the New Jersey Asset Activation Planning Grant Program ("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.
4) Program revision to increase the maximum grant award from $50,000 to $100,000.

Background

On March 9, 2022, the NJEDA Board approved the Asset Activation Planning Grant Program ("Program") to promote the State Economic Plan goals of assisting communities in creating vibrant and inclusive cities and neighborhoods and building a stronger and fairer New Jersey that attracts top tier talent business to the State. The Program promotes these objectives through the funding of pre-development planning projects that will activate distressed and under-utilized public assets and benefit their communities and the regional economy.

The Program offers grants to New Jersey public, private, and nonprofit entities for planning activities, such as conceptual or architectural design, feasibility studies, economic or market analyses, that will facilitate development of the target assets.

Since 2022, the Program has administered three rounds of grants offering a total of nearly one million dollars in funding. The nine projects awarded grants in Round One have reached completion, with several resulting plans leading to subsequent development phases and funding resources for their projects. Five grants were awarded in Round Two, with the last of those projects now nearing completion. Four grants were awarded in Round Three, which also has one project currently underway.

Round Four Funds and Revisions

Several projects funded through the Program have resulted in successful progress in activating their target assets. Plans produced with these grants have led directly to State funding allocations in the Meadowlands, additional NJEDA development in Atlantic City, and accelerated development pipelines in Trenton, Newark, and other locations. Therefore, it is recommended the Board approve the use of existing Program funds to capitalize a new Round Four of grants, totaling $300,000 in available Program funds.

This Program was funded through two state appropriations. The first was $400,000 from FY21 which utilized Main Street Recovery Finance Program funding. Then in FY23 the Governor Appropriations Act designated supplemental funding of $1.8 million. To date, a total of $848,300 has been allocated to Program awards and $810,800 has been spent. Since there is a balance of $851,700 left remaining, staff is currently requesting to utilize $300,000 of this balance for Round Four of this product. Staff will then plan to request, in a separate board memo, that the remaining balance of $551,700 be allocated back to the Main Street Recovery Fund.

Furthermore, staff is requesting minor revisions to the application window and cure process to improve the administration of this Program. Extending the applicant cure period to 15 business days will provide additional time for applicants to submit required documents. We also recommend that the 90-day application window be extended to 12 months or until all available funds are awarded, whichever comes first. Applications will be paused if grant requests exceed available funds, and will resume, if necessary, after pending application decisions are finalized and available funds are recalculated. If there are any unused funds after 12 months, those funds will be transferred from the Program to the Main Street Recovery Finance Program Recovery Fund.

We also recommend increasing the maximum grant award from $50,000 to $100,000 to accommodate increasing prices since the Program began and allow larger scale project proposals, while still allowing for smaller budget proposals based on specific needs.

All other specifications for the Program remain the same.

Recommendations

1) Utilization of $300,000 in remaining funds from the New Jersey Asset Activation Planning Grant Program (“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 of the application window from 90 days to 12 months.
4) Revision to increase the maximum grant award from $50,000 to $100,000.

Tim Sullivan
Chief Executive Officer

Prepared by: Jason Miller
Attachment: Appendix A – New Jersey Asset Activation Planning Grant – Specifications with Proposed Revisions

Appendix A
New Jersey Asset Activation Planning Grant
Specifications with Proposed Revisions
October 2025

Funding Source	Utilization of a portion of the balance of funds to offer a fourth round for $300,000.
Program Purpose	The Fourth Round of The New Jersey Asset Activation Planning Grant Program will award grants of up to $100,000 to public, private, or non-profit entities, for early-stage planning and analysis that will demonstrate viability of projects that activate distressed or under-utilized public assets that benefit their communities and the regional economy.
Eligible Applicants	Qualified applicants are defined as a New Jersey: • New Jersey Municipalities, Counties, Redevelopment Agencies, or Independent Authorities, • Non-profit entities that meet additional criteria detailed below, and hold a valid New Jersey tax clearance certificate, or • Private, for-profit entities that meet additional criteria detailed below, and hold a valid New Jersey tax clearance certificate. An Applicant in a lead role is the entity that is the sole recipient of grant funds and responsible for all terms of the grant agreement. The lead applicant will serve as the primary point of contact with the Authority, submit any requests for fund disbursement, and provide reports to the Authority. An applicant may only submit one application each in a lead role but can be included as a partner in additional applications where they play a non-lead role Applicants may add strategic partners whose experience, knowledge, skills, and ability may provide an advantage in the production of analyses and reports. The strategic partnership must be recognized by a signed memorandum of understanding or a written agreement between the partner and the applicant and included in the completed application. Any named strategic partner or partners included in the proposal cannot be changed without the prior written consent of the Authority. Applications must provide a letter of approval from the chief executive of the public entities that hold ownership of the subject property, or person with final authority to make development decisions for the property. Assets owned by The State are not eligible for project applications, however assets owned by Independent State Authorities are eligible when accompanied by a letter of approval. A proposal on behalf of a county or independent authority does not preclude a municipality within that county; or municipality or county within boundary of independent authority; or independent authority whose boundaries overlap a municipality or county from submitting their own proposal.
Eligible Uses	The Fourth Round of the New Jersey Asset Activation Planning Grant Program will provide grants of up to $100,000 directly to grantees for pre-development planning that will demonstrate viability of projects. Proposed plans may include, but are not limited to: • Conceptual design

	• Feasibility studies • Economic analysis • Market analyses • Redevelopment Needs Assessment and/or Plan Proposal plans must demonstrate to what extent the utilization of a public asset will be improved by the proposed project and how development of an asset will benefit the regional economy and the community. Projects should target deficient, under-utilized, or vacant land, buildings, or infrastructure owned by a county, municipality, district, public authority, public agency, or other political subdivision or public body. Projects may study areas with multiple properties, if the principal components of the study area are publicly owned, a letter of approval is provided for those principal properties, and all property owners are identified in the application. Plans should demonstrate a strong connection to the State's development objectives through project elements, such as: • Creating or catalyzing a new business sector, or target industry • Driving economic growth and equity • Creating an innovative use for distressed public assets, unutilized or underutilized public property or unutilized public lands • Expanding access to public transportation or public services • Attracting employers and a diverse, talented workforce • Expanding entrepreneurial opportunities and support local businesses • Improving land use efficiency and sustainability
Application Process and Board Approval/ Delegated Authority	Following a Notice of Funding Availably, applications for The Program will be accepted on a rolling basis for 12 months or until all funds are awarded for the current round (whichever comes first). EDA anticipates notifying each applicant within five business days of receipt if the application has been deemed complete. Applicants whose applications have been deemed incomplete will be given fifteen business days to cure any deficiencies. If at the end of the fifteen-day period, the applications are still incomplete, they will be notified the application has been withdrawn, and a new application would need to be submitted for further consideration. Complete applications will proceed through review of legal and state agency compliance. Any issues found through this review will be given ten business days to resolve. Applications that cannot resolve legal or state agency compliance within ten days will be notified the application has been withdrawn, and a new application would need to be submitted for further consideration. Applications that meet legal and state compliance will proceed to scoring and must meet the minimum score requirement of 65 to receive an award. Applications that score below 65 will be recommended to the board for decline. If the next eligible application in line for an award cannot be fully funded with the remaining Program budget, the applicant will be given the option to revise their scope and budget, or withdrawal. A revised application will be re-scored immediately and proceed to a final award decision.

Scoring	Applications will be reviewed and scored by staff of the Authority formed as a scoring committee. The scoring committee may utilize the advice of subject matter experts from both the Authority and other New Jersey state departments, agencies, councils, offices, and boards to advise scoring decisions. Grants will be scored on a scale of 0-100 points, with 100 points being the highest score possible. Grants award recommendations will be limited to applications that meet or exceed the Minimum Score Requirement of 65 points. Applications must include plans for specific deliverables that can be fully completed (with copies provided to EDA appropriate for public consumption) six calendar months after the execution of funding agreement between EDA and the recipient Applications will be evaluated and scored on each of the criteria below. <u>Criteria #1 - Asset Impact</u> (Up to 40 points) Proposals must demonstrate how projects will improve the utilization of a public asset and contribute to the community and regional economy. Scoring measure: 0 - 10 points: Demonstrates minimal impact 11 - 20 points: Demonstrates marginal impacts 21 - 30 points: Demonstrates significant impacts 31 - 40 points: Demonstrates superior impacts <u>Criteria #2 – Identification of Project Purpose and Merits</u> (Up to 20 points) – Proposals must demonstrate the need for the grant funds, the proposed planning work, and a clear path from the proposed planning work to the improved asset utilization. The proposal should demonstrate a clear understanding of the local planning goals and challenges, as well as the Asset's role within them. Scoring measure: 0 - 5 points: Little or no demonstration of features 5 - 10 points: Features are present but show deficiencies. 11 - 15 points: Features are well demonstrated. 16 - 20 points: Significantly exceeds requirements. <u>Criteria #3 - Previous Experience</u> (Up to 20 points) – Preference will go to entities who are able to display a strong record of early-stage project planning and analysis that lead to development. Applications should demonstrate a commitment to engage in development projects through a record of past projects. Applications may bolster these criteria through strategic partnerships and detailing those partners' records. Preference will go to applicants who can demonstrate a track record of: Scoring measure: 0 - 5 points: Little or no demonstration of features 5 - 10 points: Features are present but show deficiencies. 11 - 15 points: Features are well demonstrated. 16 - 20 points: Significantly exceeds requirements. <u>Criteria #4 - Community Engagement</u> (0 to 10 points) - Preference will go to applicants that are able to display efforts to engage local residents and businesses in planning efforts. Local interest may be shown in the form of both past and present support,

	whether formal (municipal resolutions) or informal (community discussion and engagement). Scoring measure: 1-5 points: Feature is present but shows deficiencies 5-7 points: Meets requirements 7-10 points: Significantly exceeds requirements Criteria #5 - Municipal Revitalization Index Score (0 to 10 points) – The Municipal Revitalization Index (MRI) serves as the State's official measure and ranking of municipal distress. The MRI ranks New Jersey's municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. Most recent MRI scores will be applied based on time of application submission and physical location of proposed project's municipal host community. Scoring measure: 2 point: MRI Distress Score 30 – 34.9 4 points: MRI Distress Score 35 – 39.9 6 Points: MRI Distress Score 40 – 49.9 8 Points: MRI Distress Score 50 – 69.9 10 Points: MRI Distress Score 70 or higher
Grant Amounts	Grant awards will be up to $100,000
Funding Disbursement	Grant disbursements by the Authority will only be made to the lead role entity. The lead role entity shall be responsible for assuring the compliance of any strategic partners and/or subcontractors with all terms and conditions of this application - and assumes the sole and absolute responsibility for any payments due to any municipal, county, or strategic partners. All Applicants who are successfully awarded a grant will follow a uniform disbursement schedule. The lead entity will receive 50% of the grant amount upon execution of grant agreement, and 25% upon completion and submission of a mid-way progress report, and 25% upon completion and submission of a final plan and final progress report.
Reporting requirements	Communication between the Authority and the Grantee will be held monthly for the first three months of the grant term, up until the halfway point of the grant term. Within three months a report must be submitted and include: • Summary of funds expended to date; and • Narrative detailing of the milestones achieved and the overall progress toward completion of the final plan. During and following that time, additional calls may be held on an as-needed basis until the grant term has ended. At the end of the grant term, the awarded grantee must provide a copy of all project deliverables and related project documents, all expense documentation, and a final report to the Authority for review. Upon written request by the grantee at any time, an extension of up to two months may be authorized at the sole discretion of the Authority.

Fees	A fee of $ 1,000 shall accompany every application for Authority assistance. An application fee waiver may be requested at the time of application for proposals led by municipalities or municipal authorities, boards, commissions, or other municipal entities ranked in the top 10% of the MRI. Applicants self-identify in the application as a municipality or municipal government entity requesting a waiver. NJEDA staff determines if the entity meets the criteria for a waiver. Eligible entities are granted a waiver for the Program. Ineligible entities are notified and a cure in the form of fees payment is requested to complete the application.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: October 9, 2025

RE: Authority's Audited Financial Statements for the year ending December 31, 2024 Annual Report

Summary

The Members of the Board are requested 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).

Background

Pursuant to the Authority's enabling act (N.J.S.A. 34:1B-4), the Authority prepares and distributes an Annual Report of accomplishments and activities to support economic development in New Jersey based upon the calendar year which is also the Authority's fiscal year. Since 2006, in order to meet the requirements of Executive Order No. 37 (2006), the Annual Report was combined with the Authority's audited financial statements and served as the Authority's comprehensive annual report.

This year, in order to provide activity data to the Board earlier, the Authority bifurcated its comprehensive annual report into two reports; (1) Authority Activities and (2) Audited Financial Statements. The 2024 Authority Activities Annual Report portion was approved by the Board at its June 11, 2025, Board Meeting.

As required pursuant to Executive Order 122 (McGreevey), the Authority's independent auditor met with the Audit Committee on September 30, 2025, to provide a post-audit review of the 2024 audit and the Committee accepted the results of the audit at that time.

The audited financial statements for the year ending December 31, 2024 are attached to this Board Memo for Approval of the Members of the Board.

Upon approval, this report will be submitted to the Authorities Unit, posted to the NJEDA website, and transmitted electronically to members of the Legislature.

Recommendation:

Authority staff has prepared the Authority's Audited Financial Statements for the year ending December 31, 2024, portion of the Annual Report for 2024 as required under Executive Order No. 37 (2006) and recommends Members' approval to submit the report to the Governor's Authorities Unit, post to the Authority's website, and transmit to the Legislature.

Tim Sullivan, CEO

Appendix A - Audited Financial Statements for Year Ending 12/31/24.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)

FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2024 AND 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Financial Statements

Years Ended December 31, 2024 and 2023

Table of Contents

INDEPENDENT AUDITORS' REPORT

Management and Members
of the New Jersey Economic Development Authority
Trenton, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary fund of the New Jersey Economic Development Authority, ("the Authority"), a component unit of the State of New Jersey, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary fund of the Authority, as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
September 30, 2025

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2024 and 2023. Please read it in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis, the basic financial statements, and required supplementary information. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business engaged in such activities as real estate development, investment banking, commercial lending, construction management and consultation. While detailed sub-fund information is not presented, separate accounts are maintained for each program or project to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations, grants and bond proceeds.

2024 FINANCIAL HIGHLIGHTS

- The Authority's total net position increased $138.3 million (or 7.4%) primarily due to receipt of State appropriations for new economic development initiatives and Federal American Rescue Plan Act funds for COVID-19 emergency assistance programs, all of which had not been disbursed before the end of the year.
- Program Services fees decreased $3.6 million (or -22.9%) due to a decrease in post-closing servicing fees for new initiatives.
- Interest income from investments increased $14.7 million (or 52.3%) due to an increase in interest rates.
- The net pension liability increased $5.7 million (or 10.0%) while administrative expenses increased $18.0 million (or 25.8%) due to a change in the Authority's proportionate share of the State of New Jersey's net pension liability, coupled with an increase in expenses related to the administration of new initiatives.
- Program costs increased $9.7 million (or 27.9%) due largely to increased expenditures for the administration of new initiatives.
- Loss provision expense-net decreased $12.1 million (or -56.8%) due to a decrease in disbursements related to Authority loan programs.
- State and Federal appropriations decreased $411.6 million (or -53.0%) and program payments increased $54.9 million (or 54.2%) due largely to the timing of receipt and subsequent disbursement of various state and federal funds for business emergency assistance and economic recovery programs.

2023 FINANCIAL HIGHLIGHTS

- The Authority's total net position increased $635.6 million (or 80.1%) primarily due to receipt of State appropriations for new economic development initiatives and Federal American Rescue Plan Act funds for COVID-19 emergency assistance programs, all of which had not been disbursed before the end of the year.
- Program Services fees increased $9.5 million (or 149.4%) due to an increase in post-closing servicing fees for new initiatives.
- Interest income from investments increased $20.8 million (or 287.6%) due to an increase in interest rates coupled with an increase in cash.
- The net pension liability increased $8.1 million (or 16.6%) while administrative expenses increased $14.6 million (or 26.6%) due to a change in the Authority's proportionate share of the State of New Jersey's net pension liability, coupled with an increase in expenses related to the administration of new initiatives.
- Program costs increased $13.2 million (or 61.0%) due largely to increased expenditures for the administration of new initiatives.
- Loss provision expense-net increased $20.1 million (or 1667.1%) due to an increase in disbursements related to the Main Street Business Loan program.
- State and Federal appropriations increased $248.4 million (or 47.0%) and program payments decreased $22.6 million (or 18.2%) due largely to the timing of receipt and subsequent disbursement of various state and federal funds for business emergency assistance and economic recovery programs.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position. The following table summarizes the Statement of Net Position at December 31, 2024, 2023 and 2022:

	2024	2023	2022
Assets:			
Other assets	$ 1,664,246,069	$ 1,627,625,052	$ 1,161,400,723
Capital assets, net	524,777,410	391,379,425	213,902,722
Total assets	2,189,023,479	2,019,004,477	1,375,303,445
Deferred outflows of resources:			
Deferred outflow Pension related	24,535,867	21,383,393	16,837,062
Deferred outflow OPEB related	2,027,448	4,131,940	5,467,319
Total deferred outflows of resources	26,563,315	25,515,333	22,304,381
Liabilities:			
Current liabilities	97,827,580	66,853,347	49,284,762
Net pension liability	62,246,933	56,591,208	48,534,257
Other noncurrent liabilities	16,916,885	14,701,449	16,476,577
Total liabilities	176,991,398	138,146,004	114,295,596
Deferred inflows of resources:			
Deferred inflow Pension related	3,760,165	3,690,501	7,826,405
Deferred inflow OPEB related	9,667,862	12,118,493	14,569,124
Deferred inflow Lease related	20,367,339	24,077,316	30,021,819
Total deferred inflows of resources	33,795,366	39,886,310	52,417,348
Net position:			
Net investment in capital assets	514,492,913	383,286,234	205,120,541
Restricted	78,355,923	79,419,033	33,217,633
Unrestricted	1,411,951,194	1,403,782,229	992,556,708
Total net position	$ 2,004,800,030	$ 1,866,487,496	$ 1,230,894,882

During 2024, the Authority's combined net position increased by $138.3 million due to:

$ 70.2 Million	State appropriations to the Authority Economic Recovery Fund – net of program payments, for various economic initiatives, including Strategic Innovation Centers; Small Business Emergency Assistance; and Regional Greenhouse Gas Initiative
$ 17.7 Million	Federal American Rescue Act appropriations received for COVID-19 programs – net of disbursements

$ 42.8	Million	Interest income earned on Authority investments and cash holdings
$ 7.6	Million	Other Authority program activity

During 2023, the Authority's combined net position increased by $635.6 million due to:

$ 296.5	Million	State appropriations to the Authority Economic Recovery Fund – net of program payments, for various economic initiatives, including Strategic Innovation Centers; Small Business Emergency Assistance; and Regional Greenhouse Gas Initiative
$ 48.9	Million	Federal American Rescue Act appropriations received for COVID-19 programs – net of disbursements
$ 46.1	Million	Increase in State appropriations for the Small Business Credit Initiative (SSBCI) – net of program payments
$ 156.2	Million	Increase in State appropriations for Wind Port initiative construction in progress – net of scheduled depreciation on other Authority capital assets
$ 81.0	Million	State appropriations for various programs (Film Industry Strategic Support, Child Care Employer Innovation, and Emerging Developers Fund, etc.)
$ 6.9	Million	Net appropriations relating to other Authority programs

Operating Activities. The Authority charges financing fees that may include an application fee, commitment fee, closing fee, document execution fee and an annual servicing fee. The Authority also charges an agency fee for the administration of financial programs for various government agencies; a program service fee for the administration of Authority programs that are service provider based, rather than based on the exchange of assets such as the commercial lending program; and a real estate development fee for real estate activities undertaken on behalf of governmental entities and commercial enterprises. The Authority may also generate a return on investments in venture capital funds which invest, in whole or in part, in New Jersey based businesses. Interest income on investments, notes and intergovernmental obligations is recognized as earned. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority also earns income from operating leases and interest income on lease revenue from capital lease financings. Late fees are charged to borrowers who are delinquent in their monthly loan payments. All forms of revenue accrue to the benefit of the program for which the underlying source of funds is utilized. The Authority considers all activity to be operating activities, except as described in the following section.

Non-Operating Activities. The Authority earns interest on idle cash and investments and may derive income from the sale of capital assets, as well as the receipt of state and federal appropriations which are used to administer specific programs on behalf of the State of New Jersey, and which directly benefit New Jersey based businesses. The Authority considers this activity to be non-operating in nature

The following table summarizes the changes in operating and non-operating activities between fiscal years 2024, 2023 and 2022:

	2024	2023	2022
Operating revenues:			
Financing fees	$ 6,696,538	$ 9,383,884	$ 4,545,292
Lease revenue	9,602,741	9,196,572	8,394,798
Interest income - notes and leases	6,205,336	5,431,482	6,262,048
Other	20,444,029	24,563,917	14,698,487
Total operating revenues	42,948,644	48,575,855	33,900,625
Operating expenses:			
Administrative expenses	87,660,454	69,695,549	55,050,289
Interest expense	694,273	505,717	453,422
Depreciation	3,299,073	3,386,997	3,500,402
Lease Amortization	839,173	867,644	873,202
Loss provisions – net	9,199,693	21,307,606	1,205,012
Program costs	44,670,644	34,929,479	21,694,045
Total operating expenses	146,363,310	130,692,992	82,776,372
Operating (loss)	(103,414,666)	(82,117,137)	(48,875,747)
Nonoperating revenues and (expenses):			
Interest income – investments	42,758,036	28,076,562	7,242,924
Gain on sale of assets-net	-	8,379,846	
State and Federal appropriations	365,600,207	777,184,437	528,826,277
Program payments	(156,177,416)	(101,255,024)	(123,844,344)
Return of grant funds	(12,886,625)		
Other (expense) revenue	2,432,998	5,323,930	(10,458,808)
Total nonoperating revenues and (expenses), net	241,727,200	717,709,751	401,766,049
Change in net position	138,312,534	635,592,614	352,890,302
Beginning net position	1,866,487,496	1,230,894,882	878,004,580
Ending net position	$ 2,004,800,030	$ 1,866,487,496	$ 1,230,894,882

Operating Revenues

In 2024, the Authority's operating revenues decreased in the areas of financing fees and program services as the Authority made fewer loans.

In 2023, the Authority's operating revenues increased in the areas of financing fees and program services fees. The former was due largely to the implementation of the Aspire tax credit program, as well as an increase in loan closing fees; the latter related to the annual servicing fees for legacy tax incentive programs, as well as the administration of the offshore wind program and the Regional Greenhouse Gas Initiative.

Operating Expenses

In 2024, total operating expenses increased largely as a result of increases in both general and administrative expenses and program costs, the former due to an increase in the Authority's proportionate share of the State of New Jersey's pension liability and the latter related to the administration of new programs. Loss provision expense decreased due to fewer loan closings.

In 2023, total operating expenses increased largely as a result of increases in both general and administrative expenses and program costs, the former due to an increase in the Authority's proportionate share of the State of New Jersey's pension liability and the latter related to the administration of new programs. Loss provision expenses increased due to a significant increase in loan closings for the Main Street Business Loan program.

Non-Operating Revenues and Expenses – Net

In 2024, non-operating revenues and expenses – net, decreased by $516.1 million due to the timing of receipts and disbursements of state appropriations is due to reductions in the amount of State and Federal appropriations and the timing of disbursements related to programs related to those funding sources.

In 2023, non-operating revenues and expenses – net, increased by $315.9 million, due to the timing of receipts and disbursements of state appropriations related to both the Stronger NJ Business programs and various other newly created program initiatives, and also due to an increase in interest income on investments, related to the receipt of these appropriations, coupled with an increase in short-term interest rates.

Allowance for Credit Losses

Allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings.

These specifically assigned risk ratings are updated to account for changes in financial condition of the borrower or guarantor, delinquent payment history, loan covenant violations, and changing economic conditions. The assigned risk rating classifications are consistent with the ratings used by the Office of the Comptroller of the Currency. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. Each month an analysis is prepared using the current loan balances, existing exposure on guarantees, and the assigned risk rating to determine the adequacy of the reserve. Any adjustments needed to adequately provide for potential credit losses (recoveries) are reported as a Loss Provision (Recovery).

The following table summarizes the Loan Allowance activity for the end of the period from December 31, 2022 through December 31, 2024:

December 31, 2022		
Allowance for loan losses	$ 36,119,127	
Accrued guarantee losses	3,714,017	
Total allowance		$ 39,833,144
2023 Provision for credit losses-net	20,408,935	
2023 Write-offs	(1,165,280)	19,243,655
December 31, 2023		
Allowance for loan losses	55,473,799	
Accrued guarantee losses	3,603,000	
Total allowance		59,076,799
2024 Provision for credit losses-net	8,765,148	
2024 Write-offs	(502,002)	8,263,146
December 31, 2024		
Allowance for loan losses	62,851,513	
Accrued guarantee losses	4,488,432	
Total allowance		$ 67,339,945

When management determines that the probability of collection is less than 50% of the remaining balance, it is the policy to assign a loss rating to the account. For an account rated as loss, a loss provision is recognized for the entire loan balance.

Loans are written-off against the loss allowance when it is determined that the probability of collection within the near term is remote. The recognition of a loss does not automatically release the borrower from the obligation to pay the debt. Should the borrower, guarantors, or collateral position improve in the future, any and all steps necessary to preserve the right to collect these obligations will be taken.

Aggregate gross loan and guarantee exposure at December 31, 2024 was $287,682,961, of which $277,803,442 or 97% is for loans and $9,879,519 for issued loan guarantees.

Aggregate gross loan and guarantee exposure at December 31, 2023 was $272,090,227, of which $261,818,227 or 96% is for loans and $10,272,000 for issued loan guarantees.

At December 31, 2024, the Authority maintained a Credit Loss Allowance of $62,851,513 or 21.9% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2024, were $502,002 or 0.2% of the loan and guaranty exposure.

At December 31, 2023, the Authority maintained a Credit Loss Allowance of $59,076,799 or 21.7% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2023, were $1,165,280 or 0.4% of the loan and guaranty exposure.

The Authority is a limited partner in various early stage venture funds with the purpose of providing venture capital to exceptionally talented entrepreneurs to facilitate the growth of these companies. These investments are accounted for using the cost basis as they do not have a readily determinable market value. The Authority will establish a valuation allowance for these investments when they determine through a series of events that an other-than-temporary decrease in value has occurred.

The 2024 Loss Provisions – Net, of $9.2 million, are related to the following detailed information:

$	8,765,148	Loan and Guarantee Program activity
$	383,231	Venture Capital Funds and Capital Investments

The 2023 Loss Provisions – Net, of $20.7 million, are related to the following detailed information:

$	20,408,935	Loan and Guarantee Program activity
$	271,121	Venture Capital Funds and Capital Investments

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority independently, or in cooperation with a private or governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed, and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for the municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities. For the majority of these leases, future minimum lease rental payments are equal to the debt service payments related to the bonds or notes issued for the applicable property. The following table summarizes the change in Capital Assets-Net between fiscal year 2024, 2023 and 2022:

				% Increase/(Decrease)	
	2024	**2023**	**2022**	**2024/2023**	**2023/2022**
Land	$ 48,629,422	$ 48,629,422	$ 49,505,422	0.0%	-1.8%
Construction in progress	456,762,614	325,266,814	142,787,327	40.4%	127.8%
Total non-depreciable					
Capital assets	505,392,036	373,896,236	192,292,749	35.2%	94.4%
Building	85,067,129	81,722,446	81,722,446	4.1%	0.0%
Capital asset right to use lease	8,790,098	7,375,059	8,242,703	19.2%	-10.5%
Leasehold improvements	37,325,055	36,883,519	36,755,662	1.2%	0.3%
Total depreciable/amortizable					
capital assets	131,182,282	125,981,024	126,720,811	4.1%	-0.6%
Less accumulated depreciation/					
amortization	(111,796,908)	(108,497,835)	(105,110,838)	3.0%	3.2%
Capital assets – net	$ 524,777,410	$ 391,379,425	$ 213,902,722	34.1%	83.0%

More detailed information about the Authority's capital assets is presented in the Notes to the financial statements.

Capital Debt. At year end, the Authority had no gross note principal outstanding; unchanged from the prior year.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional information, contact Customer Care at (609) 858-6700, CustomerCare@njeda.gov, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.gov.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position

	December 31,	
	2024	**2023**
Assets		
Current assets:		
Cash and cash equivalents – restricted	$ 970,766,634	$ 952,864,210
Cash and cash equivalents – unrestricted	150,140,263	173,026,285
Investments	43,702,136	40,129,832
Receivables:		
Notes	32,691,114	29,381,344
Accrued interest on notes	341,602	177,706
Accrued interest on investments	1,478,134	1,218,967
Leases	2,779,146	4,901,975
Other receivables	21,148,673	3,459,102
Total receivables	58,438,669	39,139,094
Prepaid and other current assets	1,850,828	670,742
Total current assets	1,224,898,530	1,205,830,163
Noncurrent assets:		
Investments – unrestricted	161,346,854	156,209,828
Venture capital partnerships	45,776,818	43,413,267
Equity investments	14,101,634	8,554,984
Net other postemployment benefits asset	17,015,803	16,124,824
Prepaid and other noncurrent assets	1,363,657	1,633,628
Receivables:		
Notes	245,112,328	232,436,882
Accrued interest on notes	89,566	26,814
Leases	17,588,193	19,175,342
Unamortized discount	(195,801)	(306,881)
Total receivables	262,594,286	251,332,157
Allowance for doubtful notes receivable	(62,851,513)	(55,473,799)
Net receivables	199,742,773	195,858,358
Non-depreciable capital assets	505,392,036	373,896,236
Right to use lease assets, net	8,790,098	7,375,059
Depreciable/amortizable capital assets, net	10,595,276	10,108,130
Total capital assets, net	524,777,410	391,379,425
Total noncurrent assets	964,124,949	813,174,314
Total assets	2,189,023,479	2,019,004,477
Deferred outflows of resources		
Deferred outflows Pension related	24,535,867	21,383,393
Deferred outflows OPEB related	2,027,448	4,131,940
Total deferred outflows of resources	$ 26,563,315	$ 25,515,333

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position (continued)

	December 31, 2024	December 31, 2023
Liabilities		
Current liabilities:		
Accrued liabilities	$ 32,169,338	$ 37,279,484
Unearned lease revenues	1,115,203	1,139,104
Leases payable	613,366	693,066
Lessee interest payable	348,425	258,663
Escrow deposits	63,581,248	27,483,030
Total current liabilities	97,827,580	66,853,347
Noncurrent liabilities:		
Net pension liability	62,246,933	56,591,208
Leases payable	9,671,132	7,400,125
Unearned lease revenues	526,924	1,580,771
Accrued guarantee losses	4,488,432	3,603,000
Compensated absences	2,230,397	2,117,553
Total noncurrent liabilities	79,163,818	71,292,657
Total liabilities	176,991,398	138,146,004
Deferred inflows of resources		
Deferred inflows Pension related	3,760,165	3,690,501
Deferred inflows OPEB related	9,667,862	12,118,493
Deferred inflows Lease related	20,367,339	24,077,316
Total deferred inflows of resources	33,795,366	39,886,310
Net position		
Net investment in capital assets	514,492,913	383,286,234
Restricted by Federal and State agreement	78,355,923	79,419,033
Unrestricted	1,411,951,194	1,403,782,229
Total net position	$ 2,004,800,030	$ 1,866,487,496

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Revenues, Expenses and Changes in Net Position

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating revenues		
Financing fees	$ 6,696,538	$ 9,383,884
Interest income – notes	4,927,044	4,075,058
Interest income – leases	1,278,292	1,356,424
Operating lease revenue	9,602,741	9,196,572
Agency fees	2,292,302	2,007,407
Program services	12,204,889	15,827,391
Real estate development	3,076,370	4,051,999
Distributions and warrants	836,578	147,814
Other	2,033,890	2,529,306
Total operating revenue	42,948,644	48,575,855
Operating expenses		
Salaries and benefits	64,777,386	52,222,714
General and administrative	22,883,068	17,460,963
Interest	694,273	505,717
Program costs	44,670,644	34,941,351
Depreciation	3,299,073	3,386,997
Lease amortization	839,173	867,644
Loss provisions – net	9,199,693	21,307,606
Total operating expenses	146,363,310	130,692,992
Operating loss	(103,414,666)	(82,117,137)
Nonoperating revenues (expenses)		
Interest income – investments	42,758,036	28,076,562
Unrealized gain on investment securities	2,432,998	5,323,930
State and Federal appropriations	365,600,207	777,184,437
Gain on Sale of Assets - net	-	8,379,846
Return of grant funds	(12,886,625)	-
Program payments	(156,177,416)	(101,255,024)
Nonoperating revenues – net	241,727,200	717,709,751
Change in net position	138,312,534	635,592,614
Net position – beginning of year	1,866,487,496	1,230,894,882
Net position – end of year	$ 2,004,800,030	$ 1,866,487,496

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows

	Year Ended December 31, 2024	2023
Cash flows from operating activities		
Cash receipts from financing fees	$ 6,770,060	$ 9,310,361
Interest from notes	4,640,546	4,489,601
Lease rents	10,011,378	9,304,923
Agency fees	2,254,801	2,148,411
Program services	14,130,061	17,549,870
Real estate development	3,062,349	4,095,947
General and administrative expenses paid	(98,992,855)	(64,461,444)
Program costs paid	(44,375,022)	(38,208,748)
Collection of notes receivable	20,811,866	23,840,177
Loans disbursed	(37,289,609)	(75,854,201)
Deposits received	50,051,475	72,539,640
Deposits released	(13,953,257)	(54,177,173)
Net cash (used in) operating activities	(82,878,207)	(89,422,636)
Cash flows from noncapital financing activities		
Appropriations received	365,600,207	776,388,514
Return of grant funds	(12,886,625)	-
Program payments	(156,177,416)	(99,805,127)
Net cash provided by noncapital financing activities	196,536,166	676,583,387
Cash flows from capital and related financing activities		
Sale of capital assets	-	13,401,000
Purchase of capital assets	(147,291,841)	(185,827,296)
Net cash (used in) capital and related financing activities	(147,291,841)	(172,426,296)
Cash flows from investing activities		
Interest from investments	42,386,820	27,777,454
Return on capital investments	(7,460,204)	(24,820,158)
Purchase of investments	(8,875,445)	(4,796,316)
Proceeds from sales and maturities of investments	2,599,113	3,273,412
Net cash provided by investing activities	28,650,284	1,434,392
Net (decrease)/increase in cash and cash equivalents	(4,983,598)	416,168,847
Cash and cash equivalents – beginning of year	1,125,890,495	709,721,648
Cash and cash equivalents – end of year	$ 1,120,906,897	$ 1,125,890,495
Cash and cash equivalents - restricted	$ 970,766,634	$ 952,864,210
Cash and cash equivalents - unrestricted	150,140,263	173,026,285
Cash and cash equivalents total	$ 1,120,906,897	$ 1,125,890,495

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows (continued)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (103,414,666)	$ (82,117,137)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Loss provisions - net	9,151,728	20,610,862
Depreciation	3,299,073	3,386,997
Lease amortization	839,173	879,516
Amortization of discounts	(111,079)	(370,084)
Change in assets and liabilities:		
Notes receivables	(16,487,218)	(52,014,024)
Accrued interest receivables-notes	(226,648)	517,965
Other receivables	(8,071,789)	8,418,178
Prepaid and other noncurrent assets	(1,015,926)	(600,861)
Capital investments	(836,578)	(147,815)
Accrued liabilities	(185,572)	(4,413,306)
Unearned lease revenues	(1,077,748)	(1,130,894)
Deposits	36,098,218	18,362,467
Other liabilities	(839,175)	(804,500)
Net cash (used in) operating activities	$ (82,878,207)	$ (89,422,636)
Noncash investing activities		
Unrealized gain in investment securities	$ 2,432,998	$ 5,323,930

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Employee Benefit Trust

Statements of Fiduciary Net Position

	December 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 652,814	$ 185,859
Investments:		
U.S. Treasury securities	16,197,677	12,614,951
U.S. Agency securities	2,416,763	2,937,548
Corporate bonds	13,413,302	14,997,075
Municipal bonds	308,822	803,181
Total Fixed Income	32,336,564	31,352,755
Equities	15,936,278	13,396,100
Total investments	48,272,842	44,748,855
Accrued interest receivable	264,630	216,270
Total Assets	49,190,286	45,150,984
Liabilities		
Accounts payable and accrued expenses	12,483	12,160
Total liabilities	12,483	12,160
Net position – restricted for OPEB	$ 49,177,803	$ 45,138,824

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Employee Benefit Trust

Statements of Changes in Fiduciary Net Position

	Year Ended December 31,	
	2024	**2023**
Additions		
Employer contributions	$ 889,343	$ 836,376
Total contributions	889,343	836,376
Investment income:		
Interest and dividends	1,481,318	916,208
Net increase in fair value of investments	2,569,614	3,196,316
Net investment income	4,050,932	4,112,524
Total additions	4,940,275	4,948,900
Deductions		
Insurance premiums	889,343	836,376
Administrative expense	8,323	8,160
Other fees	3,630	3,300
Total deductions	901,296	847,836
Net change in Fiduciary Net Position	4,038,979	4,101,064
Net position – restricted for OPEB		
Beginning of year	45,138,824	41,037,760
End of year	$ 49,177,803	$ 45,138,824

Note 1: Nature of the Authority

The New Jersey Economic Development Authority ("Authority") is a public body corporate and politic, constituting an instrumentality and component unit of the State of New Jersey ("State"). The Authority was established by Chapter 80, P.L. 1974 ("Act") on August 7, 1974, as amended and supplemented, primarily to provide financial assistance to companies for the purpose of maintaining and expanding employment opportunities in the State and increasing tax ratables in underserved communities. The Act prohibits the Authority from obligating the credit of the State in any manner.

On March 7, 2024, the Authority established a new subsidiary, New Jersey Green Bank ("NJGB"), which commenced operations in fiscal year 2024. The organization was created to assist the Authority in making climate and clean energy investments in order to help facilitate an equitable clean energy transition in New Jersey. NJGB is considered a blended component unit of the Authority. Although NJGB is a legally separate entity, the Authority is its sole member, has various operational powers, and appoints most of the Board members. In fiscal year 2024, the Authority transferred $40,000,000 to the NJGB to fund future projects. The source of this funding was a supplemental State appropriation granted to the Authority in State Fiscal Year 2023. As of December 31, 2024, the NJGB had cash and cash equivalents and unrestricted net position of $40,134,015.

The Authority assists for-profit and non-profit enterprises with access to capital and primarily offers the following products and services:

(a) Bond Financing

The Authority issues tax-exempt private activity bonds and taxable bonds. The proceeds from these single issue or composite series bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) nonprofit organizations, manufacturers, exempt public facilities, solid waste facilities, and local, county, and State governmental agencies for capital improvements including real estate acquisition, equipment, machinery, building construction and renovations. All such bonds are special conduit debt obligations of the Authority, are payable solely from the revenues pledged with respect to the issue, and do not constitute an obligation against the general credit of the Authority.

(b) Loans/Guarantees/Investments and Tax Incentives

The Authority directly provides loans, loan participations, loan guarantees and line of credit guarantees to for-profit and not-for-profit enterprises for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing for working capital; technological development; and infrastructure improvements. The Authority also may provide financial assistance in the form of convertible debt and take an equity position in technology and life sciences companies through warrant options. In addition to lending and investing its own financial resources, the Authority administers several business growth programs supported through State appropriation/allocation, including the technology business tax certificate transfer program, the angel investor tax credit program, tax credits for film industry and digital media projects, job creation and retention incentive grants and tax credits, tax credits for capital hazardous discharge site remediation and petroleum underground storage tank remediation.

(c) Real Estate Development

The Authority independently, or in cooperation with a private or another governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed, and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities.

(d) Stronger NJ Business Programs

In 2013, the Authority was awarded a sub-grant from the New Jersey Department of Community Affairs for the purpose of administering a portion of the State's Community Development Block Grant Disaster Recovery allocation to support the recovery of businesses impacted by Superstorm Sandy. To achieve this, the Authority may provide grants and loans to eligible businesses, as well as financial assistance to governmental entities to support community development, neighborhood revitalization and other public improvement projects.

(e) COVID-19 Emergency Response Programs

In 2020, the Authority was awarded a sub-grant from the New Jersey Department of Treasury for the purpose of administering a portion of the State's federal CARES Act and American Rescue Plan Act allocations to support the recovery of businesses and economic disruptions caused by the COVID-19 pandemic. To achieve this, the Authority may provide grants, loans and guarantees to eligible businesses, to support emergency response programs aimed at stabilizing the state's economy.

(f) New Jersey Economic Development Authority Employee Benefit Trust

In 1988, the New Jersey Economic Development Authority ("Authority") established a single-employer post-employment defined benefit healthcare plan ("Plan") whereby the Authority provides the full cost of group health insurance and prescription coverage to those retirees and surviving spouses (and qualifying dependents) who have retired under the Authority's retirement system.

In October 2006, the Authority created the Employee Benefits Trust ("Trust"), an irrevocable trust to fund its Plan obligations. In no event shall any part of the principal or income of the Trust be paid or revert back to the Authority or be used for any purpose whatsoever other than for the exclusive benefit of retirees and their beneficiaries as defined by the Members of the Authority (the "Board"). No part of the assets of the Trust may inure to the exclusive benefit of any retiree or beneficiary other than by benefit payments for services provided in the administration of the Trust.

The State has the authority to establish and amend the benefit provisions offered and contribution requirements. There is no separate Board for the Trust as the Trust is administered by the Authority's management.

In compliance with GASB 84, *Fiduciary Activities*, the Authority reports the financial position of the Plan in it's Financial Statements and Notes. Accordingly, the Financial Statements are included after those of the Authority and details of the Plan assets (investments) are contained in Note 3, Deposits and Investments. Additional information is included in the Required Supplementary Information section.

Related-Party Transactions

The Authority has contracted with several other State entities to administer certain loan programs on their behalf for a fee. In order for the Authority to effectively administer the programs, the Authority has custody of the cash accounts for each program. The cash in these accounts, however, is not an asset of the Authority and, accordingly, the balances in these accounts have not been included in the Authority's statements of net position. The cash balances total $58,025,588 and $54,827,148 at December 31, 2024 and 2023, respectively. The following is a summary of the programs that the Authority manages on behalf of other State entities:

Department/Board	Program	2024	2023
Treasury	Local Development Financing Fund	$ 51,497,910	$ 48,294,542
Treasury	Business Employment Incentive Program	6,527,678	6,532,606

Note 2: Summary of Significant Accounting Policies

(a) Basis of Accounting and Presentation

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. While detailed sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. Administrative expenses are allocated to the various programs.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standards setting body for establishing government accounting and financial reporting principles. The accounts of the Authority and its blended component unit are maintained on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

(b) Revenue Recognition

The Authority charges various program financing fees that may include an application fee, commitment fee, closing fee, issuance fee, annual servicing fee and a document execution fee. The Authority also charges a fee for the administration of financial programs for various government agencies and for certain real estate development and management activities. Fees are recognized when earned. State and Federal (passed-through the State) appropriations received for economic development or other programs that the State requests the Authority administer are recognized when received by the Authority. When the Authority is the recipient of a grant, grant revenue is recognized when the Authority has complied with the terms and conditions of the grant agreements. The Authority recognizes interest income on lease revenue by amortizing the discount over the life of the related agreement. Operating lease revenue is recognized pursuant to the terms of the lease.

When available, it is the Authority’s policy to first use restricted resources for completion of specific projects.

(c) Cash Equivalents

Cash equivalents are highly liquid debt instruments with original maturities of three months or less and units of participation in the State of New Jersey Cash Management Fund (“NJCMF”).

(d) Investments

All investments, except for investment agreements, are stated at fair value. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The Authority also invests in various types of joint ventures and uses the cost method to record the acquisition of such investments, as the Authority lacks the ability to exercise significant control in the ventures. Under the cost method, the Authority records the investment at its historical cost and recognizes as income dividends received from net earnings of the Fund. Dividends received in excess of earnings are considered a return of investment and reduce the cost basis. These investments typically have a long-time horizon from when the Authority makes its initial investment to when it may receive any return on the investment. The Authority maintains a valuation allowance on specific investments when there is either a series of taxable losses or other factors may indicate that a decrease in value has occurred that is other than temporary. Capital investments are reported net of this valuation allowance.

(e) Guarantees Receivable

Payments made by the Authority under its various guarantee programs are reported as Guarantees Receivable. These receivables are expected to be recovered either from the lender, as the lender continues to service the loan, or from the liquidation of the underlying collateral. Recoveries increase Worth (the amount on deposit and available for payment) (see Note 7).

(f) Allowance for Doubtful Notes and Accrued Guarantee Losses

Allowances for doubtful notes and accrued guarantee losses are determined in accordance with guidelines established by the Office of Comptroller of Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectability.

(g) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employees' Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(h) Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB (asset)/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Employee Benefit Trust (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(i) Leases

Authority as a Lessee

The Authority is a lessee for noncancellable leases of various building facilities. At the commencement of a lease, the Authority initially measures the lease obligation at the present value of payments expected to be made during the lease term. Subsequently, the lease obligation is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Authority recognizes lease liabilities with an initial, individual value of $150,000 or more.

The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease obligation are composed of fixed payments and any purchase option price that the Authority is reasonably certain to exercise. The Authority monitors changes in circumstances that would require a remeasurement of its lease obligation and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease obligation.

See Note 5 (ii) for detail.

Authority as a Lessor

The Authority is a lessor for noncancellable leases of various assets of the Authority with lease agreements that vary in length. The Authority initially measures the lease at the present value of payments expected to be received during the lease term. Key estimates and judgments to the lessor include (1) the discount rate using the lessee's estimated borrowing rate expected less receipts to present value, (2) the lease term including any non-cancellable period of the lease, and (3) the lease payments determined by the lease receipts included in the measurement of the lease that are composed of fixed payments from the lessee and any payment renewal option that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

See Note 5 (i) for detail.

(j) Operating and Non-Operating Revenues and Expenses

The Authority defines operating revenues and expenses as relating to activities resulting from providing bond financing, direct lending, incentives, and real estate development to commercial businesses, certain not-for-profit entities, and to local, county and State governmental entities. Non-operating revenues and expenses include income earned on the investment of funds, proceeds from the sale of certain assets, State and Federal appropriations and program payments.

(k) Net Position

The Authority classifies its Net Position into three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets includes capital assets net of accumulated depreciation/amortization used in the Authority's operations as well as capital assets that result from the Authority's real estate development and operating lease activities. Restricted net position includes net position that have been restricted in use in accordance with State law, as well as Federal grant proceeds intended for specific projects, such as the State Small Business Credit Initiative ("SSBCI"). Unrestricted net position includes all net position not included above.

(l) Taxes

The Authority is exempt from all Federal and State income taxes and real estate taxes.

(m) Capitalization Policy

Unless material, it is the Authority's policy to expense all expenditures of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations, such as automobiles, information technology hardware and software, office furniture, and equipment.

With the exception of immaterial tenant fit-out costs of retail space that is sublet from the State of New Jersey, the Authority capitalizes all expenditures related to the acquisition of land, construction and renovation of buildings.

(n) Depreciation/Amortization Policy

Capital assets are stated at cost. Depreciation/Amortization is computed using the straight-line method over the following estimated economic useful lives of the assets:

Building	20 years
Building improvements	20 years
Camden Amphitheater, per terms of agreement	31 years
Leasehold improvements	Term of the lease
Tenant fit-out	Term of the lease
Vehicles	Expensed
Furniture and equipment	Expensed
Right to use lease assets	Term of the lease

(o) Recent and Upcoming Accounting Pronouncements

GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged. The Authority has determined that this statement did not have a material effect on its financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Authority is in the process of evaluating the impact of adoption on the financial statements.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is in the process of evaluating the impact of adoption on the financial statements.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. This Statement enhances the clarity and usefulness of financial statements by requiring separate disclosures for certain capital assets, including lease assets, subscription-based IT arrangements, and intangible right-to-use assets. It also establishes disclosure requirements for capital assets held for sale to improve transparency regarding governmental asset management and disposition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Authority is in the process of evaluating the impact of adoption on the financial statements.

(p) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

The Authority reported deferred inflow amounts relating to the lease receivables. These amounts are deferred and amortized to lease revenue in a systematic and rational manner over the lease terms. The Authority also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amounts are detailed in the discussion of the Authority's Employee Retirement Systems in Note 10.

(q) Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year presentation.

Note 3: Deposits and Investments

(a) Deposits

Operating cash is held in the form of Negotiable Order of Withdrawal ("NOW") accounts and money market accounts. At December 31, 2024, the Authority's bank balance was $164,007,781. Of the bank balance, $1,000,000 was insured with Federal Depository Insurance.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Authority's NOW accounts, as well as money market accounts and certificates of deposit, are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uninsured, uncollateralized (securities are not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's (NJEDA) name. At December 31, 2024 and 2023, all of the Authority's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

Cash deposits at December 31, 2024 and 2023 were as follows:

Deposit Type	2024	2023
NOW Accounts	$ 140,074,488	$ 163,273,437
Money Market Accounts	10,065,775	9,752,848
Total Deposits	$ 150,140,263	$ 173,026,285

(b) Investments

Pursuant to the Act, the funds of the Authority may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Authority may approve. Accordingly, the Authority directly purchases permitted securities and enters into interest-earning investment contracts.

As of December 31, 2024 and 2023, the Authority's total investments, excluding capital investments, amounted to $205,048,990 and $196,339,660, respectively. The Authority's investment portfolio ("Portfolio") is comprised of short to medium term bonds and is managed by a financial institution for the Authority. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Corporate Debt rated at least A- by Standard & Poor's ("S&P") or equivalent by Moody's and Repurchase Agreements. The Portfolio is managed with the investment objectives of; preserving capital, maintaining liquidity, achieving superior yields, and providing consistent returns over time. In order to limit interest rate risk, investments are laddered, with maturities ranging from several months to a maximum of five years.

Investment of bond proceeds is made in accordance with the Authority's various bond resolutions. The bond resolutions generally permit the investment of funds held by the trustee in the following: (a) obligations of, or guaranteed by, the State or the U.S. Government; (b) repurchase agreements secured by obligations noted in (a) above; (c) interest-bearing deposits, in any bank or trust company, insured or secured by a pledge of obligations noted in (a) above; (d) State of New Jersey Cash Management Fund (NJCMF); (e) shares of an open-end diversified investment company which invests in obligations with maturities of less than one year of, or guaranteed by, the U.S. Government or Government Agencies; and (f) non-participating guaranteed investment contracts.

In order to maximize liquidity, the Authority utilizes the NJCMF as an investment. All investments in the NJCMF are governed by the regulations of the State of New Jersey, Department of Treasury, Division of Investment, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. The NJCMF invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries; short-term commercial paper; U.S. Agency Bonds; Corporate Bonds; and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates.

Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2024 and 2023, the Authority's balance in the NJCMF is $869,427,464 and $792,126,262, respectively. The fair value is measured based on net asset value ("NAV") which approximates $1 per share.

Custodial Credit Risk

Pursuant to GASB 40, the Authority's investments are profiled to determine if they are exposed to custodial credit risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government (NJEDA),and are held by either: the counterparty (institution that pledges collateral to government or that buys/sells investments for government) or the counterparty's trust department or agent but not in the name of the government. Investment pools such as the NJCMF and open-ended mutual funds including Mutual Bond Funds are deemed not to have custodial credit risk. As of December 31, 2024 and 2023, no investments are subject to custodial credit risk as securities in the Portfolio are held in the name of the Authority.

Concentration of Credit Risk

The Authority does not have an investment policy regarding concentration of credit risk; however, the Authority's practice is to limit investments in certain issuers. No more than 5% of the Authority funds may be invested in individual corporate and municipal issuers; and no more than 10% in individual U.S. Government Agencies. As of December 31, 2024 and 2023, no investments exceeded 5% of the total. Investments issued by or guaranteed by the U.S. Government, mutual fund investments, and pooled investments are exempt from this requirement.

Credit Risk

The Authority does not have an investment policy regarding the management of credit risk, as outlined above. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. Government. All investments in U.S. Agencies are rated Aaa by Moody's and AA+ by S&P. The mutual bond fund was rated AAA by S&P. Corporate bonds were rated BBB/BBB+/A-/A/A+/AA-/AA/AAA, by S&P. Municipal bonds were rated AA, AA+ by S&P and Aaa by Moody's. The NJCMF is not rated.

Interest Rate Risk

The Authority does not have a policy to limit interest rate risk, however, its practice is to hold investments to maturity.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets;
- Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for an asset or liability.

As of December 31, 2024 and 2023, the Authority had the following investments and maturities:

Investment Type	Level	December 31, 2024 Fair Value	December 31, 2024 Maturities Less than 1 Year	December 31, 2024 Maturities 1–5 Years	Fair Value as of December 31, 2023
Investments by fair value level					
Debt Securities:					
U.S. Treasuries	1	$ 128,932,738	$ 29,884,360	$ 99,048,378	$ 90,162,637
U.S. Agencies	2	9,247,414	6,778,967	2,468,447	11,031,986
Corporate Bonds	2	62,128,462	5,502,857	56,625,605	81,477,564
Municipal Bonds	2	1,912,824	1,535,952	376,872	12,236,925
Certificate of deposit	2	2,827,552	-	2,827,552	1,430,548
Mutual Bond Funds	1	86,232,972	86,232,972	-	160,737,948
Total investments by fair value level		291,281,962	$ 129,935,108	$ 161,346,854	357,077,608
Investment Pool at NAV					
State of NJ Cash Management Fund		884,533,662			792,126,262
Total investments measured at fair value		1,175,815,624			1,149,203,870
Less: amounts reported as cash equivalents		(970,766,634)			(952,864,210)
Total investments		$ 205,048,990			$ 196,339,660

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

(c) Special Purpose Investments

Pursuant to the Authority’s mission, from time to time, in order to expand employment opportunities in the State and to spur economic development opportunities, the Authority, with the authorization of the Board, will make special purpose investments. These special purpose investments include the Authority’s participation as a limited partner in various venture funds formed with the primary purpose of providing venture capital to exceptionally talented entrepreneurs dedicated to the application of proprietary technologies or unique services in emerging markets and whose companies are in the expansion stage. At December 31, 2024 and 2023, the aggregate value of the Authority’s investment in these funds is $45,776,818 and $43,413,267, respectively. As a limited partner, the Authority receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Authority.

For the purpose of financial reporting, the ownership in stock or equity interest in connection with economic development activities, such as providing venture capital, does not meet the definition of an investment because the asset is held primarily to further the economic development objectives of the Authority. Accordingly, the Authority uses the cost method as the measurement basis

At December 31, 2024 and 2023, the Authority also held other equity investments of $14,101,634 and $8,554,984, respectively. The investments were held in the form of stock.

(d) Fiduciary Activities – OPEB Trust

OPEB Trust Deposits and Investments

The Trust's investments are made in accordance with the provisions of the Authority's Investment Policy (the "Investment Policy"). The goals of the Investment Policy are to invest for the sole purpose of funding the OPEB Plan obligation of the Authority in a prudent manner, and to conserve and enhance the value of the Trust assets through appreciation and income generation while maintaining a moderate investment risk.

The Trust has retained an investment consultant to ensure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The Trust is currently invested in the following securities within the current investment policy limitations:

Asset Class	2024 Exposure	2023 Exposure
Equities	32.6%	29.8%
Fixed Income:		
U.S. Treasury	33.1	28.1
U.S. Agency	5.0	6.5
Corporate bonds	27.4	33.4
Municipal	0.6	1.8
Cash and cash equivalents	1.3	0.4

The current investment policy restricts the investments to a target allocation of 30% of investments in U.S. equities with 70% in fixed income as follows: U.S. Treasury obligations, federal instrumentality securities, corporate debt, taxable municipal bonds, commercial paper, repurchase agreements and money market mutual funds.

The Trust does not have an investment policy regarding concentration of credit risk, however, the Trust's practice is to limit investments in certain issuers. The current investment philosophy represents a long-term perspective. When asset weightings fall outside the Investment Policy range, the investment advisor shall advise the Trust on potential investment courses of action and the Trust may elect to rebalance the Trust asset mix.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – value based on quoted prices in active markets for identical assets.
- Level 2 – value based on significant other observable inputs such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
- Level 3 – value based on inputs that are unobservable and significant to the fair value measurement such as discounted cash flows.

		December 31, 2024				
Investment Type	**Level**	**Fair Value**	**Investments Less than 1 Year**	**Maturities 1–5 Years**	**Maturities 6-10 Years**	**Fair Value as of December 31, 2023**
Investments by fair value level						
U.S. Treasuries	1	$ 16,197,677	$ 1,187,187	$ 10,620,256	$ 4,390,234	$ 12,614,951
U.S. Agencies	2	2,416,763	668,115	687,897	1,060,751	2,937,548
Corporate Bonds	2	13,413,302	415,675	8,252,135	4,745,492	14,997,075
Municipal Bonds	2	308,822	100,000	208,822	-	803,181
Mutual bond funds	1	652,814	652,814	-	-	185,859
Mutual funds	1	15,936,278	-	-	-	13,396,100
Total investments by fair value level		48,925,656	3,023,791	19,769,110	10,196,477	44,934,714
Less amounts reported as cash equivalents per the financial statements		(652,814)				(185,859)
Total investments per the financial statements		$ 48,272,842				$ 44,748,855

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

The following discusses the Trust's exposure to common deposit and investment risks related to custodial credit, credit, concentration of credit, interest rate and foreign currency risks as of December 31, 2024.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the Trust's deposits may not be returned. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Trust and are held by either the depository financial institution or the depository financial institution's trust department or agent but not in the Trust's name.

The Trust manages custodial credit risk by limiting its investments to highly rated institutions and or requiring high quality collateral be held by the trustee in the name of the Trust

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Trust has an investment policy regarding the management of Credit Risk, as outlined above. GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. All investments in U.S. Agencies ($2,416,763) and U.S. Treasuries ($16,197,677) are rated AA+ by Standard & Poor's ("S&P"). Corporate bonds were rated AAA/AA+/AA/AA-/A+/A/A-/BBB+/BBB ($13,413,302) by S&P. Municipal bonds were rated Aa1, Aa3 ($308,822) by Moody's. The Dreyfus Cash Management Fund ($652,814) was rated AAA by S&P.

As of December 31, 2024, the Trust's fixed income investments totaled $32,336,564.

Corporate debt, when purchased, must be rated no less than BBB or the equivalent by at least two Nationally Recognized Statistical Rating Organizations ("NRSRO"). Taxable municipal bonds should be rated at least A- or the equivalent at the time of purchase by at least two NRSROs. Commercial paper and repurchase agreements should have the ratings of at least A-1 by two or more NRSROs. Money market mutual funds and local government investment pools must have a rating of AAA by one or more NRSROs.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Trust's investment in a single issuer. Investments of Trust assets are diversified in accordance with the Authority's investment policy that defines guidelines for the investment holdings. The asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy and the securities markets. As of December 31, 2024, none of the Trust's individual investments comprised more than 5% of total investments. U.S. Government issued securities (U.S. Treasury securities) are exempt from this requirement.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Within the fixed income and cash portions of the portfolio it is managed using the effective duration methodology.

This methodology is widely used in the management of fixed income portfolios in that it quantifies with greater precision the amount of risk due to interest rate changes. The weighted duration of the fixed income portfolio at December 31, 2024 is 3.55 years. In the equities section of the portfolio interest rate risk is managed by limiting equity exposure to approximately 30% of the portfolio and investing in mutual funds that limit risk by diversifying holdings and purchasing companies of lower risk.

Rate of Return

As required by GASB Statement 74, the annual money weighted rate of return on trust investments, net of investment expenses was 8.49% and 9.52% for the years ended December 31, 2024 and 2023, respectively. The calculation is based on monthly income and average monthly investment balances.

Note 4: Notes Receivable

Notes receivable consist of the following:

	December 31, 2024	December 31, 2023
Economic Development Fund ("EDF") loan program; interest ranging up to 4.8%; maximum term of 16 years	$ 29,694,454	$ 19,896,721
Economic Recovery Fund ("ERF") loan and guarantee programs; interest ranging up to 6.9%; maximum term of 30 years	157,379,249	152,589,943
Hazardous Discharge Site Remediation ("HDSR") loan program; interest ranging up to 5.0%; maximum term of 7 years	738,864	770,681
Municipal Economic Recovery Initiative ("MERI") loan program; interest ranging up to 0.0%; maximum term of 0 years	-	115,575
Stronger NJ Business (SNJ) loan program; interest ranging up to 2.6%; maximum term of 30 years	81,199,174	78,692,086
United States Economic Development Authority (USEDA) loan program; interest rate of 0.0%; maximum term of 10 years	8,791,701	9,753,220
	$ 277,803,442	$ 261,818,226

Aggregate Notes Receivable activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures – Net	Ending Balance	Amounts Due Within One Year
EDF/ERF	$ 172,486,665	$ 30,307,730	$ (15,224,919)	$ (495,773)	$ 187,073,703	$ 27,651,084
HDSR	770,681	24,230	(56,072)	25	738,864	602,281
MERI	115,575	-	(115,575)	-	-	-
SNJ	78,692,086	6,962,872	(4,456,270)	486	81,199,174	3,224,879
USEDA	9,753,219	-	(961,518)	-	8,791,701	1,212,870
	$ 261,818,226	$ 37,294,832	$ (20,814,354)	$ (495,262)	$ 277,803,442	$ 32,691,114

Note 5: Leases

(i) Authority as Lessor

At December 31, 2024, capital assets with a carrying value of $134,219,034 and accumulated depreciation of $101,584,366 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows, which include leases under one year in term not subject to GASB Statement No. 87 and leases capitalized in prior years prior to implementation of GASB Statement No. 87:

2025	$ 4,851,361
2026	4,288,286
2027	2,492,555
2028	2,179,381
2029	2,244,772
2030-2034	11,183,615
	$ 27,239,970

Certain leases of the Authority are subject to GASB Statement No. 87 which covers leases that are over one year in length. A receivable is recognized for the total discounted present value of future lease payments. The interest rate used in this calculation is the Authority's long-term annual rate of return which was 5.0% for 2024 and 4.75% for 2023. Interest income and lease revenue is recognized over the life of the lease. The receivable was $20,367,339 as of December 31, 2024, and $24,077,317 as of December 31, 2023. The receivable is offset by a corresponding amount in deferred inflows due to leases representing income to be recognized over the life of the lease. Interest revenue related to leases was $1,278,292 for 2024 and $1,356,424 for 2023. Future expected lease payments are summarized in the following table:

	Lease Interest Revenue	Lease Receivables/ Deferred Inflows	Total
2025	$ 1,018,367	$ 2,779,146	$ 3,797,513
2026	879,410	2,881,953	3,761,363
2027	735,312	1,757,243	2,492,555
2028	647,450	1,531,931	2,179,381
2029	570,853	1,673,919	2,244,772
2030-2034	1,440,467	9,743,147	11,183,614
	$ 5,291,859	$ 20,367,339	$ 25,659,198

(ii) Authority as Lessee

The Authority leases commercial property, buildings, and office space for use by Authority staff. Aggregate rental payments for the current year amounted to $1,464,722. Aggregate future lease obligations are as follows:

2025	$ 1,265,311
2026	1,304,761
2027	1,233,287
2028	1,235,424
2029	1,260,976
2030-2034	2,646,288
2035-2039	2,776,139
2040-2044	3,065,082
2045-2049	3,384,098
	$ 18,171,366

The respective lease terms for these leasehold interests in commercial property are over one year in length and are, similarly, subject to GASB Statement No. 87. A lease liability is recognized for the total discounted present value of the future lease payments. A right-to-use asset is also recognized in an amount equivalent to the initial measurement of the lease liability. Separate calculations were made for each leasehold interest, based on property-significant annual rates ranging from 5.398% to 8.500%. Interest expense and lease amortization expense are recognized over the life of each respective leasehold interest.

The lease liability was $10,284,498 as of December 31, 2024, and $8,093,191 as of December 31, 2023. The net right-to-use lease asset was $8,790,098 as of December 31, 2024, and $7,375,059 as of December 31, 2023. Interest expense related to leases was $694,273 for 2024 and $505,717 for 2023. Lease Amortization expense is calculated based on the straight-line method over the term of each respective leasehold interest. The amounts for December 31, 2024 and 2023 were $839,173, and $879,516, respectively. Future expected lease payments are summarized in the following table:

	Interest	Principal	Total
2025	$ 651,719	$ 613,366	$ 1,265,085
2026	599,408	705,354	1,304,761
2027	544,432	688,854	1,233,287
2028	486,097	749,327	1,235,424
2029	422,064	838,912	1,260,976
2030-2034	1,781,718	864,569	2,646,287
2035-2039	1,518,706	1,257,433	2,776,139
2040-2044	1,092,379	1,972,703	3,065,082
2045-2049	441,919	2,593,980	3,035,898
	$ 7,538,442	$ 10,284,498	$ 17,822,940

Note 6: Capital Assets

Capital asset activity for the years ended December 31, 2024 and 2023 was as follows:

	December 31, 2023	Additions	Reductions	December 31, 2024
Capital assets not being depreciated:				
Land	$ 48,629,422	$ -	$ -	$ 48,629,422
Construction in progress	325,266,814	134,626,188	3,130,388	456,762,614
Total non-depreciable assets	373,896,236	134,626,188	3,130,388	505,392,036
Capital assets being depreciated/ amortized:				
Buildings	81,722,446	3,344,686		85,067,132
Right to use lease assets	9,641,314	2,254,209		11,895,523
Leasehold improvements	36,883,515	441,536		37,325,051
Total depreciable/amortizable assets	128,247,275	6,040,431		134,287,706
Less: accumulated depreciation	108,497,834	3,299,073		111,796,907
Less: accumulated amortization	2,266,252	839,173		3,105,425
Total accumulated depreciation and amortization	110,764,086	4,138,246		114,902,332
Capital assets – net	$ 391,379,425	$ 136,528,373	$ 3,130,388	$ 524,777,410

	December 31, 2022	Additions	Reductions	December 31, 2023
Capital assets not being depreciated:				
Land	$ 49,505,422	$ 525,000	$ 1,401,000	$ 48,629,422
Construction in progress	142,787,327	182,479,487		325,266,814
Total non-depreciable assets	192,292,749	183,004,487	1,401,000	373,896,236
Capital assets being depreciated/amortized:				
Buildings	81,722,446			81,722,446
Right to use lease assets	9,641,314			9,641,314
Leasehold improvements	36,755,658	127,857		36,883,515
Total depreciable/amortizable assets	128,119,418	127,857		128,247,275
Less: accumulated depreciation	105,110,837	3,386,997		108,497,834
Less: accumulated amortization	1,398,608	867,644		2,266,252
Total accumulated depreciation and amortization	106,509,445	4,254,641		110,764,086
Capital assets – net	$ 213,902,722	$ 178,877,703	$ 1,401,000	$ 391,379,425

In 2024, the Authority continued with construction work related to the New Jersey Wind Port project in Lower Alloways Creek Township, Salem County, which began in 2020. During 2022 this included the purchase of a parcel of land within that township for approximately $24.3 million. Separately, the Authority initiated construction related to the refurbishment of one of its buildings in North Brunswick Township, Middlesex County in 2022. This was completed in 2024. Refer to Note 14 regarding subsequent events for further information related to the New Jersey Wind Port project.

Additionally, during 2022, the Authority listed a property in the Township of North Brunswick for sale and as such the land was removed from capital assets and was classified as a non-current asset as land held for sale on the statement of net position. This sale was completed in 2023. Another property in the City of Camden was sold in 2023.

Note 7: Commitments and Contingencies

(a) Loan and Bond Guarantee Programs

The Authority has a special binding obligation regarding all guarantees to the extent that funds are available in the guarantee accounts as specified in the guarantee agreements. Guarantees are not, in any way, a debt or liability of the State.

(1) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 5 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the guarantee program account. Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2024, Debt was $12,279,519 and Worth was $753,499,524, with a ratio of 0.02 to 1.

(2) State Small Business Credit Initiative Fund

The Federal grant agreement restricts the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt to Worth ratio is greater than 1 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the State Small Business Credit Initiative Fund. At December 31, 2024, the Fund had no Debt, and Worth was $0.

(b) Loan Program Commitments and Project Financings

At December 31, 2024, the Authority has $16,553,613 of loan commitments not yet closed or disbursed and $126,562,711 of project financing commitments.

Note 8: State and Federal Appropriations and Program Payments

The Authority receives appropriations from the State of New Jersey, as part of the State's annual budget, for purposes of administering certain grant programs enacted by State statute, and has also received appropriations from the United States Department of Housing and Urban Development, as well as the Federal Emergency Management Agency, via the State of New Jersey, for purposes of administering certain loan and grant programs for businesses in connection with the aftermath of Superstorm Sandy in October 2012. for purposes of administering certain emergency grant programs for businesses adversely impacted by the COVID-19 pandemic. The Authority recognizes the disbursement of these funds to grantees as In each year since 2020, the Authority has received appropriations from the United States Department of the Treasury, as part of the CARES Act of 2020 and the American Rescue Plan Act, via the State of New Jersey, program payments. For the year ended December 31, 2024, state and federal appropriations and program payments were $269,645,709, $95,954,498, and $209,064,041, respectively.

Note 9: Litigation

The Authority is involved in several lawsuits that, in the opinion of the management of the Authority, will not have a material effect on the accompanying financial statements.

Note 10: Employee Retirement Systems

(a) Public Employees' Retirement System of New Jersey ("PERS")

The Authority's employees participate in the PERS, a cost-sharing multiple employer defined benefit plan administered by the State. The Authority's contribution is based upon an actuarial computation performed by the PERS. Employees of the Authority are required to participate in the PERS and contributed 7.50% in 2024 and 2023 of their pensionable compensation. The PERS also provides death and disability benefits. All benefits and contribution requirements are established, or amended, by State statute.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after a minimum of 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60, and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62, and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions Made

The contribution policy is set by N.J.S.A. 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions are based on an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2024 and 2023, the State's pension contribution was less than the actuarial determined amount.

The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Authority's contractually required contribution rate for the year ended December 31, 2024, and 2023 was 14.32% and 14.53%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

It is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 100% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 100% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2024 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2024 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

The Authority's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

Contractual contributions to the pension plan from the Authority were $6,233,470 and $5,221,882 for the years ended December 31, 2024, and 2023, respectively, equal to the required contributions.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

GASB 68 requires the Authority to recognize a net pension liability for the difference between the present value of the projected benefits for past service, known as the Total Pension Liability ("TPL"), and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Position ("FNP").

At December 31, 2024 and 2023, the Authority reported a liability of $62.2 million and $56.6 million for its proportionate share of the net pension liability for PERS, respectively. The net pension liability was measured as of June 30, 2024, and June 30, 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2023 and July 1, 2022. The actuarial valuations were rolled forward to June 30, 2024 and June 30, 2023, using update procedures.

The Authority's proportion of the net pension liability was based on a projection of the long-term share of contribution to the pension plans relative to the projected contributions of all participating State agencies, actuarially determined. At December 31, 2024, the Authority's proportion was 0.45810%, which was an increase of 0.06739% from its proportion measured as of December 31, 2023. At December 31, 2023, the Authority's proportion was 0.39071%, which was an increase of 0.03896%.

For the years ended December 31, 2024 and 2023, the Authority recognized pension expense of $9,312,179 and $5,179,757 for PERS, respectively. Pension expense is reported in the Authority's financial statements as part of salaries and benefits expense.

At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		$ 2,886,220	$ 260,610	
Changes of assumptions or other inputs	$ 77,330	708,227	124,319	$ 3,429,670
Changes in proportion	20,094,881		17,846,438	29,504
Difference between expected and actual experience	1,246,921	165,718	541,085	231,327
Contributions subsequent to the measurement date	3,116,735		2,610,941	
	$ 24,535,867	$ 3,760,165	$ 21,383,393	$ 3,690,501

Deferred outflows of resources of $3,116,735 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	$	5,329,604
2026		6,945,758
2027		3,548,048
2028		1,650,327
2029		185,230
	$	17,658,967

Actuarial Methods and Assumptions

The collective pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

June 30, 2024 and 2023	
Inflation:	2.75% (Price)
	3.25% (Wage)
Salary increases:	2.75 – 6.55%
	based on years of service
Investment rate of return:	7.00%

Pre-retirement mortality tables were based on Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00% for PERS as well as the proportionate share of the net pension liability using a 1.00% increase or decrease from the current discount rate as of December 31, 2024 and 2023, respectively:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
2024	$ 82,710,870	$ 62,246,933	$ 44,832,235

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
2023	$ 73,669,712	$ 56,591,208	$ 42,055,143

Plan Fiduciary Net Position

The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2024 and 2023 were $37,740,650,902 and $34,831,652,936, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2024 and 2023 was $29,413,070,105 and $27,400,438,440, respectively.

Additional Information

Collective Local Group balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	$	1,079,580,780
Collective deferred inflows of resources		1,611,322,898
Collective net pension liability		13,702,423,985
Authority's proportion		0.4581006998%

Collective Local Group pension expense (benefit) for the Local Group for the measurement period ended June 30, 2024 and 2023 was $349,821,337 and $(90,322,759) respectively. The average of the expected remaining service lives of all plan members is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively.

State Contribution Payable Dates

Prior to July 1, 2022 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2022 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31st, at least 75% by March 31st, and at least 100% by June 30th.

Receivable Contribution

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2024 and June 30, 2023 are $1,393,655,054 and $1,354,892,653, respectively.

Detailed information about the Plan's fiduciary net position is available in a separately issued financial report. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. Information on the total Plan funding status and progress, required contributions and trend information is available on the State's web site at www.state.nj.us/treasury/pensions/annrprts.shtml in the Annual Comprehensive Financial Report of the State of New Jersey, Division of Pensions and Benefits.

(b) Postemployment Health Care and Insurance Benefits

General Information about the Postemployment Health Care Plan

Plan Description and Benefits Provided: The Authority sponsors a single employer postemployment benefits plan that provides benefits in accordance with State statute, through the State Health Benefits Plan, to its retirees having 25 years or more of service in the PERS, and 30 years or more of service if hired after June 28, 2011, or to employees approved for disability retirement. Health benefits and prescription benefits provided by the plan are at no cost to eligible retirees who had accumulated 20 years of service credit as of June 30, 2010. All other future retirees will contribute to a portion of their health and prescription premiums. Upon turning 65 years of age, a retiree must utilize Medicare as their primary coverage, with State Health Benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment.

The Authority participates in the State Health Benefits Plan solely on the benefits side and not in a cost-sharing capacity, in order to leverage more affordable premium costs. The Authority maintains all plan assets within the Employee Benefit Trust. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295. The State has the authority to establish and amend the benefit provisions offered and contribution requirements.

Employees Covered by Benefit Terms. At December 31, 2024 and 2023, the following employees were covered by the benefit terms:

	2024	2023
Active employees	409	409
Inactive employees and/or beneficiaries currently receiving benefit payments	50	50
Total membership	459	459

Contributions. The Authority's Board grants the Authority the right to establish and amend the contribution requirements. The Board establishes rates based on an actuarially determined rate. For the year ended December 31, 2024, and 2023, the Authority's average contribution rate was 2.04 percent and 2.33 percent of covered payroll, respectively. Employees are not required to contribute to the plan. The Authority's annual OPEB cost for the plan is calculated based on the Entry Age Normal level percentage cost method, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The Authority has established and funded an irrevocable trust for the payments required by this obligation.

Net OPEB (Asset) Liability

The Authority's net OPEB (asset) liability for the December 31, 2024 measurement date was determined by an actuarial valuation as of December 31, 2024. This serves as the reporting date.

Actuarial Assumptions. The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.3% per annum, compounded annually
Salary increases	3.5% per annum, compounded annually
Investment rate of return	5.00%
Healthcare cost trend rates	6.4% grading down to an ultimate rate of 3.7% for <65, 6.2% grading down to an ultimate rate of 3.7% for >65

Mortality rates were based on the Pub-2010 General Below-Median Income mortality tables and Pub-2010 Non-Safety Disabled Retiree mortality table adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year and projected forward on a generational basis.

The actuarial assumptions used in the December 31, 2024, valuation was based on information provided by the Authority for the period of January 1, 2024 through December 31, 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

2024

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	BAML 3-Month T-Bills	1.00%	0.94%
US Interm (1-10) Treasury Bonds	Bloomberg Interm US Treasury	33.00%	1.63%
US Interm (1-10) Corporate Bonds	Bloomberg Interm Corporate	27.00%	2.63%
US Interm (1-10) Government	Bloomberg US Govt	5.00%	1.94%
US Municipal Bonds	Bloomberg Municipal	1.00%	1.73%
US Large Cap Equity	S&P 500	31.00%	5.33%
US Small Cap Equity	Russell 2000	2.00%	6.82%
		100.00%	

2023

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	BAML 3-Month T-Bills	0.50%	0.76%
US Interm (1-10) Treasury Bonds	Bloomberg Interm US Treasury	28.00%	1.53%
US Interm (1-10) Corporate Bonds	Bloomberg Interm Corporate	33.00%	2.57%
US Interm (1-10) Government	Bloomberg US Govt	7.00%	1.86%
US Municipal Bonds	Bloomberg Municipal	2.00%	1.58%
US Small Cap Equity	Russell 3000	29.50%	5.50%
		100.00%	

Discount Rate. The discount rate used to measure the total OPEB liability was 5.00 percent at December 31, 2024 and 4.75 percent at December 31, 2023. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB (Asset) Liability

For the year ended December 31, 2024:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB (Asset) Liability**
Net OPEB (asset) liability at the beginning of the year	$ 29,014,000	$ 45,138,824	$ (16,124,824)
Changes for the year:			
Service Cost	2,113,590	-	2,113,590
Interest	1,457,684	-	1,457,684
Employer contributions	-	889,343	(889,343)
Effect economic/demographic changes	2,069		2,069
Effect change in assumptions/inputs	464,000		464,000
Net investment income	-	4,050,932	(4,050,932)
Benefit payments	(889,343)	(889,343)	-
Administrative expense	-	(11,953)	11,953
Net changes	3,148,000	4,038,979	(890,979)
Net OPEB (asset) liability at the end of the year	$ 32,162,000	$ 49,177,803	$ (17,015,803)

For the year ended December 31, 2023:

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB (Asset) Liability**
Net OPEB (asset) liability at the beginning of the year	$ 25,170,000	$ 41,037,760	$ (15,867,760)
Changes for the year:			
Service Cost	1,910,783		1,910,783
Interest	1,266,704		1,266,704
Employer contributions		836,376	(836,376)
Effect economic/demographic changes	579,889		579,889
Effect change in assumptions/inputs	923,000		923,000
Net investment income		4,112,524	(4,112,524)
Benefit payments	(836,376)	(836,376)	
Administrative expense		(11,460)	11,460
Net changes	3,844,000	4,101,064	(257,064)
Net OPEB (asset) liability at the end of the year	$ 29,014,000	$ 45,138,824	$ (16,124,824)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate. The following presents the net OPEB (asset) liability of the Authority as of December 31, 2024 and 2023, as well as what the Authority's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate as defined in the chart below for 2024 and 2023:

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
2024	$ (11,636,803)	$ (17,015,803)	$ (21,347,803)

	1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
2023	$ (11,198,824)	$ (16,124,824)	$ (20,087,824)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB (asset) liability of the Authority as of December 31, 2024 and 2023, as well as what the Authority's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (defined in chart below for 2024 and 2023):

	1% Decrease (5.4 decreasing to 2.7%)	Healthcare Cost Trend Rates (6.4 decreasing to 3.7%)	1% Increase (7.4 decreasing to 4.7%)
2024	$ (22,266,803)	$ (17,015,803)	$ (10,185,803)

	1% Decrease (5.8 decreasing to 2.7%)	Healthcare Cost Trend Rates (6.8 decreasing to 3.7%)	1% Increase (7.8 decreasing to 4.7%)
2023	$ (20,681,824)	$ (16,124,824)	$ (10,227,824)

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NJEDA Employee Benefit Trust financial report, which is available on the Authority's website at www.njeda.com/public_information/annual_reports.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and 2023, the Authority recognized OPEB expense (benefit) of $(1,237,118) and $(1,372,316), respectively. OPEB expense (benefit) is reported in the Authority's financial statements as part of salaries and benefits expense. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Difference in experience	$ -	$ 108,140	$ 943,010	$ 137,516
Changes of assumptions	1,983,004	9,559,722	830,700	11,980,977
Net difference between projected and actual earnings on OPEB plan investments	44,444	-	2,358,230	-
Totals	$ 2,027,448	$ 9,667,862	$ 4,131,940	$ 12,118,493

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year Ended December 31:	
2025	$ (1,540,059)
2026	(1,607,664)
2027	(3,007,979)
2028	(2,202,316)
2029	164,975
Thereafter	552,629
Total	$ (7,640,414)

Note 11: Compensated Absences

The Authority recorded noncurrent liabilities in the amount of $2,230,397 and $2,117,553 as of December 31, 2024 and 2023, respectively. The liability as of those dates is the value of employee accrued vacation time and vested estimated sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to eligible retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or $15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by Authority policy; therefore, such non-vested benefits are not accrued.

Note 12: Long-Term Liabilities

During 2024 and 2023, the following changes in long-term liabilities are reflected in the statement of net position:

	2024				
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Net pension liability	$ 56,591,208	$ 5,655,725		$ 62,246,933	
Unearned lease revenue	2,719,875	-	$ (1,077,748)	1,642,127	$ 1,115,203
Accrued guarantee losses	3,603,000	1,197,000	(311,568)	4,488,432	-
Leases payable	8,093,191	2,334,448	(143,141)	10,284,498	613,366
Compensated absences*	2,117,553	112,844	-	2,230,397	-
Total long-term liabilities	$ 73,124,827	$ 9,300,017	$ (1,532,457)	$ 80,892,387	$ 1,728,569

	2023				
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Net pension liability	$ 48,534,257	$ 8,056,951		$ 56,591,208	
Unearned lease revenue	3,850,769	-	$ (1,130,894)	2,719,875	$ 1,115,203
Accrued guarantee losses	3,714,017	56,000	(167,017)	3,603,000	-
Leases payable	8,782,181	-	(688,990)	8,093,191	613,366
Compensated absences	1,888,105	553,846	(324,398)	2,117,553	-
Total long-term liabilities	$ 66,769,329	$ 8,666,797	$ (2,311,299)	$ 73,124,827	$ 1,728,569

*The change in compensated absences is reported as a net change.

For further information, see Notes 10 and 11.

Note 13: Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded the commercial coverage provided in any of the last three years.

Note 14: Subsequent Events

State Funding

In 2025, the Authority received appropriations from the State of New Jersey totaling $309.3 million from the State FY 2024 budget for the purposes of administering various state programs, including Main Street Recovery Fund; Strategic Innovation Centers; and Child Care Facilities Fund.

New Jersey Wind Port

Subsequent to December 31, 2024, fundamental changes in the offshore wind industry occurred due a shift in federal policy, supply chain barriers, and investment climate uncertainties. As of December 31, 2024, an estimate of the impact on the financial statements could not have been made. Once these changes became more certain and quantifiable during 2025, the Authority commissioned an independent study to determine any potential impairment of the Authority's assets related to the New Jersey Wind Port. This study is examining whether the carrying value of those assets exceeds its fair value. As of December 31, 2024, New Jersey Wind Port assets on the Authority's Statement of Net Position included land and construction in progress with carrying values of $24,307,510 and $456,156,377, respectively.

Due to the timing of when the changes in the offshore wind industry took place, a permanent impairment loss and reduction to the carrying value of the assets, consistent with GASB Statement Number 42: *Accounting and Financial Reporting for Impairment of Capital Assets*, may be recorded in 2025, up to and potentially including a total loss. Additionally, as of December 31, 2024, the Authority's unrestricted net position includes $116,225,319 of unexpended funds related to the New Jersey Wind Port, which if no further investment is made by the Authority related to this project, may be due back to the State of New Jersey.

Required Supplementary Information

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Required Supplementary Information

Schedule of Changes in the Authority’s Net OPEB Liability (Asset) and Related Ratios

($ In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service cost	$ 2,113	$ 1,911	$ 1,223	$ 973	$ 891	$ 1,703	$ 1,967	$ 1,900	$ 1,836
Interest	1,458	1,266	1,121	1,036	972	1,765	1,606	1,492	1,387
Change in assumptions	466	1,503	(527)	209	-	(19,859)	(3,730)	-	-
Benefit payments	(889)	(836)	(648)	(543)	(449)	(420)	(588)	(643)	(655)
Net change in total OPEB liability	3,148	3,844	1,169	1,675	1,414	(16,811)	(745)	2,749	2,568
Total OPEB liability - beginning	29,014	25,170	24,001	22,326	20,912	37,723	38,468	35,719	35,151
Total OPEB liability - ending	$ 32,162	$ 29,014	$ 25,170	$ 24,001	$ 22,326	$ 20,912	$ 37,723	$ 38,468	$ 35,719
Plan fiduciary net position									
Contributions - employer	$ 889	$ 836	$ 656	$ 543	$ 449	$ 420	$ 5,307	$ 1,220	$ 1,162
Net investment income	4,051	4,112	(4,933)	1,657	3,092	3,325	86	486	382
Benefit payments	(889)	(836)	(648)	(543)	(449)	(420)	(588)	(643)	(655)
Administrative expenses	(12)	(11)	(11)	(12)	(11)	(22)	(21)	(21)	(21)
Net change in plan fiduciary net position	4,039	4,101	(4,936)	1,645	3,081	3,303	4,784	1,042	868
Plan fiduciary net position - beginning	45,139	41,038	45,974	44,329	41,248	37,945	33,161	32,119	31,251
Plan fiduciary net position - ending (b)	$ 49,178	$ 45,139	$ 41,038	$ 45,974	$ 44,329	$ 41,248	$ 37,945	$ 33,161	$ 32,119
Authority's net OPEB (asset) liability - ending (a) - (b)	$ (17,016)	$ (16,125)	$ (15,868)	$ (21,973)	$ 22,003	$ (20,336)	$ (222)	$ (5,307)	$ 3,600
Plan fiduciary net position as a percentage of the total OPEB liability	152.91%	155.58%	163.04%	191.55%	198.55%	197.25%	100.59%	86.20%	89.92%
Covered payroll	$ 43,538	$ 35,928	$ 28,830	$ 29,283	$ 15,652	$ 15,123	$ 14,483	$ 14,108	$ 16,246
Authority's net OPEB liability (asset) as a percentage of covered payroll	-39.08%	-44.88%	-55.04%	-75.02%	140.58%	-134.47%	-1.53%	-37.62%	22.16%

Notes to Schedule:

Changes of assumptions: In 2020, changes of assumptions decreased from $19.7 m to $0 m.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Required Supplementary Information

Schedule of the Authority's OPEB Contributions

($ In Thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contribution	$ 889	$ 836	$ 648	$ 543	$ -	$ 1,849	$ 5,307	$ 1,220	$ 1,162
Employer contribution	889	836	648	543	449	420	5,307	1,220	1,162
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (449)	$ 1,429	$ -	$ -	$ -
Authority's covered payroll	$ 43,538	$ 35,928	$ 28,830	$ 29,283	$ 15,652	$ 15,123	$ 14,483	$ 14,108	$ 16,246
Contributions as percentage of covered payroll	2.04%	2.33%	2.25%	1.85%	2.87%	2.78%	36.64%	8.65%	7.15%

New Jersey Economic Development Authority
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Required Supplementary Information

Employee Benefit Trust
Schedule of Investment Returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	8.49%	9.52%	-11.25%	3.75%	7.26%	8.44%	0.28%	1.50%	1.22%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Required Supplementary Information

Notes to Schedule of the Authority's OPEB Contributions

Notes to Schedule:

Valuation Date	January 1, 2024 for 2024 and 2023; January 1, 2022 for 2022 and 2021; January 1, 2021 for 2020; January 1, 2020 for 2019; January 1, 2017 for years 2018, 2017 and 2016, January 1, 2015 for 2015; January 1, 2012 for years 2012-2014; January 1, 2009 for years 2009-2011.

Methods and assumptions used to determine the actuarially determined contribution rates:

Actuarial Cost Method	Entry Age Normal for 2016-2024, Project Unit Credit Cost Method for 2011-2015
Amortization Method	Full recognition of unfunded liability as of December 31 for 2016-2024, Level Dollar Open (1 year) for 2011-2015
Asset Valuation Method	Market value
Inflation Rate	2.3% for 2016-2024, not indicated for 2011-2015
Investment Rate of Return	5.00% for 2024, 4.75% for 2022-2023, 4.5% for 2018-2021, 4.0% for all years prior

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability – PERS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.45810%	0.39071%	0.32160%	0.28264%	0.24540%	0.23051%	0.23374%	0.23691%	0.22645%	0.21713%
Authority's proportionate share of the net pension liability	$ 62,246,933	$ 56,591,208	$ 48,534,257	$ 33,482,997	$ 40,017,678	$ 41,533,862	$ 46,021,947	$ 55,148,355	$ 67,068,246	$ 48,740,925
Authority's covered payroll	$ 43,538,139	$ 35,927,595	$ 28,822,311	$ 23,847,619	$ 20,932,830	$ 17,904,605	$ 16,464,640	$ 16,199,280	$ 16,245,862	$ 15,434,227
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	142.97%	157.51%	168.39%	140.40%	191.17%	231.97%	279.52%	340.44%	412.83%	315.80%
Plan fiduciary net position as a percentage of the total pension liability	48.73%	48.45%	46.41%	51.52%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%

The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Required Supplementary Information

Schedule of the Authority's Contributions to the Public Employees' Retirement System (PERS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 6,233,470	$ 5,221,886	$ 4,055,563	$ 3,310,048	$ 2,684,509	$ 2,242,154	$ 2,324,943	$ 2,194,698	$ 2,011,757	$ 1,866,720
Contributions in relation to the contractually required contribution	6,233,470	5,221,886	4,055,563	3,310,048	2,684,509	2,242,154	2,324,943	2,194,698	2,011,757	1,866,720
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 43,538,139	$ 35,927,595	$ 28,822,311	$ 23,847,619	$ 20,932,830	$ 17,904,605	$ 16,464,640	$ 16,184,953	$ 16,245,862	$ 15,818,820
Contributions as a percentage of covered payroll	14.32%	14.53%	14.07%	13.88%	12.82%	12.52%	14.12%	13.56%	12.38%	11.80%

Required Supplementary Information

Notes to Schedule of the Authority's Contributions to the Public Employees' Retirement System (PERS)

Notes to Schedule

Valuation Date	Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine the actuarially determined employer contributions are as follows:

Actuarial Cost Method	Projected Unit Credit Method
Amortization Method	Level Dollar Amortization
Remaining Amortization Period	30 years
Asset Valuation Method	A five-year average of market value
Investment Rate of Return	7.00% for 2024, 2023, 2022 and 2021, 7.30% for 2020 and 2019, 7.50% for 2018 and 2017, 7.65% for 2016, 7.9% for 2015, 2014 and 2013, 7.95% for 2012, 8.25% for 2011
Inflation	2.75% (Price), 3.25% (Wage)
Salary Increases	None for 2019 through 2024, 1.65% – 5.15% for 2018, 2017 and 2016, 2.15% – 5.40% for 2015 through 2013, 4.52% for 2012, 5.45% for 2011
Mortality	Pub-2010 General Below-Median Income Employee mortality table for male and female active participants. Mortality tables are adjusted for males and for females. In addition, the tables provide for future improvements in mortality from the base year of 2010 using a generational approach based on the plan actuary's modified MP-2021 projection scale.

MEMORANDUM

TO: Members of the Authority

FROM: Terence O'Toole, Chairman

DATE: October 9, 2025

RE: Recommendation for Contract Award
2025-RFP-249 Independent Auditor Services

Summary
The Members are requested to approve entering into a contract with PKF O'Connor Davies, LLP (PKF) 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 and a maximum budget of $992,725.50.

Background
These Independent Auditor Services are in accordance with the requirements of Executive Order 122 (McGreevey 2004). These services are needed to provide the Board and its Audit Committee Members with an annual financial review and audit of the Authority's fiscal recordkeeping, as well as that of other entities.

As stated in Executive Order 122 (McGreevey 2004), public authorities, agencies and commissions of the State of New Jersey, such as the Authority, oversee billions of dollars in public funds. An independent auditing process is fundamental to the ability of these entities to oversee such funds, to set appropriate financial policies, to ensure that management maintains effective internal controls, and to ensure that financial statements are free from material misstatements.

The independent auditor firm, PKF, will perform an annual financial statement audit in compliance with generally accepted government auditing standards ("GAGAS") and promulgations of the Government Accounting Standards Board ("GASB"), and in accordance with all applicable federal and state laws, rules, regulations and standards, as well as professional standards and requirements mandated by the American Institute of Certified Public Accountants ("AICPA").

The resulting services shall address the Authority's financial statements for its calendar, fiscal years ending December 31, 2025, 2026 and 2027, with two (2) twelve-month extension options, to be exercised at the sole discretion of the Authority, for the fiscal years ending December 31, 2028 and 2029. Pricing shall remain unchanged for the initial three (3) year term; and will be adjusted by three (3%) percent Percentage Price Escalator, as stated in PKF's Fee Schedule (BAFO).

As provided for in Executive Order 122, PKF shall be responsible for publicly attesting to the fairness of the Authority's financial statements, evaluating the effectiveness of internal controls, and through the issuance of management letters, if applicable, making comments and recommendations which, when implemented, may improve the design or operation of internal control systems.

Procurement Process

The New Jersey Economic Development Authority (NJEDA) Board of Directors, through its Audit Committee, issued a Request for Proposals – 2025-RFP-249, on May 16, 2025. The RFP sought to solicit proposals for Independent Auditor Services in order to engage a well-qualified Public Accounting firm with demonstrated experience in providing Independent Auditor Services to other public entities, within New Jersey.

As required of the Executive Order and as indicated in the RFP:

"The auditor selected shall report directly to the Audit Committee or the Board. At no time shall the auditor report to any staff member of the Authority."

The RFP language provided for the award of one (1), three (3) year contract, with two (2), twelve (12) month extension options to be exercised at the sole discretion of the Authority. Neither the RFP nor Exhibit A – Contract for Professional Services indicated a budgetary amount.

The RFP was duly advertised in five (5) newspapers for one (1) day on May 16, 2025, in the Asbury Park Press, Bergen Record, Courier Post, Star-Ledger, and Trenton Times. It was also posted on the Authority's website and in the NJ State Business Portal, under Commodity Codes 946-20 Auditing and 918-04 Accounting/Auditing/Budget Consulting. Four hundred five (405) total firms were identified by the department, through an NJSTART search, and identified firms were issued notice via e-mail. An informational Pre-Bid Conference was not held for this solicitation.

The Questions & Answers period closed on May 23, 2025, at 2:00 PM (EST). Questions received and responses to the questions received were posted to the Authority's website on June 2, 2025, as Addendum 1.

Prior to the receipt of proposals, an Evaluation Committee of three (3) Board members was established and were advised by NJEDA's Procurement Department. The Evaluation Committee was comprised of the following individuals:

- Terence O'Toole – NJEDA Board Chairman
- Charles Sarlo - NJEDA Board Member and Audit Committee Chairman
- Jeffrey DeCicco – Treasurer Designee

Proposals were due at or before 2:00 PM (EST) on June 11, 2025. Four (4) proposals were received electronically, prior to the opening date and time, and the following four (4) were deemed responsive:

- Clifton Larson Allen, LLP
- Hill Barth & King, LLC

- Holman Frenia Allison, P.C.
- PKF O'Connor Davies, LLP

The Evaluation Criteria/Weighting Percentages are as follows:

- Personnel– 30%
- Experience of Entity – 25%
- Technical Proposal – 25%
- Fee Proposal – 20%

The Evaluation Committee reviewed, evaluated, and scored the proposals based on the aforementioned evaluation criteria and weighting percentages that were formalized and time stamped prior to the date proposals were due. To ensure a neutral evaluation, the Evaluation Committee did not review or consider the fee schedules of the prospective bidders during the evaluation process.

After the Evaluation Committee reviewed and scored the proposals received, the NJEDA Procurement Department applied the weighting to the pricing provided in the Fee Schedules and the Evaluation Committee's scoring for each proposal resulting in the completed overall scoring for each proposal. The RFP proposal results for the firm's total score and ranking were as follows:

- PKF O'Connor Davies, LLP (PKF) - Score 3.9, Ranked #1
- Clifton Larson Allen, LLP - Score 3.2, Ranked #2
- Holman Frenia Allison, P.C. - Score 2.7, Ranked #3
- Hill Barth & King, LLC - , Score 2.1, Ranked #4

PKF received the highest ranked score. Based upon same, Procurement determined to request a Best and Final Offer (BAFO) from PKF pursuant to Section 6.8 of the RFP. On July 17, 2025, the BAFO request was sent to PKF. PKF responded and submitted a BAFO response, indicating a 6.4% price reduction off their initial price submission of $625,000.00 to $585,000.00 (a $40,000.00 reduction).

In accordance with the RFP language, pricing for each of the two (2) twelve-month extensions shall be adjusted by a three (3%) percent "Percentage Price Escalator" as indicated in PKF's Fee Schedule (BAFO). The total expenditure for the initial three (3) year term is $585,000.00. Should the NJEDA exercise both extension options for a total of $407,725.50; the total expenditure for the five (5) year term is $992,725.50.

Legal Review and Debarment Check

Following the Evaluation Committee's initial review and potential recommendation that the contract be awarded to PKF, the recommendation was forwarded to the Authority's Legal Review Unit to conduct its legal review and debarment check. On August 5, 2025, the Authority's Legal Department approved same.

Recommendation

Following a thorough review of the proposals received, the Evaluation Committee has made a recommendation to, subject to Audit Committee approval, the selection of PKF. Considering price and other factors and based on a maximum potential score of 5.0, PKF was the highest ranked firm and achieved an overall score of 3.9.

As such, the Board Members are requested to approve a contract not to exceed $992,725.50 to PKF O'Connor Davies, LLP for Independent Auditor Services, for a term of three (3) years with two (2) twelve-month extension options to be exercised at the sole discretion of the Authority, at the same pricing, terms, and conditions.

The final contract will be subject to the approval of the Chief Executive Officer.

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Terence O'Toole, Chairman

Prepared by: Prepared by Independent Auditor Services Evaluation Committee and Audit Committee with support from NJEDA Procurement Department

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: Second Street Youth Center, Inc. PROD-00322344

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 200 Plainfield Ave Plainfield City Union

APPLICANT BACKGROUND:

Second Street Youth Center, Inc. (“SSYC” or the “Company”) is a 501(c)(3) formed in 1967 and incorporated in 1968 and operates as a multi-purpose not-for profit organization seeking to bring about better community relations by providing educational, vocational, cultural, and recreational activities for youth and adults in the Plainfield community. The mission of SSYC is to provide programs of education, recreation, athletic and social activities for children, parents, caretakers, guardians and community residents at large. SSYC’s goal is to provide opportunities for self-expression, the building of self-worth, and an overall environment that fosters creative learning and enables people to reach their full potential. Programs include an accredited preschool for children ages 3 – 5, an accredited after school program for children ages 6 – 11, family and community services (such as social services support, financial literacy training, and financial resources), and summer STEAM camp for children ages 3 – 15.

OTHER NJEDA SERVICES:

New NJEDA Direct Loan: $1,875,000
Childcare Facilities Improvement Grant: $196,271.75 ($52,031.75 disbursed)
Small Business Lease Grant: $63,000 (fully disbursed)

APPROVAL REQUEST:

Authority assistance will allow SSYC 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. The project site is located at 200 Plainfield Avenue in Plainfield, Union County, NJ (under contract). Cost of issuance will not be paid by bond proceeds; applicant is responsible for covering this cost. By virtue of the Applicant being a 501(c)(3), the project is exempt from the State volume cap pursuant to Section 146(g) of the Internal Revenue Code of 1986, as amended.

This project is being presented for Final Approval.

FINANCING SUMMARY:

BOND PURCHASER: Northfield Bank (Direct Purchase)

AMOUNT OF BOND: $5,400,000 Tax-Exempt Bond

TERMS OF BOND: 25 years; Rate fixed for 5 years at the tax-exempt equivalent of the 5-year FHLBNY index plus 240 bps; Rate reset every 5 years at the tax-exempt equivalent of the 5-year FHLBNY index plus 250 bps. Should Bank's effective tax-exempt rate change, the interest rate on the loan may be adjusted accordingly. Call option 90 days prior to and 90 days after rate reset. Initial rate of 4.64%

ENHANCEMENT: N/A

PRODUCT COSTS:

Acquisition of Existing Building	$7,500,000.00	Total Finance Fees	$75,875.00

Project costs reported on related application PROD-00322345 **TOTAL COSTS: $7,575,875.00**

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
45	0	45	0

PUBLIC HEARING: 10/9/2025

DEVELOPMENT OFFICER: Richard Tighe

BOND COUNSEL: Hawkins, Delafield & Wood

UNDERWRITER OFFICER: Heather O'Connell

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: October 9, 2025

SUBJECT: Notice of Final Adoption of the May 2025 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:

The Members are asked to approve the submission of a Notice of Final Adoption of the May 2025 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.

Of note, the language in this final adoption is unchanged from the version approved by the Board at the May 13, 2025 NJEDA Board meeting. This final adoption prevents the current Program rules from reverting to the rules as they existed in January 2020. Summaries of the comments received during the public comment period and the Authority's responses to these comments are included in the attached filing. The comments received were primarily focused on the most recent legislative changes make by P.L. 2025, c. 81.

This Notice of Final Adoption does not include the statutory amendments made pursuant to the most recent law change, P.L. 2025, c.81, signed by Governor Murphy on June 30, 2025. Authority staff is currently working on drafting a new special adoption and concurrent proposal for new rule amendments to incorporate the new provisions included in P.L. 2025, c. 81.

Background

The film tax credit program was first created in 2005 by P.L. 2005, c. 345 and codified at N.J.S.A. 54:10A-5.39 and N.J.S.A. 54A:4-12. It was amended several times and then suspended in 2010. On July 3, 2018, Governor Murphy signed P.L. 2018, c. 56, which reinstated the program as "the Garden State Film and Digital Media Jobs Act" (the "Program") and recodified at N.J.S.A. 54:10A-5.39b and N.J.S.A. 54A:4-12b. At this point, the Program provided film and television production companies with business tax and gross income tax credits for certain expenses incurred while filming in New Jersey.

Special new rules for the Program were adopted effective November 9, 2018 (to expire June 28, 2019). See 50 N.J.R. 2422(a). On December 4, 2019, NJEDA filed a readoption of specially adopted new rules with amendments, which was published on January 6, 2020, in the NJ Register, to incorporate changes made by P.L. 2018, c. 56. See 52 N.J.R. 58(b). NJEDA has been unable to adopt any other final rules for this Program because of numerous and ongoing legislative changes. If NJEDA is not able to adopt final rules before February 22, 2026, the current Program rules will revert to the January 6, 2020 rules.

The modern Program was amended for the first time by P.L. 2019, c.506, effective January 21, 2020. These amendments extended the availability period for tax credits for certain film and digital media content production expenses, raised the value of annual tax credits to $100M through 2029, and provided for a rollover of unused tax credits and approved but unredeemed tax credits, not to exceed $50M. On January 7, 2021, the Program was amended for a second time by the New Jersey Economic Recovery Act of 2020 ("ERA"), P.L. 2020, c. 156. Chapter 156 extended the availability period for tax credits to 2034; expanded the program to include New Jersey film partners and New Jersey film-lease partners; imposed limits on certain qualified film production expenses incurred by a New Jersey film partner; established caps on tax credits for New Jersey film partners, New Jersey film-lease partners, and taxpayers other than New Jersey Film Partners and New Jersey film-lease partners at $100M each; and allowed the authority to rollover surplus and unused tax credits to the next fiscal year.

The Program was then amended a third time that same year (July 2, 2021) by P.L. 2021, c. 160. Chapter 160 extended the Program to 2035; increased the amount of funds available for tax credits; increased the percentage of qualified film production expenses available to a taxpayer except for expenses for goods or services to be used within a 30 mile radius of a point in New York City, to which a reduced percentage applies; eliminated the term "New Jersey film partner" and replaced it with "New Jersey Studio Partner"; required award agreements with New Jersey studio partners and New Jersey film-lease partners outlining their obligations and default outcomes; imposed authority review requirements related to independent certified public accountant reports; required certain expenses for services and tangible property to be "incurred in New Jersey" to be eligible for tax credits; and required a percentage of total film production expenses for services and goods to be purchased through vendors authorized to do business in New Jersey.

The Program was amended a fourth time by P.L. 2021, c. 367, effective January 12, 2022, which expanded the Program to allow an increase in the funds available to New Jersey film-lease partners for tax credits; increased the percentage of digital media content production expenses eligible for tax credits; allowed applicants who were not allowed tax credits in a fiscal year because awards exceeded available funds to be allowed a tax credit award in the next fiscal year; allowed the authority to reallocate unused tax credits between categories; and increased the tax credit associated with certain diversity plan criteria from 2% to 4%.

On August 1, 2022, NJEDA published proposed amendments and proposed new rules for the Garden State Film and Digital Media Jobs Program pursuant to P.L. 2019, c. 506; P.L. 2020, c. 156; P.L. 2021, c. 160; and P.L. 2021, c. 367 in the NJ Register. See 54 NJR 1530(a).

On July 6, 2023, P.L. 2023, c. 97 modified the Program for a fifth time. Chapter 97 extended the privilege period through 2039; increased the annual cap on tax credits for a studio partner and a film lease production company; increased the percentage of qualified film production expenses available to a studio partner and film-lease production company; created annual tax credit caps for studio partners and film-lease production companies and allowed a rollover of such tax credits allocated but not awarded; created the concept of a "film-lease partner facility"; supplemented the definition of "studio partner" to include more entities and reduction/recapture provisions; replaced "film-lease partner" with "film-lease production company"; modified the definition of "qualified film production expenses" to clarify expense categories and to make limits on qualifying expenses more favorable to applicants; expanded the definition of "film" to include talks shows, competition shows or variety shows filmed before a live audience; implemented provisions that must be included in studio partner award agreements; defined criteria under which a studio partner's deferred compensation payments may be considered qualified film production expenses; allowed payments to a homeowner for use of a personal residence to be deemed a N.J. expense provided that the applicant satisfies a tax withholding requirement for such payments; defined "commitment period" and "eligibility period" related to studio partners; and revised diversity plan credit requirements. Chapter 97 authorized NJEDA to specially adopt rules. The August 1, 2022 notice of proposal was superseded by Chapter 97 and allowed to expire.

Pursuant to P.L. 2023, c. 97, NJEDA filed specially adopted and concurrently proposed amendments and new rules on February 26, 2024. The specially adopted amendments and new rules became effective upon filing and were published in the April 1, 2024 New Jersey Register. See 56 N.J.R. 491(a). Significant public comments were received.

A sixth round of significant legislative changes to the Program were enacted when P.L. 2024, c. 33 became law on July 10, 2024. Chapter 33 expanded the Program to allow expenses for certain post-production services and payments made to loan out companies to be considered qualified film production and qualified digital media content production expenses. However, the law specifies that qualified wage and salary payments made to full-time employees working on digital media after July 10, 2024, do not constitute qualified digital media content production expenses. Chapter 33 created a definition for "independent post-production company"; expanded the definition of "digital media content"; and created a new category of applicants for "taxpayers, other than New Jersey studio partners" and "New Jersey film-lease production companies" (with a tax credit cap of $300M for 2025 and provisions for reallocating tax credits set aside for these entities but not awarded). Chapter 33 set different compensation minimums for highly compensated individuals for each category of applicant and established criteria for allowing a reality show to be considered a "film". It allowed for an additional tax credit equal to four percent of digital media content production expenses for taxpayers whose application was accompanied by a qualifying diversity plan.

The specially adopted amendments and new rules filed on February 26, 2024 were effective for a period not to exceed 180 days from the date of filing, that is, until August 26, 2024. As the NJEDA filed the original notice of readoption before August 26, 2024, the expiration date was extended 180 days to February 22, 2025, pursuant to N.J.S.A. 52:14B-5.1.c. The Governor then granted an extension of the special adoption expiration date to February 22, 2026, to allow time to propose additional rule changes required by P.L.2024, c33.

On May 22, 2025, NJEDA filed a readoption of the specially adopted rule amendments and new rules with substantial changes reflecting chapter 33, which was published in the June 16, 2025 New Jersey Register. See 57 N.J.R. 1226(a).

Thereafter, a seventh set of legislative changes were enacted. On June 30, 2025, S4618 was signed into law as P.L. 2025, c. 81, implementing significant changes to the Program, including extending the privilege period to 2049; increasing the allowable tax credits for studio partners to 40% of qualified film production expenses; and creating a new class of applicant, "New Jersey film-lease post-production company". P.L. 2025, c. 81 expands the definition of "film" for studio partners to include certain television productions relocated to New Jersey; removes the term "independent post-production company"; and modifies the definition of "New Jersey film-lease production company" to include new requirements, including eligibility requirements associated with a television series. P.L. 2025, c. 81 allows for a cure period of up to two years, pausing recapture, when an entity fails to occupy required space at a film-lease production facility and provides that no recapture of tax credits shall occur when a studio partner, film-lease production company or a film-lease post-production company fails to occupy a production facility for any reason outside of its control. Recapture of tax credits is limited to the initial tax credit award recipient.

P.L. 2025, c. 81 creates definitions for "qualified post-production company" and "New Jersey film-lease post-production company", including reduction and recapture provisions. It further allows certain insurance premiums, total producer fees, total rights fees and script costs incurred by a studio partner or film-lease production company to be considered qualified film production expenses under specified conditions. P.L. 2025, c. 81 fine-tunes what types of film and digital media expenses are qualified, such as wages paid to certain out-of-state residents working in New Jersey and deferred compensation payments including bona fide labor union payments. P.L. 2025, c. 81 eliminates the diversity plan requirement, but allows an applicant an additional tax credit of four percent of the qualified film production expenses or digital media content production expenses if the applicant satisfies certain criteria, including submitting a plan outlining specific goals (which may include advertising and recruitment actions) for hiring residents of an economically disadvantaged area in the State, a distressed municipality, or land owned by the federal government on or before December 31, 2005.

The comment period for the readopted rules filed on May 22, 2025 ended on August 15, 2025. NJEDA intends to file for final adoption and separately pursue additional rule amendments to reflect the newest legislative changes in P.L. 2025, c. 81, likely in October of 2025.

Recommendation

The Members are asked 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.

Tim Sullivan, CEO

Prepared by:
Matt Sestrich

Attachments: Appendix A – Notice of Final Adoption with Summary of Public Comments and Agency Responses

OTHER AGENCIES

ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Garden State Film and Digital Media Jobs Program

Adopted Amendments: N.J.A.C. 19:31T-1.1 through 1.7, 1.10, 1.11, 1.12, and 1.14

Adopted New Rules: N.J.A.C. 19:31T-1.8, 1.9, and 1.13

Proposed: June 19, 2025, at 57 N.J.R. 6(2).

Adopted: October 9, 2025, by the New Jersey Economic Development Authority, Tim Sullivan, Chief Executive Officer.

Filed: ______________, as R.2025 d.___, **without change**.

Authority: 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.

Effective Date: __________________, 2025.

Expiration Date: _________________, ____.

Take notice that the New Jersey Economic Development Authority ("NJEDA" or "Authority") has adopted as final the following amendments and new rules updating the Garden State Film and Digital Media Jobs 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. The public comment period ended August 15, 2025.

Summary of Public Comments and Agency Responses:

In response to the readoption of the specially adopted and concurrently proposed new rules and amendments published on June 19, 2025, at 57 N.J.R. 6(2), the Authority received comments from the Motion Picture Association (MPA) and Coastal Capital Advisors, LLC.

1. COMMENT: Commenters expressed dissatisfaction with the NJEDA Agreed Upon Procedures Requirements (AUP) and request updates to the AUP including allowing alternate forms of proof to demonstrate that a loan out company or vendor is authorized to do business

in New Jersey besides a Business Registration Certificate and changes associated with registrations for loan-out companies, extras and sampling methodology.

RESPONSE: The commenters' requests are related to the AUP, not the rule amendments and new rules which are the subject of this filing, and as such, are beyond the scope of this rulemaking.

2. COMMENT: Commenters requested that the Authority remove the requirement set forth in N.J.A.C. 19:31T-1.10(b) that an executed form of standard selling agreement which evidences that the consideration received by the approved applicant is not less than 75 percent of the transferred tax credit purchase agreement be attached to the tax credit transfer application.

   RESPONSE: The requirement that an applicant attach an executed form of standard selling agreement at N.J.A.C. 19:31T-1.10(b) is not amended in any way in the rule amendments and new rules which are the subject of this filing and thus commenters' request is beyond the scope of this rulemaking.

3. COMMENT: Commenters objected to the requirement that the Authority publish tax credit transferee names and the amount of tax credits purchased on its website as set forth at N.J.A.C. 19:31T-1.10(e), stating that such publication causes unnecessary scrutiny of New Jersey businesses and residents who purchase tax credits and that it will significantly limit the number of buyers who are interested in purchasing transferable film tax credits.

   RESPONSE: NJEDA publishes tax credit transferee names and the amount of tax credits purchased to ensure transparency and accountability in its tax credit programs. This practice helps maintain trust among businesses and the public regarding the allocation and use of tax credits.

4. COMMENT: Commenters requested that the Authority eliminate a tax credit transferee's obligation under N.J.A.C. 19:31T-1.10(d) to obtain and attach a Tax Clearance Certificate to its transfer application, stating that this requirement is not supported by applicable legislation, it may result in delays, it is not required in other states, and that it may have a chilling effect on tax credit purchases.

RESPONSE: The commenters' request is beyond the scope of the rulemaking, which does not include changes at N.J.A.C. 19:31T-1.10(d).

5. COMMENT: A commenter requested that the Authority clarify the definition of "application" in the context of P.L. 2025, c. 81, as it relates to determining eligibility for application of the film tax credit against the insurance premiums tax.

6. RESPONSE: The commenter's request is related to new legislation, which is not included in this rulemaking. Future rulemaking is anticipated.

7. COMMENT: A commenter requested that the Authority issue guidance allowing for an intermediary to bring tax credit certificate buyers and sellers together without the intermediary taking ownership of the credit.

   RESPONSE: The commenter's request is not related to this rulemaking.

8. COMMENT: A commenter requested that the Authority amend the fee at N.J.A.C. 19:31T-1.5(d) associated with applications for tax credit transfer certificates to provide that when there are multiple tax credit transferees, the full fee is not charged for each transferee.

   RESPONSE: The Authority reduced and restructured fees in the specially adopted and concurrently proposed new rules and amendments that were effective February 26, 2024. The current fees are necessary to offset the cost to the Authority of administering the Program. The Program fees were recently the subject of an audit by the State Auditor.

9. COMMENT: A commenter requested that the Authority add "final element" as a new defined term at N.J.A.C. 19:31T-1.2 to provide additional guidance regarding the film completion process.

   RESPONSE: The commenter's request does not involve any defined terms at N.J.A.C. 19:31T-1.2 being created or modified in the rule amendments and new rules which are the subject of this filing and thus is beyond the scope of this rulemaking.

10. COMMENT: A commenter requested changes to N.J.A.C. 19:31T-1.4(a), which would allow applicants to redact sensitive information in any contract the applicant provides to the Authority to verify the applicant's satisfaction of certain statutory criteria, citing concerns

regarding the sensitive proprietary, commercial, and financial information typically contained in such contracts.

RESPONSE: The Authority has determined that producing such contracts is necessary to ensure that the applicant is compliant with Program requirements. The Authority has appropriate procedures in place to safeguard applicants' confidential information. This provision appropriately safeguards the Program and the public trust.

Federal Standards Statement

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

Full text of the adopted amendments and new rules follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]; the newly proposed substantial changes additions are indicated in boldface and italics ***thus***; deletions are indicated in cursive italicized brackets *{*thus*}*):

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56 (the Act), the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain film and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

As amended by P.L.2021, c.160, the eligible tax credit for qualified film production expenses increased from 30% to 35% for applications received after Jan 7, 2021. Additionally, for applications received after July 2, 2021, the program amendment also eliminates the targeted county bonus and specifies a tax credit of 30% for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New York.

APPLICANT: Camp Blood Productions LLC PROD-00320839

APPLICANT BACKGROUND:
Camp Blood Productions LLC is the production company for "Crystal Lake". This is an upcoming horror streaming series, serving as an origin story for Jason Voorhees and a prequel to the Friday the 13th franchise. The series will stream exclusively on Peacock. It will be written and produced by Bryan Fuller and Victor Miller, along with executive producers Marc Toberoff and Rob Barsamian.

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the program.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. Total Film Production Expenses: A minimum of 60% of the film's total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2039 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	$106,461,978.91
B. Total Post-Production Expenses	$6,888,399.83
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	$78,794,505.47
Percentage Calculation = C/(A-B)	79%
Criterion Met	**YES**

2.
3. Qualified Film Production Expenses: During a single privilege period, the film must have more than $1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not be limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due, and any wages and salaries of individuals employed in the production of a film that are not subject to tax under the “New Jersey Gross income Tax Act.,” N.J.S.54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a “qualified film production expenses” unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). “Qualified film production expenses” shall not include: expenses incurred in marketing or advertising a film; and payment in excess of $750,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines, except for other expenses above certain thresholds as set forth in P.L. 2021, c. 367. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Qualified Film Production Expenses incurred in NJ during a **single** privilege period after July 1, 2018.	$76,099,505.47
Criterion Met	**YES**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Estimated Qualified Film Production Expenses incurred within 30-mile radius of Columbus Circle, NYC	$24,339,984 x 30% =	$7,301,995
35% of Estimated Qualified Film Production Expenses	($76,099,505.47 - $24,339,984) x 35% =	$18,115,832.51
Bonus Criteria Met		
Submission of satisfactory Diversity Plan 2% of Qualified Film Production Expenses for hiring employees of diverse backgrounds	$76,099,505.47x 2% =	$1,521,990.10
Submission of satisfactory Diversity Plan 2% of Qualified Film Production Expenses for hiring onscreen performers of diverse backgrounds	$0 x 2% =	$0.00
Total Award		**$26,939,818**

APPLICATION RECEIVED DATE:	6/18/2025
DATE APPLICATION DEEMED COMPLETE:	6/27/2025
PRINCIPAL PHOTOGRAPHY COMMENCEMENT:	6/23/2025
PRINCIPAL NJ PHOTOGRAPHY LOCATION:	Jersey City, NJ
ESTIMATED DATE OF PROJECT COMPLETION:	10/17/2025
APPLICANT'S FISCAL YEAR END:	12/31/2025
TAX CREDIT VINTAGE YEAR(S):	2025
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	12/31/2025

In general, the final documentation shall be submitted to the Authority no later than four (4) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three (3) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

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

Joseph Griffin
Program Analyst - Product Operations

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 9, 2025

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

The following project was approved under Delegated Authority in September 2025:

Premier Lender Program:

1) Paradise Solar and Electrical LLC ("Paradise") (PROD-00322059), located in Southampton Township, Burlington County, provides contracting services for commercial, residential, and government clients. Paradise specializes in three primary lines of business: solar installations, generators, and electrical services. Solar services include custom solar designs for large solar farms, parking lot solar ceilings, and rooftop systems. Electrical services include lighting installations, electrical panel upgrades, and electric vehicle charging stations. M&T Bank approved a $200,000 bank loan, contingent upon a 50% ($100,000) Authority participation. Proceeds will be used to pay off an existing line of credit and working capital expenses. Currently, the Company has 28 employees and plans to create 4 new positions within the next two years.

Tim Sullivan, CEO

Prepared by: G. Robins

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan, CEO

DATE: October 9, 2025

SUBJECT: Real Estate Division Delegated Authority for leases and Right of Entry (ROE)/ Licenses for the Second Quarter 2025

The following approvals were made pursuant to Delegated Authority for Leases and ROE/Licenses in April, May, and June 2025

LEASES

TENANT	LOCATION	TYPE	TERM	S.F.
Neoventech	NJBC Incubator	Renewal Letter	One Year	966
OLI Technologies	NJBC Incubator	Renewal Letter	One Year	966
Hopkins Medtech Group	NJBC Incubator	Renewal Letter	One Year	966
Celleqore	NJBC Incubator	Renewal Letter	One Year	966
Evivue Biotechnology	NJBC Incubator	Lease Agreement	One Year	931

RIGHT OF ENTRY/LICENSES/EXTENSIONS

ENTITY	LOCATION	TYPE	CONSIDERATION
City of Trenton	MIHI	Right of Entry or Site License Agreement	

MISCELLANEOUS

ENTITY	LOCATION	TYPE	CONSIDERATION
Genomic Predictions, LLC	NJBC Tenant	Litigation	175,737.40

Tim Sullivan, CEO

Prepared by Cyndi Costello