



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Agenda for Board Meeting of the Authority September 10, 2025

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Public Comment

Authority Matters

Community Development

Economic Transformation

Incentives

Bond Project

Real Estate

Board Memoranda

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

August 18, 2025

MINUTES OF THE MEETING

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

Members of the Authority present: Chairman Terry O'Toole, Jamera Sirmans representing Aaron Cruz, Executive Representative; 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; Public Members Charles Sarlo, Vice Chair; Phil Alagia, Fred Dumont, Aisha Glover, Robert Shimko, First Alternate Public Member; and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority absent: Public Members Massiel Medina Ferrara and Josh Weinreich, and Ex-officio Members Elizabeth Maher Muoio, State Treasurer and Shawn LaTourette, NJDEP Commissioner.

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 10:01am.

In accordance with the Open Public Meetings Act, Ms. Maples announced that notice of this meeting has been sent to the *Bergen Record*, the *Trentonian*, and the *Star Ledger* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the Department of State.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the July 23, 2025 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, seconded by Ms. Antoine-Johnson, and approved by the ten (10) voting members present.

The next item of business was the approval of the July 23, 2025 Executive Session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, seconded by Mr. Shimko, and approved by the ten (10) 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.

There was no public comment.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from August 7, 2025.

COMMUNITY DEVELOPMENT

ITEM: Award and Declination of Applicants for the Activation, Revitalization, and Transformation (A.R.T.) Program Phase II – Public Space Activation Grant Product

REQUEST: To approve: (1) program awardees; (2) In the event of an awardee withdrawal, staff is requesting delegated authority to the CEO to award the next highest scored applicant that was not awarded due to non-discretionary reasons in the scored- ranking order; (3) Declination of applicants; and (4) Delegated authority to the CEO to allow staff to approve modifications to the Sources and Uses document prior to grant agreement execution.

**MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Alagia AYES: 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

Mr. Sarlo recused on this item because one of the awardees is a client of his firm.

ECONOMIC TRANSFORMATION

ITEM: AI Innovation Challenge Administration Grant Program – Administrator Approval and Declinations

REQUEST: To approve: (1) Staff's recommendation for the top scoring Administrator Applicant's proposal for the AI Innovation Challenge Administration Grant Program.; (2) To decline proposals that received scores below the highest scoring Administrator Applicant's, as outlined in the original Program memo dated March 12, 2025; (3) Delegated authority to the CEO, to grant the award to the next highest scoring Administrator Applicant in the event that the approved Administrator Applicant fails to proceed to execution of the grant agreement for any reason.

**MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Ms. Glover AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

FOR INFORMATION ONLY: The next item was a summary of the Incentives Committee meeting from August 4, 2025.

INCENTIVES

ASPIRE

ITEM: Aspire Program- 701 Newark Ave LLC (“Applicant”) and Affordable For NY, INC., (“Co-Applicant”)

REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in Jersey City, New Jersey, Hudson County up to 60% of the total project cost.

**MOTION TO APPROVE: Mr. Shimko SECOND: Comm. Angelo AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

ITEM: Aspire Program - Garden Court AC LLC (“Applicant”) - Gateway Community Action Partnership (“Co-Applicant”)

REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in Atlantic City, New Jersey, Atlantic County, up to 85% of project cost.

**MOTION TO APPROVE: Mr. Dumont SECOND: Comm. Angelo AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

FOR INFORMATION ONLY: The next item was a summary of the Real Estate Committee meeting from August 7, 2025.

REAL ESTATE

ITEM: FMERA Purchase and Sale Agreement and Redevelopment Agreement for the Mega Parcel in the Fort’s Eatontown and Oceanport Reuse Areas

REQUEST: To consent to the Fort Monmouth Economic Revitalization Authority entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale Agreement & Redevelopment Agreement, for the sale and redevelopment of the Mega Parcel in the Fort’s Eatontown & Oceanport Reuse Areas.

**MOTION TO APPROVE: Mr. Dumont SECOND: Comm. Angelo AYES: 8
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**

Ms. Antoine-Johnson recused on this item, as it relates to Netflix, given her potential conflict of interest as her firm may have a relationship with the project.

Mr. Shimko recused on this item, as it relates to Netflix, given his potential conflict of interest as it relates to labor union involvement.

ITEM: Real Estate Gap Financing Application Funding Awards

REQUEST: To approve: (1) Grant awards to applicants for Real Estate Gap Financing projects; (2) Declination of applications to the Real Estate Gap Financing program; (3) Revisions to language in the Real Estate Gap Financing Grant Program Board Memo dated July 17, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

**MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Ms. Sirmans AYES: 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

Mr. Sarlo recused on this item because one of the awardees is a client of his firm.

FYI ONLY

- Post-Closing Delegated Authority Bond Modification Approvals for Q2 2025
- Community Development Products - Delegated Authority Approvals Q2 2025

There being no further business, on a motion by Mr. Antoine-Johnson, and seconded by Commissioner Angelo, the meeting was adjourned at 11:02 am.

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

A handwritten signature in black ink that reads "Danielle Esser". The signature is written in a cursive style and is positioned above the printed name and title.

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 13, 2025

NJ Bioscience Center
675 US Highway One, North Brunswick, NJ 08902

MINUTES OF THE RETREAT

The Meeting was held in-person

Members of the Authority present in person: Chairman Terry O'Toole, State Treasurer Elizabeth Muoio of the Department of Treasury; Jamera Sirmans for Aaron Cruz, Executive Representative; Public Members Charles Sarlo, Vice Chair; Aisha Glover, Massiel Medina Ferrara, Josh Weinreich, Robert Shimko, First Alternate Public Member; and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority absent: Commissioner Justin Zimmerman of the Department of Banking and Insurance; Commissioner Shawn LaTourette of the Department of Environmental Protection; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Public Members Philip Alagia, Fred Dumont and Marcia Marley.

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 9:30am.

In accordance with the Open Public Meetings Act, Mr. Sullivan announced that notice of this meeting has been sent to the *Bergen Record*, the *Trentonian*, and the *Star Ledger* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the Department of State.

MINUTES OF THE BOARD RETREAT

The next item of business was to discuss strategic planning topics of the Authority.

FOR INFORMATION ONLY: The Chairman welcomed everyone to the NJEDA Board Retreat.

FOR INFORMATION ONLY: Mr. Sullivan provided an overview of the structure of the discussions of the day.

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 Retreat.

There was no public comment.

FOR INFORMATION ONLY: Staff Members presented on strategic planning matters for the Board Members covering an array of topics.

The first couple of topics presented were broad, over-arching topics.

CEO Sullivan and Deputy CEO Maples provided an Economic Overview Update presentation for the Board Members. The Economic Outlook was positive, with New Jersey seeing job growth of 23% since 2020, more than 7% greater than the national level. Other economic growth factors were also positive, including a growing GDP, growing population, growing household income, and growing number of small businesses.

This was followed by a Legislative Outlook presentation which was provided by Mr. Sullivan, Ms. Maples and Ms. Corrado, Chief of Staff. Staff presented on a number of NJEDA programs with pending legislation presumed to be acted on by the end of the state fiscal year, June 30th, many of which have funding tied to them that would be directed to the NJEDA for program implementation.

The next presentation was on Program Impact Evaluation, which was presented by Ms. Maples, Ms. Corrado, Tara Colton, Chief Economic Security Officer, and Rudy Rodas, Managing Director, Policy, Research/Government Affairs. Staff presented on methods and strategies on how staff is evaluating the Authority's hundreds of active programs for impact and success, and how these benchmarks will be reported out to the Board Members going forward. In addition, staff shared how enhancements are being made to programs as a result of information gathered from such evaluations.

The Board recessed from 11:10 am to 12:30 pm.

The Board reconvened at 12:30 pm to hear additional presentations on strategic planning topics.

The next presentation was an update on Federal Funding and Policy, presented by Lisa Almeida, Chief Counsel, Michelle Boddien, Chief Diversity Officer, Lori Matheus, Senior Vice President, Finance/Development, and Mary Maples, Deputy CEO. Staff presented on a variety of recent presidential actions with impact on the Authority and various programs and associated funding. Staff also presented on risk levels to various programs and funding based on the recent presidential actions.

This was followed by a Governance Discussion and presentation, kicked off by Lisa Almeida, Chief Counsel. Alyson Jones, Ethics Liaison Officer, provided an Ethics Refresh for the Board Members covering some Conflicts of Interest Law requirements, recusals, financial disclosures, and other topics.

This was followed by a Governance presentation on Committee document refresh, initiated by John Kuehne, Managing Director, Counsel/Governance, and presented by Danielle Esser, Director, Governance. Ms. Esser addressed how committee materials are shared with members, recent enhancements, and additional possible enhancements.

The final presentation was the discussion of Strategic Plan Updates, and a potential strategic planning scorecard for Communications, Marketing, Talent Development, Finance and IT, led by Ms. Maples, Deputy CEO and Ms. Corrado, Chief of Staff.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a personnel matter. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Weinrich **SECOND:** Ms. Antoine-Johnson **AYES:** 9
RESOLUTION ATTACHED AND MARKED AS EXHIBIT: 1

The Board Returned to Public Session.

There being no further business, on a motion by Mr. Weinreich, and seconded by Ms. Antoine-Johnson, the meeting was adjourned at 3:00 pm.

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.

A handwritten signature in black ink that reads "Danielle Esser". The signature is written in a cursive, flowing style.

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

MEMORANDUM

To: Members of the Authority
From: Tim Sullivan
Date: September 10, 2025
Re: September 2025 Board Meeting – CEO Report

Welcome to the New Jersey Economic Development Authority's (NJEDA) Annual Board Meeting! I hope everyone enjoyed the summer and was able to take some time to relax and recharge. We are back in full swing and look forward to continuing to support communities and businesses across the Garden State.

Last week, the NJEDA proudly sponsored AfroTech Executive 2025, advancing our commitment to supporting diverse entrepreneurs and driving inclusive innovation. The event drew several hundred attendees to downtown Newark and convened corporate executives, founders, entrepreneurs, and investors for vital discussions on tech innovation, financial literacy and responsibility, and generational wealth creation. We were honored to welcome Lieutenant Governor Taesha Way, Congresswoman LaMonica McIver, and Mayor Ras Baraka to the event, as well as virtual video remarks from U.S. Senator Cory Booker. I appreciate AfroTech's partnership and look forward to working together to break down barriers for entrepreneurs of color.

I also attended the groundbreaking for the second New Jersey Health + Life Science Exchange's (HELIX) building in New Brunswick, known as H-2. Nokia Bell Labs will serve as the main tenant of H-2, a 10-story, nearly 370,000-square-foot building that will be an innovation hub in the city's downtown. The NJEDA is proud to support the project's development through the Aspire Program. We are also excited to partner with Nokia Bell Labs to launch a Strategic Innovation Center, consisting of the NJ Nokia Innovation Center and Bell Labs Venture Studio, both of which will eventually be located at H-2.

Governor Phil Murphy announced last week that the NJEDA will launch the Office of Strategic Defense Investment, which will work to elevate New Jersey's defense sector by providing it with focused support, advocacy, and strategic planning for long-term growth on par with the state's other key industries. The defense sector is a significant employer in New Jersey, with more than 54,000 personnel working directly on the three major military bases. An additional 22,000 New Jerseyans are employed as contractors or within the supply chain. By supporting the defense sector, we are driving economic growth and fueling innovation, while supporting our service members, their families, and our national security.

The 2025 Governor's Conference on Housing and Economic Development kicks off next week. This conference is 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.



Next week, I will join Governor Murphy and Choose New Jersey on an economic trade mission to India, accompanied by members of the NJEDA staff. We look forward to meeting with government and business leaders to strengthen economic ties between New Jersey and India, while showcasing the state's prime location, premier education system, and highly skilled workforce as reasons to invest and grow here.

As we head into the final months of the year, we are full speed ahead in pushing forward Governor Murphy's mission to create a stronger, fairer economy, and we remain committed to supporting small business owners, families, and communities with the resources needed to succeed.

A handwritten signature in black ink, appearing to read "T. Sullivan", is written over a light gray horizontal line.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Terry O'Toole
Chairman

DATE: September 10, 2025

RE: Annual Organizational Meeting

Summary

The New Jersey Economic Development Authority's By-Laws provide that an annual reorganization meeting be held in September of each year.

The Members are asked to consider the following recommendations associated with the annual reorganization meeting:

Officers

Charles Sarlo has been serving in the role of Vice Chairman, and it is recommended that the Members approve Charles Sarlo to continue to serve in the position of Vice Chairman.

Traditionally, the position of the Board Treasurer has been held by the New Jersey State Treasurer, who serves on the EDA Board in an ex-officio capacity. To remain consistent with that practice, it is recommended that the Members approve the position of Board Treasurer to be held by State Treasurer Elizabeth Maher Muoio.

As per the By-Laws, Tim Sullivan, in his role of CEO, will serve as Board Secretary. The By-Laws also authorize the appointment of Assistant Secretaries to the Board to act in place of the Secretary in the Secretary's absence or at the request of the Secretary. It is recommended that the Members approve Mary Maples, Lisa Almeida, Bruce Ciallella, Fred Cole, Lori Matheus, and Danielle Esser to serve as Assistant Secretaries.

Committees

Per the By-Laws, the Authority has five standing committees that meet throughout the year. I am requesting that the Members approve the following Members to participate in the following committees, with the appointment of individual Members to Chair each committee as indicated below.

NJEDA COMMITTEES - SEPTEMBER 2025

AUDIT COMMITTEE

Chair: Terry O'Toole
Charles Sarlo
State Treasurer Elizabeth Maher Muoio (or designee)

Charge: The Audit Committee monitors the financial operations of the Authority including the review of the annual operating budget and those responsibilities outlined in the committee Charter. The committee will meet quarterly and at such other times as determined by the Chair.

DIRECTORS' LOAN REVIEW COMMITTEE

Chair: Jewell Antoine-Johnson
Justin Zimmerman (or designee), Acting Commissioner of the Department of Banking and Insurance
Robert Asaro-Angelo (or designee), Commissioner of the Department of Labor and Workforce Development
State Treasurer Elizabeth Maher Muoio (or designee)
Fred Dumont

Charge: The DLRC will meet monthly to review all non-real estate development Authority exposure requests, including, but not limited to, direct and loan guarantee requests.

REAL ESTATE COMMITTEE

Chair: Charles Sarlo
Fred Dumont
Shawn LaTourette (or designee), Commissioner of the Department of Environmental Protection
State Treasurer Elizabeth Maher Muoio (or designee)
Robert Shimko
Jewell Antoine-Johnson

Charge: The Real Estate Committee reviews all monthly real estate matters with Authority exposure prior to the Board meeting.

POLICY COMMITTEE

Chair: Terry O'Toole
Charles Sarlo
State Treasurer Elizabeth Maher Muoio (or designee)
Jewell Antoine-Johnson
Aisha Glover
Josh Weinreich

Charge: The Policy Committee provides advice on policy matters, the formulation of the Authority's annual strategic business plan and marketing strategy. The committee will meet monthly and at such other times as determined by the Chief Executive Officer (CEO) in consultation with the Chair.

INCENTIVES COMMITTEE

Chair: Josh Weinreich
Terry O'Toole
Aaron Creuz, Executive Representative (or designee)
State Treasurer Elizabeth Maher Muoio (or designee)
Robert Asaro-Angelo (or designee), Commissioner of the Department of Labor and Workforce Development
Philip Alagia

Charge: The Incentives Committee will meet monthly to review all significant non-direct exposure incentive requests, including but not limited to tax credits.

Staff Appointments

The Members are requested to reaffirm the appointment of Marcus Saldutti as the Authority's Records Custodian and Shamira Alvarez as the Assistant Records Custodian.

The Members are also requested to affirm the appointment of Alyson Jones as the Authority's Ethics Liaison Officer.

Board Schedule

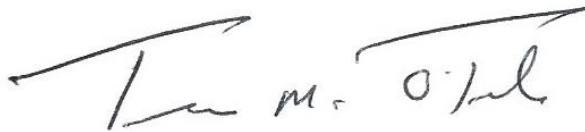
The Members are requested to approve the attached Calendar of Board Meetings through September 2026.

Recommendation:

By resolution, the Board will be adopting the attached schedule of Board Meeting dates from October 2025 through September 2026.

The Members' approval is requested for the following actions:

- 1) Election of a Vice Chair and Treasurer;
- 2) Appointment of Assistant Secretaries;
- 3) Committee appointments as noted herein;
- 4) Reaffirmation of the Authority's Records Custodian and Assistant Records Custodian and affirmation of the Authority's Ethics Liaison Officer; and
- 5) Adoption of the Calendar of Meetings through September 2026.

A handwritten signature in black ink, appearing to read "Terry O'Toole", is positioned above a horizontal line.

Terry O'Toole
Chairman

Attachment:
Calendar of Meetings

Prepared by: Danielle Esser



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROPOSED BOARD MEETING DATES 2025 - 2026

Thursday, October 9, 2025

Wednesday, November 12, 2025

Tuesday, December 16, 2025

Thursday, January 15, 2026

Wednesday, February 11, 2026

Thursday, March 12, 2026

Wednesday, April 8, 2026

Wednesday, May 13, 2026

Wednesday, June 10, 2026

Wednesday, July 22, 2026

Wednesday, September 9, 2026 (Annual Meeting)

There is no meeting scheduled for August 2026.

SCHEDULE IS SUBJECT TO CHANGE



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Creation of NJ LEAF the New Jersey Lending for Equity, Access, and Financing Pilot Program

Request:

This memo requests Board approval for the establishment of the NJ LEAF Program, a three-year pilot program developed to address the capital access barriers of New Jersey's cannabis cultivators, manufacturers, and testing laboratories. This program aims to support the evolving financing needs related to real estate acquisition, equipment investment, and operational costs amidst a nascent and dynamic market.

Approval is requested for:

- 1) The creation of the NJ LEAF Program – a three-year pilot program that will offer up to \$1.5 million in fixed asset and \$500,000 in working capital financing to eligible New Jersey recreational cannabis cultivators, manufacturers, and testing laboratories licensed by the New Jersey Cannabis Regulatory Commission (NJCRC) Office of Licensing.
- 2) The utilization of \$15 million from the Economic Recovery Fund (ERF) to fund the NJ LEAF Pilot Program.
- 3) Delegation of authority to the Chief Executive Officer to approve individual applications under the NJ LEAF Pilot Program in accordance with the terms set forth in this memo and attached product specifications.

Background

In February 2021, Governor Phil Murphy signed the New Jersey Cannabis Regulatory, Enforcement, Assistance, and Market Modernization Act (“CREAMM Act”), legalizing adult-use cannabis in the State. Since the launch of recreational sales in April 2022, New Jersey’s cannabis market experienced significant growth, generating over \$2 billion in total revenue, with 288 licensed businesses open and operating. In 2024 alone, combined medical and recreational sales reached \$1 billion — a nearly 25% increase over 2023 — underscoring the strength of New Jersey’s regulated market. Beyond direct sales, the industry stimulated the broader economy, driving an estimated \$2.50 in economic impact for every dollar spent, supporting jobs, ancillary businesses, and new intrastate supply chains.

In June 2022, New Jersey adopted legislation enabling the New Jersey Economic Development Authority (NJEDA) to establish financial and technical assistance programs for cannabis businesses. On December 21, 2022, the NJEDA Board approved the Cannabis Equity Grant Program, and launched two grant programs, the Joint Ventures and Seed Equity Grant Programs, and provided essential funding to help offset startup costs, high real estate expenses, and limited access to traditional financing. Through these programs, NJEDA has awarded nearly \$20 million in grant funding to early-stage cannabis businesses, with half allocated to NJCRC-designated social equity applicants. In May 2025, the NJEDA Board further expanded support by approving the Cannabis Business Development (CBD) Grant Program to alleviate the financial burden of ongoing State and local compliance and offset operating expenses for early-stage companies. With a proven track record of developing and delivering cannabis grant programs, the NJEDA has laid the groundwork for equitable market participation while strengthening the State’s cannabis economy.

Despite previous successes, increasing access to adaptive financing options remains essential to fostering a diverse and sustainable cannabis industry given restrictions at the federal level. Cultivating, manufacturing, and testing cannabis requires advanced agricultural techniques, specialized workforce training, precise environmental controls, and strict compliance with regulatory standards—all of which significantly increase the cost and complexity of operations. Additionally, qualitative and anecdotal data from industry stakeholders confirms that without sufficient financial support, many cannabis entrepreneurs will continue to face significant barriers to accessing the capital necessary for operational efficiency and business growth.

To further assess these challenges, NJEDA staff conducted a public opinion survey of cannabis cultivators, manufacturers, and testing laboratories that are currently operational or nearing launch. The findings reinforced that access to capital remains a primary obstacle, with many businesses unable to secure funding for operational or expansion-related expenses due to stringent lending criteria and the limited availability of cannabis-friendly financial institutions. Survey participants also highlighted high equipment costs, supply chain delays, and difficulty securing property ownership or favorable lease terms as ongoing challenges. These insights underscore the need for a tailored loan program that directly responds to these conditions and is accessible to cannabis operators navigating these structural barriers.

Program Purpose

While NJEDA's cannabis grant programs have played a foundational role in launching New Jersey's cannabis retail market, the NJ LEAF Pilot Program is designed to strengthen the broader cannabis supply chain—specifically targeting recreational cannabis cultivators, manufacturers, and testing laboratories to support long-term industry stability. Modeling public, non-federal funding initiatives in states such as California, Illinois, New Mexico, and Colorado, and leveraging decades of institutional experience in administering loan programs such as the Small Business Fund and Direct Loan Program, NJEDA will deploy its established lending infrastructure to offer targeted support and help minimize capital access gaps for these core license holders. The program is also designed to support communities historically impacted by the “War on Drugs,” promote inclusive economic development, and solidify New Jersey's leadership in the national cannabis market—building on the success of comparable efforts in other states. The NJ LEAF Pilot program expands upon NJEDA's already established cannabis-focused financial tools, further empowering small businesses and advancing the State's commitment to equitable economic development.

This 3-year pilot loan program will provide low-cost financing of up to \$1.5 million to eligible recreational cannabis cultivators, manufacturers, and testing laboratories in New Jersey that have received their annual license digital card from the NJCRC. It provides eligible cannabis businesses with access to capital to support business operations within the State of New Jersey, including the expansion of operations, the purchase of equipment, the acquisition of owner-occupied commercial real estate, and the creation of jobs. Through this pilot loan program, cannabis entrepreneurs will be empowered to scale operations and compete in a rapidly growing industry, aligning with the State's broader economic goals to strengthen New Jersey's cannabis supply chains.

Ultimately, the NJ LEAF product aligns seamlessly with the NJEDA's strategic focus on investing in industries that foster both economic growth and significant social impact. Prioritizing this specific sector of businesses within this industry will help diversify New Jersey's cannabis market, promoting vertical integration that supports entrepreneurs, skilled professionals and local economies. By enabling micro, small and medium-sized cannabis businesses to access capital, expand operations, and thrive sustainably, this loan product contributes to a healthier, artisan and craft-oriented cannabis culture, while also generating high-paying, specialized jobs in the State.

Funding Source - Economic Recovery Fund (ERF)

The NJ LEAF Pilot Program will utilize \$15 million from the ERF. As NJEDA's primary funding source for pilot programs, the ERF, as referenced in N.J.S.A. 34:1B-7.13(1), supports projects that have significant potential to uplift localities through economic, community, and workforce development. By focusing on these areas, the ERF enables NJEDA to strategically invest in initiatives that foster economic activity and provide long-term benefits for New Jersey's businesses and workforce. The NJ LEAF Program will use the ERF funding to serve eligible small businesses with fewer than 250 employees, helping them expand, create jobs, and drive economic growth within the state.

Pursuant to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (CREAMMA) at N.J.S.A. 24:6I-49(c)(2), NJEDA must reserve a portion of funds for businesses operating in Impact Zones to stimulate economic development in historically underserved areas. To remain aligned with the NJEDA's existing cannabis programs, 5% (\$750,000.00) of the NJ LEAF Pilot Program will be set aside for businesses located in Impact Zones. These zones are designated by the NJCRC based on factors, which include but are not limited to past marijuana arrests, law enforcement activity, unemployment, and population.

Program Details

The NJ LEAF Program provides flexible lending options for both fixed assets and working capital, helping licensed recreational cannabis cultivators, manufacturers, and testing laboratories grow and stabilize their operations in New Jersey. For fixed assets, including owner occupied real estate, equipment, and machinery, loan amounts range from a minimum of \$100,000 to a maximum of \$1,500,000. Eligible cannabis businesses seeking working capital support may access loans starting at \$100,000, with a maximum of \$500,000. These funding options offer valuable resources for businesses to invest in property, upgrade equipment, and cover day-to-day operational expenses.

Total Loan Exposure:

The total NJEDA loan exposure provided under this Program shall not exceed \$1.5 million per NJEDA relationship, calculated on a first-come first-served basis and as applications are complete. Of this amount, the total working capital loan exposure may not exceed \$500,000.

The Authority's definition of "NJEDA relationship" includes the applicant and any business entities in which a common individual or entity holds a 20% or greater ownership interest.

Eligible Applicants

To be eligible for the NJ LEAF-Pilot Program, the applicant must be a for-profit entity holding a valid and current recreational annual license digital card as per the final recommendation issued by NJCRC in one of the following categories:

- Class 1 Cannabis Cultivator
- Class 2 Cannabis Manufacturer, or
- Cannabis Testing Laboratory

Note: Medicinal-Only ATCs and Medicinal-Only Testing Labs are not eligible.

The applicant's business must be based in New Jersey, employ fewer than 250 full-time employees (includes all individuals employed on a full-time basis across all business locations, whether in or outside the State), and be operating, generating revenue, and incurring expenses for at least one full calendar year prior to the date of application. Applicants must submit a complete federal business tax

return demonstrating 12 months of operations, with gross revenues not exceeding \$5 million as reported on the most recent return required to be filed.

Applicants must also commit to retaining and/or creating at least one full-time job in New Jersey for every \$65,000 of NJEDA loan exposure within two years of the loan closing date.

Financing must be secured by fixed assets, such as real property and/or machinery and equipment. The business must meet a historical global debt service coverage ratio of at least 1.0x. All individuals or entities with 10% or greater ownership in the applicant's business must provide unlimited guarantees for the duration of the loan term. At least one personal guarantor must have a minimum credit score of 650 from one of the following sources, as reported by CoreLogic Credco: Experian FICO II or TransUnion FICO Classic 04.

Applicants must provide a valid and current New Jersey Tax Clearance Certificate to show substantial good standing with the New Jersey Division of Taxation prior to approval. Additionally, applicants must be in substantial good standing with the NJEDA, NJCRC, New Jersey Department of Labor and Workforce Development, and New Jersey Department of Environmental Protection prior to loan approval. Determinations of substantial good standing will be made at the discretion of each respective agency.

Eligible Uses of Funds & Terms

Loan proceeds under the NJ LEAF Pilot Program must be used solely to support the licensed applicant's business operations conducted within the State of New Jersey. Eligible uses of funds include the following:

Real Estate:

Funds may be used to purchase or refinance owner-occupied commercial property in New Jersey that is tied to the applicant's NJCRC license. Loan amounts range from \$100,000 to \$1.5 million, with a loan-to-value (LTV) ratio of up to 100%. Interest rates are fixed at closing, with terms of up to 30 years plus 25 basis points for each 5-year term of the loan provided beyond the first 10 years. The applicant's business must occupy and operate at least 51% of the property's total square footage and must continue to meet owner-occupancy requirements for the duration of the loan term.

Real Estate Transactions Involving Holding Companies:

In cases where a real estate holding company is involved in the real estate transaction, the licensed cannabis-operating entity will remain the primary applicant, and the real estate holding company may be required to serve as a co-applicant.

Equipment:

Financing may be used to purchase or refinance equipment that remains at the applicant's New Jersey commercial business location directly related to the NJCRC license. Loan amounts range from \$100,000 to \$1.5 million, with an LTV of up to 90% of the equipment's hard costs. Rolling stock and soft costs (e.g., delivery, warranties) are excluded. Interest rates are fixed, with terms of up to 10 years.

Equipment requiring major installation and/or construction, where labor or contract costs exceed \$1,999.99, will be subject to compliance with the Prevailing Wage Act, Public Works Contractor Registration Act, and Affirmative Action requirements.

Working Capital:

Permanent working capital, a non-revolving fully amortizing loan, may be used to support inventory purchases and recurring operating expenses paid in the ordinary course of business. Loan amounts range from \$100,000 to \$500,000 and must be secured by real estate, with an LTV of up to 100%. Interest rates are fixed at closing with terms of up to 7 years. Working capital may also be used to refinance existing cannabis-related debt, provided the original use supported business operations of the licensed business establishment and/or to cover NJCRC license renewal fees.

Examples of eligible working capital may include, but are not limited to:

- Future Lease payments for the property tied to the application and the NJCRC cannabis license.
- Future Employee Payroll: as evidenced by a current payroll report or NJ WR30 or New Jersey jobs that may need to be filled (job posting, date of hire, and descriptions would need to be provided) or equivalent payroll documentation (including 1099 contractors). Future Employee Payroll must be for NJ jobs only.
- Future Employee Training: cost to train New Jersey employees or hire a trainer for any function of their business operation.
- Future Professional Services: accounting, human resources, business planning, security, marketing, website creation, lab services and any other outside services that may be needed to operate a cannabis business or maintain an annual license or other NJCRC requirement to operate.
- Future Utility bills for the property tied to the application and NJCRC cannabis license.

Examples of ineligible uses for working capital loans may include, but are not limited to:

- Controlled inventory
- Construction and renovation
- Purchase of land
- Demolition of an existing structure
- Purchase/lease of rolling stock
- Payments or distributions to associates of the borrower other than for ordinary compensation for services rendered.
- Payment of fines, administrative penalties, state, and/or federal taxes, real estate taxes, municipal utilities, and costs associated with added or special assessments.
- Personal, non-business obligations, or costs incurred by related entities.
- Owner payments/salaries
- Travel and entertainment
- Expenses for facilities outside of New Jersey or unrelated to the applicant
- Distributions/return on capital
- Legal expenses associated with litigation involving the State of New Jersey, local New Jersey government, or relating to any regulatory or criminal matter.

All uses and supporting documentation are subject to the review and approval by NJEDA in its sole discretion. The Authority in its sole discretion determines what type of inventories and operating expenses are eligible for working capital support. The Authority reserves the right, in its sole discretion, to require documentation and verification that all loan proceeds have been used solely for their intended and approved purposes as outlined in the loan agreement.

Loan Rates & Additional Terms

The interest rate for loans under the NJ LEAF Pilot Program is fixed at closing and based on the equivalent term US Treasury rate or a floor of 1%, whichever is higher. Additional basis points are applied for credit risk and loan term at the time of closing. The loan term and amortization will be determined based on the loan's purpose and the useful life of the collateral provided.

Lien/Collateral/Security Requirements:

Collateral, including real estate and equipment/machinery, as well as liens, are required based on the NJEDA's underwriting analysis. The NJEDA may take a subordinate lien to a senior lender on the same collateral; however, if the NJEDA is the sole lender, the NJEDA lien will be in the first position. Additionally, the loan's risk rating will be determined according to the NJEDA's established risk rating methodology.

Financial Projections:

CPA prepared detailed financial projections for at least 3 years (including income statements, balance sheets, and cash flow statements) may be considered for loan amounts up to \$500,000 together with secured fixed assets (real estate, machinery/equipment) and a majority owner minimum credit score of 680. Projections must indicate a minimum DSCR of 1.0. Projections must be submitted in the original Excel format, with all formulas intact. A written narrative must accompany the financial projections, clearly explaining the key assumptions used (revenue growth, expense trends, and financing terms) as well as the rationale behind the estimates. Projections will be evaluated for reasonableness, consistency with industry benchmarks, and alignment with the applicant's operational capacity and proposed use of loan proceeds

Prevailing Wage & Affirmative Action Requirements:

Projects utilizing NJEDA financial assistance for construction related costs to include installation and award of a contract for any construction related work as defined by NJ Department of Labor are subject to prevailing wage and Public Works Contractor Registration Act requirements.

For projects receiving financial assistance, any contractor or subcontractor hired for construction work and having a total company workforce of four (4) or more employees must provide documentation demonstrating their good faith efforts to employ minority and women workers in each construction trade. This effort should be consistent with the applicable county employment goals established in accordance with N.J.A.C. 17:27-7.2 and align with the affirmative action requirements outlined in N.J.A.C. 19:30-3.5.

All NJ LEAF Pilot Program approvals will be subject to NJEDA's credit underwriting policy.

Fees

For the NJ LEAF Pilot Program, fees include a \$500 non-refundable application fee, a commitment fee of 0.875% of the loan amount, payable upon acceptance of the term sheet, and a closing fee of 0.875% of the loan amount, due at closing. There is no prepayment penalty, and all fees associated with the NJ LEAF Pilot Program are non-refundable.

An application submitted without a fee is considered incomplete and will not be reviewed until the fee is received.

Application Process

Applications for the NJ LEAF Pilot Program will be available online at njeda.gov and will be reviewed on a rolling basis, following a first-come, first-served approach as applications are completed. The program will be available for three years from the date applications are made available to the public, or until the total funding pool is exhausted (whichever is sooner).

As part of the application process, NJEDA will request information from the applicant—including any real estate holding company, operating entity, and corporate guarantors, if applicable. If a real estate holding company is involved in the real estate financing transaction, the licensed cannabis-operating entity will remain the primary applicant, and the real estate holding company may be required to serve as a co-applicant.

Required documentation shall include but is not limited to:

A copy of the NJCRC annual license digital card, as issued under the final recommendation from the NJCRC Office of Licensing; a brief project description and overview; and a list of all business locations/addresses that are currently open and operating, both within and outside of New Jersey, including the total number of employees at each location. Applicants must identify any other states where they have applied for or received a license to operate a recreational cannabis facility and provide certification that the loan will be used solely for approved purposes in support of the applicant's New Jersey business operations and not for any ineligible uses to include, but are not limited to, the purchase of controlled inventory, payment of regulatory fee violations, and other ineligible uses as outlined in the program specifications and this board memo.

Applicants must submit the most recent three years of signed federal business tax returns, if applicable, for any corporate guarantors, operating companies, or real estate holding companies named in the application. If corporate guarantors are included, they must be listed along with a clear description of their financial responsibilities and obligations related to the transaction. A complete list of all applicant business owners, including ownership percentages for any related entities such as real estate holding companies or corporate guarantors and the individual ownership of those entities, must be provided. Applicants must consent to verification of information submitted in, or related to, their recreational cannabis license application with NJCRC at the time of application and throughout the loan term, if

approved. Additional required documents include a Business Schedule of Debt (using the NJEDA-provided form), interim financial statements and a balance sheet dated within 90 days of the application, and the most recent three years of signed personal federal tax returns for all personal guarantors owning 10% or more of the applicant's business. Each personal guarantor owning 10% or more of the applicant's business must also submit a personal financial statement.

Applicants must also include New Jersey business formation documents, corporate resolutions, and partnership agreements (if applicable) for the applicant entity and any corporate guarantors, operating companies, or real estate holding companies identified in the application. The number of full-time W2 employees in New Jersey to be created and/or retained within two years of the loan closing date must also be provided. If the loan is to be used for the purchase of real estate, a contract of sale, appraisal, or other supporting documentation must be submitted. For equipment loans, a vendor quote is required, and for working capital loans, an itemized list of the proposed use of funds must be provided.

The NJEDA may also request any additional documentation necessary to evaluate the application, including but not limited to: appraisals of real property and/or machinery, aging reports for accounts receivable and payable, Pro Forma financial statements, financial projections, and lease agreements. At the time of application, all applicants will be required to complete a legal debarment questionnaire and must not be subject to disqualification based on the responses.

All applicable items must be submitted in full prior to review and decision by the NJEDA Underwriting Department.

Approvals & Delegated Authority

All NJ LEAF Pilot Program approvals are subject to a credit analysis by NJEDA's underwriting department.

The Members of the Board are requested to approve delegation of authority to the Chief Executive Officer to designate staff to approve individual applications under the NJ LEAF Pilot Program in accordance with the terms set forth in this memo and the attached product specifications.

Applicants whose applications are declined will have the right to appeal with the NJEDA. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). Legal Affairs will designate Hearing Officers who will review the applications, appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which may be approved as a Final Administration Decision in accordance with delegated authority.

Compliance & Modifications

Loan modifications are at the sole discretion of the Authority. Throughout the term of the loan, the applicant must remain in good standing with NJCRC. Additionally, applicants are required to adhere to all provisions outlined in the loan agreement.

Recommendation

The Members are requested to approve: (1) The establishment of the NJ LEAF Pilot Program—a three-year pilot program offering up to \$1.5 million in fixed asset and \$500,000 in working capital financing to eligible cannabis businesses in New Jersey licensed by NJCRC; (2) the utilization of \$15 million from the Economic Recovery Fund (ERF) to fund the NJ LEAF Pilot Program; and (3) delegation of authority to the Chief Executive Officer to approve individual applications under the NJ LEAF Pilot Program in accordance with the terms outlined in this memo and attached product specifications.



Tim Sullivan, CEO

Prepared by: Naimah Marshall
Aubrey Flanagan

Attachment: NJ LEAF Pilot Program Specifications

NJ LEAF Pilot Program
Program Specifications

Program Purpose	<p>The NJ LEAF Pilot Program is a 3-year pilot loan program that provides low-cost financing of up to \$1.5 million to eligible recreational cannabis cultivators, manufacturers, and testing laboratories in New Jersey that have received their annual license digital card from the New Jersey Cannabis Regulatory Commission (NJCRC) Office of Licensing. This initiative addresses the critical financing gap faced by New Jersey cannabis entrepreneurs due to federal banking regulations. The NJ LEAF aims to support the New Jersey cannabis market by providing businesses with access to capital, enabling them to support business operations conducted within the State of New Jersey including the expansion of operations, the purchase of equipment, acquisition of owner-occupied commercial real estate, and the creation of jobs within the State. Through this pilot loan program, cannabis entrepreneurs are empowered to scale their businesses and compete in a rapidly growing industry, aligning with the State's broader economic goals to strengthen local supply chains within the New Jersey cannabis sector.</p>
Funding Source	<p>\$15 million from the Economic Recovery Fund (ERF).</p> <p>Pursuant to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (CREAMMA) at N.J.S.A. 24:6I-49(c)(2), NJEDA must reserve a portion of funds for businesses operating in Impact Zones to stimulate economic development in historically underserved areas. 5% (\$750,000.00) of the NJ LEAF program will be set aside for businesses located in Impact Zones. These zones are designated by the NJCRC based on factors, which include but are not limited to past marijuana arrests, law enforcement activity, unemployment, and population.</p>
Eligible Applicants and Restrictions	<p>Eligible applicants must meet the following requirements to be eligible for the NJ LEAF program:</p> <ul style="list-style-type: none">• Possess a valid and current recreational annual license digital card as per the final recommendation issued by NJCRC Office of Licensing in one of the following categories: Class 1 Cannabis Cultivator, Class 2 Cannabis Manufacturer, or recreational cannabis Testing Laboratory. (Medical Only ATC's and Medical Only Testing Labs are not eligible)• Must be based in New Jersey and employ fewer than 250 full-time employees. (Includes total individuals employed at all locations on a full-time time basis in and outside of New Jersey.)• Be operating, generating revenue, and incurring expenses for at least one full calendar year prior to the date of application.

NJ LEAF Pilot Program
Program Specifications

	<ul style="list-style-type: none"> • Must provide a complete federal business tax return demonstrating a full 12 months of business operations, as shown by the most recent federal business tax return required to be filed. • Have annual gross revenues of \$5 million or less, as reported on the applicant's most recent federal business tax return required to be filed. • Commit to the retention and/or creation of one full-time W2 job based in New Jersey for every \$65,000 of NJEDA loan exposure within two years of the loan closing date. • Be able to secure the financing with fixed assets (e.g. real property and/or machinery/equipment). • Meet a historical global debt service coverage ratio of 1.0x. • All individuals and/or entities having 10% or greater ownership in the applicant's business must provide unlimited guarantees for the duration of the loan term. • At least one personal guarantor (owner of the applicant's business) must have a credit score of 650 or above in at least one of the following data sources provided in the credit report: Experian FICO II, and TransUnion FICO Classic 04 as provided by CoreLogic Credco. • Provide valid and current New Jersey Tax Clearance Certificate to demonstrate the applicant is in substantial good standing with the New Jersey Division of Taxation prior to approval. • Be in substantial good standing with NJEDA, NJCRC, the New Jersey Department of Labor and Workforce Development, and the New Jersey Department of Environmental Protection prior to approval, with all decisions of substantial good standing at the discretion of those entities.
<p>Eligible Uses</p>	<p>Funds must be used solely to support the applicant's business operations conducted within the State of New Jersey. Eligible uses include:</p> <p>Real Estate</p> <ul style="list-style-type: none"> • Purchase or refinance of owner-occupied commercial real estate (applicant's business must occupy and operate at least 51% of the square footage of the New Jersey commercial property for the duration of the loan). <p>In cases where a real estate holding company is involved in the real estate transaction, the licensed cannabis-operating entity will remain the primary applicant, and the real estate holding company may be required to serve as a co-applicant.</p> <p>Equipment</p>

NJ LEAF Pilot Program
Program Specifications

- Purchase or refinance of equipment that must remain at the applicant's New Jersey commercial business location tied to the NJCRC license. Excludes rolling stock and soft costs. (Examples of soft costs may include, but are not limited to, installation, delivery, and warranties).

Working Capital

- Permanent working capital for operating expenses. Permanent working capital is a non-revolving fully amortizing loan in which the proceeds are used to purchase inventory and support recurring operating expenses paid in the ordinary course of business.
- If refinancing working capital, the original use of financing must be verified as the applicant's business-related debt incurred to support the operations of the licensed cannabis business establishment and/or to pay the applicant's NJCRC license renewal fees.

Examples of eligible working capital use may include, but are not limited to:

- Future Lease Payments - for the property tied to the application and the NJCRC cannabis license.
- Future Employee Payroll— as evidenced by a current payroll report, NJ WR30, jobs that may need to be filled (job posting, date of hire, and descriptions would need to be provided), or equivalent payroll documentation (including 1099 contractors). (Future Employee Payroll must be for NJ jobs only.)
- Future Employee Training – cost to train New Jersey employees or hire a trainer for any function of the business operation.
- Future Professional Services - accounting, human resources, business planning, security, marketing, website creation, lab services, and any other outside services that may be needed to operate a cannabis business or maintain an annual license or other NJCRC requirement to operate.
- Future utility bills - for the property tied to the application and NJCRC cannabis license.

Examples of ineligible uses for working capital may include, but are not limited to:

- Controlled inventory
- Construction and renovation
- Purchase of land
- Demolition of an existing structure
- Purchase/lease of rolling stock
- Payments or distributions to associates of the borrower other than for ordinary compensation for services rendered

NJ LEAF Pilot Program
Program Specifications

	<ul style="list-style-type: none"> • Payment of fines, administrative penalties, State, and/or federal taxes, real estate taxes, municipal utilities, and costs associated with added or special assessments • Personal, non-business obligations, or costs incurred by related entities • Owner payments/salaries • Travel and entertainment • Expenses for facilities outside of New Jersey or unrelated to the applicant • Distributions/return on capital • Legal expenses associated with litigation involving the State of New Jersey, local New Jersey Government, or relating to any regulatory or criminal matter. <p>The Authority, in its sole discretion, determines what type of inventories and operating expenses are eligible for working capital support. All uses and supporting documentation are subject to the review and approval by NJEDA in its sole discretion.</p> <p>The Authority reserves the right, in its sole discretion, to require documentation and verification that all loan proceeds have been used solely for their intended and approved purposes as outlined in the loan agreement.</p>
<p>Loan Amounts</p>	<p>The total NJEDA loan exposure, provided under this Program, shall not exceed \$1.5 million per NJEDA relationship, calculated on a first-come first-served basis and as applications are complete. Of this amount, the total working capital loan exposure may not exceed \$500,000.</p> <p>The Authority’s definition of “NJEDA relationship” includes the applicant and any business entities in which a common individual or entity holds a 20% or greater ownership interest.</p> <p>Fixed Assets: (Owner-Occupied Commercial Real Estate, Equipment/Machinery)</p> <ul style="list-style-type: none"> - Minimum Loan Amount \$100,000.00 - Maximum Loan Amount \$1,500,000.00 <p>Working Capital Loan:</p> <ul style="list-style-type: none"> - Minimum Loan Amount \$100,000.00 - Maximum Loan Amount \$500,000.00

NJ LEAF Pilot Program
Program Specifications

<p>Rates & Terms</p>	<p>Interest Rate</p> <ul style="list-style-type: none"> • The Interest Rate is based on the equivalent term US Treasury rate or floor of 1%, whichever is higher with basis point additions for credit risk and term. • Interest rates will be fixed at the time of closing. <p>Real Estate</p> <ul style="list-style-type: none"> • The interest rate may be fixed for up to 30 years based on the equivalent term US Treasury rate plus 25 basis points for each 5-year term of the loan provided beyond the first 10 years. • Up to 100% maximum loan-to-value for real estate. <p>Equipment</p> <ul style="list-style-type: none"> • The interest rate may be fixed for up to 10 years. • Up to 90% maximum loan-to-value for equipment hard costs (excludes soft costs, including but not limited to, delivery, installation, and warranties). • Any equipment that requires major installation and/or construction in which labor or a contract cost exceeds \$1,999.99 will require compliance with Prevailing Wage, Public Works Contractor Registration Act, and Affirmative Action requirements. <p>Working Capital</p> <ul style="list-style-type: none"> • NJEDA interest rate may be fixed for up to 7 years. • Permanent working capital loan must be secured by real estate. • Up to 100% maximum loan-to-value.
<p>Additional Terms</p>	<ul style="list-style-type: none"> • Term and amortization will be dependent upon loan purpose and useful life of collateral. • CPA prepared detailed financial projections for at least 3 years (including income statements, balance sheets, and cash flow statements) may be considered for loan amounts up to \$500,000 together with secured fixed assets (real estate, machinery/equipment) and a majority owner minimum credit score of 680. Projections must indicate a minimum DSCR of 1.0. • Projections must be submitted in the original Excel format, with all formulas intact. A written narrative must accompany the financial projections, clearly explaining the key assumptions used (revenue growth, expense trends, and financing terms) as well as the rationale behind the estimates. • Projections will be evaluated for reasonableness, consistency with industry benchmarks, and alignment with the applicant's operational capacity and proposed use of loan proceeds <p>Approvals will be subject to NJEDA's credit underwriting policy.</p>

<u>NJ LEAF Pilot Program</u> Program Specifications	
Lien/Collateral/Security	<ul style="list-style-type: none"> • Collateral (real estate, equipment/machinery) and liens are required, as determined by the NJEDA underwriting analysis. • EDA may take a subordinate lien to a senior lender on the same collateral. Should the NJEDA be the sole lender, the EDA lien will be in first position. • Risk Rating: Subject to the NJEDA's risk rating methodology.
Fees (All fees are non-refundable)	<ul style="list-style-type: none"> • Application Fee: \$500.00. • Commitment Fee: 0.875% of loan amount, payable at acceptance of term sheet. • Closing Fee: 0.875% of loan amount. • No Prepayment Penalty.
Prevailing Wage Affirmative Action	<ul style="list-style-type: none"> • Projects utilizing NJEDA financial assistance, for construction or labor related costs that include installation of equipment and award of a contract for any construction related work, as defined by New Jersey Department of Labor and Workforce Development, exceeding \$1,999.99 are subject to prevailing wage and Public Works Contractor Registration Act requirements. • For projects receiving NJEDA financial assistance, any contractor or subcontractor hired for construction work and having a total company workforce of four (4) or more employees must provide documentation demonstrating their good faith efforts to employ minority and women workers in each construction trade. This effort should be consistent with the applicable county employment goals established in accordance with N.J.A.C. 17:27-7.2 and align with the Authority's affirmative action requirements outlined in N.J.A.C. 19:30-3.5.
Application	<p>Applications will be accepted online at njeda.gov and reviewed on a rolling basis, first-come first-served, as applications are completed. The program will be available for three years from the date applications are made available to the public, or until the total funding pools is exhausted (whichever is sooner).</p> <p>As part of the application, the Authority will request information from the applicant (including the real estate holding company and/or operating entities and corporate guarantors, if applicable) . If a real estate holding company is involved in the real estate financing transaction, the licensed cannabis-operating entity will remain the primary applicant, and the real estate holding company may be required to serve as a co-applicant.</p>

NJ LEAF Pilot Program
Program Specifications

- Required documentation shall include but is not limited to: Copy of the NJCRC annual license digital card as per the final recommendation issued by NJCRC Office of Licensing.
- Brief Project description and overview.
- All business locations/addresses that are open and operating in and outside of New Jersey to include total number of employees at each location.
- Identify any other States the applicant has filed or received licenses to operate a recreational cannabis facility.
- Certification that the loan will be used solely for approved usage supporting business operations in New Jersey and not for any ineligible use such as controlled inventory, fee violations, and other ineligible use as outlined in the program specification and board memo.
- Most recent 3 tax years of signed business federal tax returns (if applicable) for any corporate guarantors, operating company and/or real estate holding company identified on the application.
- If applicable, corporate guarantors must be listed with a clear description of their financial responsibility and obligations in relation to the transaction.
- List of all applicant-business owners and ownership percentages, including those of any real estate holding company, operating entity, and/or corporate guarantors and the individual ownership of those entities related to the application.
- Consent to verification of information submitted in, or related to, their recreational cannabis license application with NJCRC at the time of application and throughout the loan term, if approved.
- Business Schedule of Debt (NJEDA form to be provided to applicants).
- Interim statements and balance sheet dated within 90 days of application.
- Most recent three years signed personal federal tax returns for all personal guarantors owning 10% or more of the business.
- Personal Financial Statement for guarantors owning 10% or more of the applicant-business.
- New Jersey Business Formation documents, corporate resolutions, partnership agreements (if applicable) for the applicant and any corporate guarantors, operating companies, and real estate holding companies identified on the application.
- Number of NJ full-time W2 employees to be created and/or retained within two years of the loan closing date.
- Contract of Sale to support Purchase of Real Estate, appraisal, and/or any other document related to a commercial property purchase.

<u>NJ LEAF Pilot Program</u> Program Specifications	
	<ul style="list-style-type: none"> • Quote for equipment purchase, if applicable. • Itemized list of the use of funds for a working capital request, if applicable. • Any additional information deemed necessary to evaluate the application, which may include but is not limited to: appraisal(s) on real property and/or machinery, aging of accounts receivable, aging of accounts payable, Pro Forma, projections, and leases. • At the time of application, applicant will be required to complete a legal debarment questionnaire and not be subject to disqualification based on that questionnaire. <p>All applicable items will be required prior to application review and decision by the NJEDA Underwriting Department.</p>
Approval/ Declines	<p>Approvals will be subject to NJEDA's credit underwriting policy.</p> <p>Delegation of authority to the CEO to approve individual applications for the NJ LEAF Program in accordance with the terms set forth in the Board Memo and Program Specifications.</p> <p>Applicants whose applications are declined will have the right to appeal with the NJEDA. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). Legal Affairs will designate Hearing Officers who will review the applications, appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which may be approved as a Final Administration Decision in accordance with delegated authority.</p>
Compliance and Modifications	<ul style="list-style-type: none"> • Loan modifications are at the sole discretion of the Authority. • For the term of the loan the applicant must remain in good standing with NJCRC. • Applicants are required to adhere to all provisions specified in the loan agreement to prevent default.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Cannabis Equity Grant Program Update and Term Extensions

Summary

The Members are asked to approve:

- 1) Delegation to the Chief Executive Officer (“CEO”) to approve Grant Agreement term extensions, provided the grantee has demonstrated any delays in their annual license approval are due to unforeseen circumstances beyond their control.

Background

Cannabis Equity Grant Program – Seed Equity Update

On December 21, 2022, the board authorized the creation of the Cannabis Equity Grant Program, allocating \$10 million to support cannabis businesses with early-stage start-up costs and to advance equity in the New Jersey cannabis industry. After the board approved the Cannabis Equity grant programs, an additional \$10 million was added to both grant programs via delegated authority. The Cannabis Equity Grant Program is split into two separate grant programs. The Seed Equity Grant Program (Product1)¹ committed \$7 million to promote social equity in the cannabis industry. The Authority awarded 49 grants. Of the 49 approvals, 48 grantees received funding. The Seed Equity grant is focused on social equity cannabis entrepreneurs who are in the early stages of opening their cannabis business. This grant requires grantees to be a social equity business² and have a cannabis license to be eligible for funding. Grantees were also required to take a 9-week cannabis technical assistance course, which provided guidance on obtaining an annual cannabis license and opening their cannabis business. The Seed Equity grant is dispersed in four disbursements of \$37,500 each. Grantees received the first disbursement upon successful completion of the technical assistance course midterm. Grantees receive the second disbursement upon successful completion of a 9-week technical assistance course; the third disbursement is paid upon securing site control and municipal

¹The Seed Equity Grant Program is referred to as Product 1 in the December 22, 2022 board memo.

² A “Social Equity Business” is a designation from the New Jersey Cannabis Regulatory Commission that provides priority review to cannabis businesses that are owned by individuals who have lived in an economically disadvantaged area of the state or who have convictions for cannabis-related expenses.

approval; and the fourth disbursement is initiated when the entity receives its annual digital license card and opens their business.

As of September 2025, **11** Seed Equity grantees have opened their cannabis businesses. This includes **1** cultivator, **3** manufacturers, and **7** dispensaries. A demographic breakdown of the Seed Equity grant awardees includes the following (49 approvals):

- 36 minority owned (73.5%)
- 10 women owned (20%)
- 9 approvals are both minority and women owned (18%)
- 14 NJ counties represented in approvals

Cannabis Equity Grant Program – Joint Ventures

On December 21, 2022, the board also approved the creation of the Joint Ventures Grant Program (Product 2)³, committing \$6 million to support early-stage cannabis businesses. After board approval, an additional \$6 million in funding was added to the program via delegated authority. This funding was designed to offset high startup costs, high real estate expenses, and limited access to traditional financing in the cannabis industry. In addition to promoting equity in the cannabis industry, the grant program aimed to assist cannabis businesses with creating jobs, boost state tax revenue, and contribute to building a stronger, fairer cannabis industry in New Jersey. The Authority awarded 48 grants. Of the 48 approvals, 46 grantees received funding. The Joint Ventures grant focused on cannabis businesses who were farther along in the cannabis licensing process and required grantees to have secured site control and municipal approval prior to applying for the grant. The Joint Ventures grant had two disbursements: grantees received their first disbursement of \$100,000 upon award and their second disbursement of \$150,000 once they secured their cannabis digital license card and opened for business.

A demographic breakdown of the Joint Ventures grant awardees includes the following (48 approvals):

- 27 minority owned (56%)
- 20 women owned (43%)
- 12 approvals are both minority and women owned (25%)
- 14 NJ counties represented in approvals

As of September 2025, **33** Joint Ventures grantees have opened their cannabis businesses. This includes **4** cultivators, **3** manufacturers, **25** dispensaries, and **1** cannabis testing lab.

Joint Ventures Extension Request

Prior to each grantee receiving funding, approved entities entered into Grant Agreements with the Authority, which included the requirements of the program and timelines. The term of these Grant Agreements expires in October and November 2025, which is two years from the date of execution. All 46 grantees have received their first disbursement of \$100,000. However, due to numerous unforeseen difficulties and delays, some Joint Ventures grantees have been unable to open their businesses in that two-year timeframe. Currently, staff is aware that thirteen grantees need additional time to obtain their cannabis digital license card to meet the terms specified in the Grant Agreement to receive their second disbursement of \$150,000. **13** of the Joint Ventures grantees have encountered setbacks such as delays with construction, inspections, challenges with their municipalities, and environmental issues connected to certain sites. In light of these concerns, staff seeks authorization for the CEO to approve extensions to obtain their cannabis license card and receive the second

³ The Joint Ventures Grant Program is referred to as Product 2 in the December 22, 2022 board memo.

disbursement by up to one additional year. As you can see on the attached draft amendment, three terms will need to be revised to ensure that the compliance period and grant term extend in synchrony with the second disbursement extension. This approval would be contingent upon the grantee demonstrating that any delays in obtaining their annual license approval were due to unforeseen circumstances beyond their control.

Recommendation

The Members are asked to approve:

- 1) Delegation to the Chief Executive Officer (“CEO”) to approve extensions, provided the grantee has demonstrated any delays in their annual license approval are due to unforeseen circumstances beyond their control.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: Genna Jones, Sr. Community Development Officer

Exhibit A: Joint Ventures Amendment

EXHIBIT A

AMENDMENT TO THE NEW JERSEY CANNABIS EQUITY GRANT PROGRAM- JOINT VENTURES GRANT AGREEMENT

This Amendment to the New Jersey Cannabis Equity Grant Program (hereinafter “The Program”) Joint Ventures Grant Agreement (hereinafter the “Amendment”) between **GRANTEE NAME** (“Grantee”), having its principal offices or principal place of business at **address from grant agreement**, and the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY** (“the Authority” or “Grantor”), a body corporate and politic organized and existing under the authority of N.J.S.A. 34:1B-1 et seq., having its offices at 36 West State Street, PO Box 990, Trenton, New Jersey 08625-0990 (each a “Party” and collectively the “Parties”). All capitalized terms used but not defined herein shall have the meanings assigned to them in the Atlantic City Food Security Grants Pilot Program Grant Agreement (hereinafter “Agreement”) attached hereto as “**Appendix A**”.

WITNESSETH:

WHEREAS, on December 21, 2022, the Authority approved the New Jersey Cannabis Equity Grant Program, which provides grants of up to \$250,000 to eligible cannabis startups. The Joint Ventures Grant, one of two components of the program, supports businesses further along in the state licensing process with costs related to launching operations; and

WHEREAS, on **Effective Date of GA**, the Grantee and the Grantor entered into the Agreement; and

WHEREAS, the Agreement requires the Grantee to adhere to an Authority-approved schedule for disbursements by meeting program requirements for the duration of the Grant Term; and

WHEREAS, on September 10, 2025, the Board approved a modification to the Program permitting an extension of the Grant Term to provide Grantees up to twelve (12) additional months beyond the original Grant Term expiration to satisfy certain programmatic requirements, and to continue for the duration of the Compliance Term, which shall commence upon satisfaction of those programmatic requirements and disbursement of final Grant Payment; and

WHEREAS, the Parties hereby amend the Agreement with the terms found below in this Amendment pursuant to Section 20, Paragraph F of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The above referenced recitals shall be incorporated into this Amendment.
2. The Parties hereby amend the Agreement to revise and replace the definition of "Grant Term" in Section 1 of the Agreement to read as follows: "**Grant Term**" means the period commencing on the Effective Date of this Agreement and ending upon expiration of the Compliance Term.

3. The Parties hereby amend the Agreement to add the following new defined term in the appropriate alphabetical order to Definitions. Section 1: **“Disbursement Term”** means the period commencing on the second anniversary of the Effective Date and expiring upon the earlier of either one (1) year thereafter or the Grantee’s satisfaction of Section 3(b), including (i) receipt of its NJ CRC-issued annual license and (ii) submission, to the Authority’s satisfaction, of an Eligible Expenses Tracker Form evidencing full expenditure of the initial \$100,000 disbursement in accordance with the Eligible Expenses categories.
4. The Parties hereby amend the Agreement to revise and replace Grant Payment. Section 3(B) to read as follows: "The second and final disbursement of \$150,000 shall be released upon the Grantee’s (i) receipt of an NJ CRC-issued annual license and (ii) submission, to the Authority’s satisfaction, of a completed Eligible Expenses Tracker Form with receipts evidencing full expenditure of the initial \$100,000 disbursement in accordance with the Eligible Expenses categories, provided both conditions are satisfied by the expiration of the Disbursement Term."
5. The terms and conditions of this Amendment shall supersede those of the Agreement. All other terms and conditions of the Agreement shall remain unchanged and in effect.

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY	
Name:	Name:
Title:	Title:
Signature:	Signature:
Date:	Date:

APPENDIX A
(AGREEMENT)



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: The Next New Jersey Manufacturing Program

Request:

The Members are asked to approve:

1. The attached special adoption of the new rules and concurrently proposed new rules for the new Next New Jersey Manufacturing Program (Appendix A) and to authorize staff to:
 - a) submit the special adoption of the new rules and concurrently proposed new rules to the Office of Administrative Law for publication in the New Jersey Register; and
 - b) submit the rules as final adopted rules to the Office of Administrative Law for publication in the New Jersey Register if no substantive comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; and
2. The creation of the Next New Jersey Manufacturing Program, a tax credit incentive program, established by legislation (P.L. 2025, c. 123), which is designed to attract and support manufacturers and clean energy product manufacturers throughout New Jersey.
3. Delegation of authority to the Chief Executive Officer to approve administrative changes to approved Next NJ Manufacturing Program awards as currently exists for New Jersey Economic Recovery Act of 2020 programs and for the approved CAFE program.

Background:

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (ERA), P.L. 2020, c. 156, into law. The ERA includes 15+ economic development programs, including:

- Tax credits to incentivize job creation and capital investment, including the Community Anchored Program;
- Investment tools to support and strengthen New Jersey's innovation economy;
- Tax credits to strengthen New Jersey's communities including revitalization of brownfields and preservation of historic properties;
- Financial resources for small businesses, including those impacted by the COVID-19 pandemic;

- Support for new supermarkets and healthy food retailers in food desert communities;
- Additional tax credits for film and digital media.

The ERA included the creation of the Emerge; a tax incentive program designed to support job creation and large-scale job retention and the Aspire program that was created to stimulate economic growth and real estate development in the State with an overall funding allocation of \$6.6 billion.

The Next New Jersey Manufacturing Program (Program) Act, P.L. 2025, c. 123, was signed into law by Governor Murphy on August 13, 2025. The Next New Jersey Manufacturing Program will leverage \$500 million of uncommitted funds from the Emerge and Aspire programs and will accept applications through March 1, 2029, on a rolling basis subject to available tax credits.

Program Purpose and General Description:

Manufacturers are essential to New Jersey's economic strength and long-term prosperity. They serve as engines of growth by creating jobs, driving innovation, and cultivating a skilled and productive workforce. By producing goods and sustaining the supply chain, manufacturing facilities strengthen the State's competitiveness in the global economy.

For decades, manufacturing has been a cornerstone of New Jersey's economy—fueling innovation, providing high-quality jobs, and supporting local communities across the State. Projects tied to manufacturing deliver lasting benefits by enhancing residents' quality of life and generating significant economic impact.

Recognizing the critical role this sector plays, the New Jersey Manufacturing Voucher Program (NJMVP) was launched in October 2022 to strengthen and modernize the industry. Since its inception, NJMVP has committed more than \$61 million in awards to over 450 manufacturers across three phases. These awards have enabled companies to invest over \$299 million in upgraded equipment and processes. This infusion of capital has boosted productivity, enhanced competitiveness, and helped secure the future of manufacturing jobs in the State.

Building on that momentum, the Next New Jersey Manufacturing Program is a comprehensive tax credit initiative designed to attract substantial investment, create new jobs, and position New Jersey as a leader in the modern manufacturing economy. The program supports a wide range of manufacturing activities across key industries, including advanced manufacturing; non-retail food and beverage; life sciences; defense; and clean energy technology production. Eligible clean energy components include offshore wind, solar, geothermal, green hydrogen, nuclear energy, fuel cells, battery storage, and other sustainable energy solutions. To accelerate clean energy manufacturing, \$100 million will be dedicated to clean energy manufacturing in the program's first two years. Any unused funds will then roll back into the general manufacturing allocation.

By offering competitive incentives, the Next New Jersey Manufacturing Program motivates companies to invest their capital in New Jersey and demonstrate a long-term commitment to the State's economic growth. The program is tailored to manufacturers that establish or expand their physical presence in New Jersey, further reinforcing the State's role as a hub for innovation and industry

This memorandum provides a summary of the Program, including eligibility criteria and program compliance requirements. The rules, which will govern the Program, are included in the attachments for Board review and approval.

Eligibility Criteria:

The following highlights key eligibility requirements for the Next NJ Manufacturing Program. Full eligibility details are contained in the draft proposed rules. To be eligible, a project must meet various eligibility criteria, which the Board ascertains based on staff's review and presentation of a project to the Board.

To be eligible for the Program, a project must meet various eligibility criteria at the time of application. In the definitions below, underlined text is language embodying staff policy recommendations as part of the proposed rules.

1. Applicants must be a:

“Manufacturer/Manufacturing”

“Manufacturer” means a business engaged in manufacturing.

“Manufacturing” means producing or assembling of goods for sale by transforming raw materials, recycled materials, or sub-components into components, specialized components, or finished products or by transforming recycled materials into raw materials through various industrial processes, including but not limited to fabrication, assembly, chemical, or biologic processes.

“Manufacturing” includes producing or assembling pilot products, including but not limited to, producing batches for clinical trials, producing finished drug products, or producing prototypes in a pilot plant or good manufacturing practices facility.

“Manufacturing” does not include refurbishing or repairing goods, retail, wholesale, packaging, software development, resource extraction, waste incineration, or any agriculture (indoor, outdoor, hydro or aeroponic).

Staff believes the proposed additional text will provide clarity and examples to help staff and applicants more effectively identify and target appropriate manufacturers and manufacturing initiatives.

Or;

“Clean Energy Product Manufacturer”

“Clean energy product manufacturer” means a manufacturer of components specifically for renewable energy, such as offshore and onshore wind, solar, geothermal, green hydrogen, fuel cells, battery storage, or other clean energy manufacturing for nuclear energy.

“Clean energy product manufacturer” does not include businesses engaged in the production or assembly of components specifically for combustion-based energy generation.

Staff recommends the proposed additions to the legislative language to provide additional clarity and examples to ensure staff and applicants effectively identify and target the appropriate clean energy manufacturing initiatives.

2. Jobs

A business must create a minimum of 20 new full-time jobs to be eligible for the Program. To qualify as an eligible job, the business must demonstrate to the Authority's satisfaction that the new employee:

- a) spends at least 80 percent of the individual's work time in this State and at the Qualified Business Facility (QBF), and
- b) The business must also offer health insurance to the incentivized employees within 90 business days of commencing employment.
- c) A position is not counted as an eligible new full-time job unless it is in addition to the number of full-time jobs in the business's Statewide workforce during the last tax year or privilege period prior to the tax credit award. This is consistent with the Authority's other jobs-based tax incentive programs and ensures that a business has generated "net new" jobs in the State to receive a tax credit. That is, if the business lays off employees elsewhere in the State, the business receives tax credit only for those new jobs at the qualified business facility that exceed the business's Statewide job count prior to the award.

Additionally, all full-time jobs at the qualified business facility must be paid no less than 120 percent of the manufacturing median salary for the county in which the QBF is located, or if the qualified business facility is a complex of buildings which spans multiple counties, the county with the highest median salary among the counties where the buildings comprising a complex of buildings are located. The Act allows a QBF to be a complex of buildings and does not impose a constraint on the location of the QBF buildings, so staff recommends the additional language to ensure that all new incented employees of the same business are treated the same.

3. Capital Investment

The Program requires a business, or an affiliate of the business or the business's landlord, to meet a minimum capital investment of \$10 million at the qualified business facility (QBF). Eligible cost are as follows:

- site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property;
- obtaining and installing furnishings and machinery, apparatus, or equipment, or obtaining and installing of parts in an existing facility for the operation of a business on real property or in a building, structure, facility, or improvement to real property; or any combination of the foregoing;
- improvement to a site-related utility of the real property, including, but not limited to, water, electric, sewer, and stormwater, and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems or other environmental components required to attain the level of silver rating and gold rating standards or above in the LEED building rating system, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source;
- the value of a capital lease, as defined by generally accepted accounting practices (GAAP), of furnishings and machinery, apparatus, or equipment, based on the shorter of the useful life of the leased property or the commitment period; and
- associated soft costs, which shall not exceed 20 percent of all capital investment.

Capital investment shall not include site acquisition vehicles and heavy equipment not permanently located in the building, structure, facility, or improvement. Landlord contributions for the purpose of eligibility of the program, are allowed.

4. Collaboration

The Program requires that the business enter into a contractual relationship with:

1. Public or private university or college based in New Jersey;
2. Public or private high school based in New Jersey;
3. Workforce development organization based in New Jersey;
4. Vocational or technical school or institution based in New Jersey;
5. Labor organization, business or employer association, or nonprofit community-based organization that provides workforce training, apprenticeship, and career development services;
6. Entities or consortia made up of any combination of items 1 through 5 that develop and deliver workforce training programs; or
7. Any combination of the above entities (1 through 6).

This collaborative relationship is evidenced by the provision of opportunities for workforce hiring, training, or apprenticeship; research and development; demonstration project; curriculum development or educational activity; or other measures determined appropriate by the authority.

Staff recommends its additional proposed language as consistent with the legislation and other NJEDA training grant programs.

Qualified Business Facility:

Eligible manufacturing facilities under the program are any building, complex of buildings, or structural components, along with the machinery and equipment located within them, in New Jersey that are used by an eligible business primarily (more than 50%) for manufacturing. Ancillary activities—such as packaging, distribution (including warehousing directly tied to the facility's production chain), and research and development for new or improved products may also qualify as part of the manufacturing space.

Staff recommends using 50% to determine the primary use of a QBF. Additionally, Staff recommends additional ancillary activities because they support and are interdependent with the manufacturing process. Recognizing them as such aligns with modern manufacturing ecosystems, where innovation, logistics, and packaging are often located alongside production. Staff thinks this change will provide additional clarity and examples, helping both staff and applicants more effectively identify eligible spaces for a business to be considered "primarily manufacturing" at a Qualified Business Facility.

Eligibility requirements shall be considered in the aggregate for a qualified business facility consisting of a complex of buildings. As a result, all eligibility criteria, such as job creation, capital investment, and whether the Qualified Business Facility is primarily used for manufacturing are evaluated in the aggregate. Staff recommends this language because the Act allows a QBF to be a complex of buildings, does not impose a constraint on the location of the QBF buildings, and the award does not differ based on the location of the QBF or any building of the QBF.

In addition, the business must be in substantial good standing with the New Jersey Department of Labor and Workforce Development, the New Jersey Department of Environmental Protection, and

the New Jersey Department of the Treasury. If a compliance issue exists, the eligible business may enter into an agreement with the respective Department that includes a practical corrective action plan. Furthermore, the business will be required to provide, prior to execution of an agreement, a valid tax clearance certificate from the New Jersey Division of Taxation. The business must also comply with environmental laws (including flood hazard requirements). Projects also need to meet minimum environmental and sustainability standards established by the Authority in accordance with the green building manual prepared by the Commissioner of the Department of Community Affairs pursuant to N.J.S.A. 52:27D-130.6.

Construction contracts and building services contracts must adhere to EDA prevailing wage and the Contractor Registration Act requirements. Construction contracts must comply with the Authority's affirmative action requirements. The payment of prevailing wage shall apply to all construction work performed at the QBF that is undertaken in connection with financial assistance received under the Program. Additionally, the payment of prevailing wages shall apply to building services work, such as maintenance and custodial services, if applicable, for the duration of the commitment period as outlined in the draft rules.

Award Term and Commitment Period:

The program requires approved businesses to commit to stay in New Jersey for ten (10) years. Tax credits will be awarded annually over the first five (5) years of the ten (10) year commitment period.

Tax Credit Award Calculations:

Tax credit awards are calculated at the lesser of:

- 1) 0.1% of the number of new full-time jobs multiplied by the total capital investment; or
- 2) 25% of the total eligible capital investment; or
- 3) \$150 million (maximum award including bonuses).

EXAMPLE OF AWARD CALCULATIONS	
<i>Manufacturer proposing to create 100 new jobs, with a capital investment of \$300 Million</i>	
NEW JOBS	100
CAPITAL INVESTMENT	\$300,000,000
Method 1, Calculation:	(0.1% x 100 New Jobs) = 10% x \$300 Million = \$30,000,000
Method 2, Max Percentage:	25% x \$300 Million = \$75,000,000
Method 3, Max Award:	Fixed Cap = \$150 Million
ESTIMATED AWARD AMOUNT	
\$30,000,000	

Hence, in the above illustration, method 1 is the lesser of the three calculations; and thus, the award of the tax credits in this scenario is \$30,000,000.

Bonus Eligibility¹:

The statute does not specify any bonus but, instead, authorizes the Authority, at its discretion, to establish one or more bonuses, provided the total does not exceed five percent of the award. Based on these parameters, along with the demonstrated success of providing manufacturers bonuses through the NJMVP program and the Authority's ongoing commitment to supporting businesses in distressed areas and underrepresented ownership groups, staff recommends including various bonuses as permitted by the program statutes. 1% stackable bonuses; with a max bonus of 5%, calculated off the annual award, and a max total award of \$150,000,000.00 (including bonuses); may be awarded if an applicant satisfies one or more of the following:

¹ All bonuses are staff recommendations, but the section was not underlined for ease of reading.

- Located in an Opportunity Zone Eligible Census Tract
- New Jersey Business Certifications (1% for each):
 - New Jersey Certified Woman Business Enterprise (WBE)
 - New Jersey Certified Minority Business Enterprise (MBE)
 - Note: The Minority/Woman Owned Business or Enterprise (M/WBE) Certification, encompasses the above 2 certificates, therefore this certificate is worth 2%.
 - New Jersey Certified Veteran-Owned Business (VOB) and Disabled Veteran-Owned Business (DVOB)
 - New Jersey Certified Small Business Enterprise (SBE)
 - New Jersey Certified Emerging Small Business Enterprise (ESBE) and Disadvantaged Business Enterprise (DBE)
 - New Jersey Certified Lesbian, Gay Bisexual, Transgender, Queer, Questioning (LGBTQ+)
 - New Jersey Certified Urban Enterprise Zone (UEZ)
 - New Jersey Certified Socially and Economically Disadvantaged Business (SEBD)
- At least one active Collective Bargaining Agreement or Labor Harmony Agreement is in place, at the QBF.

Transferring of tax credits awarded through the Program:

The eligible business shall not sell or assign a tax credit transfer certificate for less than 85 percent of the transferred credit amount.

A purchaser or assignee of a tax credit transfer certificate cannot make further transfers, assignments, or sales of the certificate.

The Authority must publish the following details on its website for each approved tax credit transfer certificate:

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

Post-Approval Process:

As consistent with the Authority's other jobs-based tax incentive programs ,after approval, the eligible business must sign an approval letter and subsequently an agreement with the Authority as to the terms and conditions to receive the tax credit. Staff proposes that the company will then have three years, with 2 6-month extensions available, to meet the Capital Investment and Job Creation requirements of the program, which is consistent with other job-based tax incentive programs.

The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to the capital investment. The amount of capital investment in the certification shall be utilized by the Authority in the calculation of tax credits. The amount of capital investment utilized by the Authority in the calculation of tax credits shall not be increased regardless of additional capital investment at the qualified business facility. In no event will the amount of capital investment exceed the amount of capital investment previously approved by the Board. If

the certified capital investment is less than the minimum eligibility requirement set forth in the Program statute, the business shall no longer be eligible for tax credits.

For each year of the commitment period, the eligible business must submit annual reports stating, among other things, the number and salaries of the new full-time jobs, the number of jobs Statewide, and a certification that a collaborative relationship is in effect.

The eligible business must continue to comply with the Program eligibility criteria for the ten-year commitment period. Authority staff will review each report for compliance with the Program rules, approval letter, and agreement. Changes in the amount of capital investment, the number of jobs and salaries during the eligibility and compliance periods may subject the awardee to forfeiture, reduction, or a recapture of the tax credits. Examples of the changes which may impact tax credit awards as follows:

- If the noncompliance occurs during the eligibility period, the eligible business shall forfeit its credit amount for that tax period, and if in the next tax period the eligible business does not provide documentation satisfactory to the Authority demonstrating compliance, the eligible business shall forfeit the tax credit for each subsequent tax period.
- For any forfeiture of more than one tax period during the eligibility period or any noncompliance during the compliance period, the Authority may recapture all, or part of, a tax credit awarded. A partial recapture may be calculated to recognize the period of time that the business was in compliance.
- During any tax period:
 - the eligible business must maintain at least 80 percent of the number of new full-time jobs and their salaries as certified at project completion and 80 percent of the number of full-time jobs in the Statewide workforce at the end of the business's tax period prior to approval. Falling below this threshold will result in a forfeiture of the tax credit award for that year and for each subsequent year until the eligible business restores the number of incented jobs above 80 percent.
 - the eligible business must continue to satisfy the eligibility criteria. Failure to do so will result in a forfeiture of the tax credit award for that year.
- Failure to submit the annual report within the commitment period for two consecutive years shall be an event of default of the project agreement.
- If at any time, the Authority determines that the eligible business made a material misrepresentation on its application, all of the tax credits may be forfeited and recaptured.
- If the business fails to maintain the project for the required commitment period, the Authority may recapture all or part of the tax credits.
- Non-compliance with affirmative action or prevailing wage;

Some of the above are required in the statute; staff recommends the rest as consistent with the Authority's other job-based incentive programs.

Green Building Standards:

As with nearly all Authority tax credit incentive program, the Act requires projects to comply with the standards established by the Authority based on the green building manual prepared by the Commissioner of the Department of Community Affairs (DCA) pursuant to N.J.S.A. 52:27D-130.6, regarding the use of renewable energy, energy-efficient technology, and non-renewable resources in order to reduce environmental degradation and encourage long-term cost reduction. The Authority has developed a "Green Building Standards" document that reflects the

requirements of the DCA Green Building Manual to ensure projects meet these standards. The Green Building Standards lists options that apply the best practice principles of the Green Building Manual to the applicant's specific type of project.

Rulemaking Process:

Upon approval by the Board and expiration of the Governor's veto period, the rules will be filed with the Office of Administrative Law for publication in the New Jersey Register as specially adopted (immediately effective) and concurrently proposed (in the regular course of rulemaking) rules, with a 60-day public comment period.

Compliance with Executive Order 63:

The Authority conducted a public listening session on August 18, 2025, and the public was able to submit written comments through August 22, 2025, to gather stakeholder input.

Chief Compliance Officer Certification of Rule Proposal:

Pursuant to N.J.S.A. 34:1B-365, the Chief Executive Officer is required to appoint a Chief Compliance Officer (CCO) to, among other things, "review and certify that the provisions of program rules or regulations provide the authority with adequate procedures to pursue the recapture of the value of an economic development incentive in the case of substantial noncompliance, fraud, or abuse by the economic development incentive recipient, and that program rules and regulations are sufficient to ensure against economic development incentive fraud, waste, and abuse".

Patrick Caughey has been designated the CCO. In that capacity, Mr. Caughey has reviewed the proposed compliance portion of rules and regulations for the Program and is prepared to sign the certification, subject to the Board taking action to approve the same.

Fee Structure:

The Program rules establish fees to ensure a source of necessary administrative revenue for the NJEDA to cover the costs of administering the Program. The fees were analyzed and reviewed by the NJEDA Chief Financial Officer in accordance with NJEDA procedure.

Project Fee Inputs	Small Projects (20- 75 Jobs)	Medium Projects (76 - 149 Jobs)	Large Projects (150 - 199 Jobs)	Mega Projects (200+ Jobs)
Application Fee Rate	\$5,000.00	\$10,000.00	\$15,000.00	\$20,000.00
Approval Fee Rate	\$10,000.00	\$37,500.00	\$50,000.00	\$75,000.00
Tax Credit Certificate Issuance Fee Rate	\$5,000.00	\$10,000.00	\$25,000.00	\$50,000.00
Annual Servicing Fee Rate	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00
Tax Credit Transfer Certificate Fee Rate, if applicable	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00
First six-month extension	\$2,500.00	\$5,000.00	\$10,000.00	\$15,000.00
Subsequent extension	\$3,750.00	\$7,500.00	\$15,000.00	\$25,000.00

Minor modification (administrative change, additions, or modification of the tax credit)	\$1,250.00	\$2,500.00	\$5,000.00	\$7,500.00
Major modification (board approval)	\$3,750.00	\$7,500.00	\$15,000.00	\$25,000.00
*Existing Incentive Agreement Termination: minor	\$1,250.00	\$2,500.00	\$5,000.00	\$7,500.00
*Existing Incentive Agreement Termination major (board approval)	\$5,000.00	\$7,500.00	\$15,000.00	\$25,000.00

Delegated Authority:

On November 18, 2024, the Members approved a delegation to the CEO to approve routine administrative changes to ERA products, including applicant/awardee name changes, site identification updates, affiliate additions (program permitting), updates to reflect internal reorganizations and organizational changes, and the re-designation the recipient of an award as a result of an acquisition and/or merger. Presently, we are seeking the Members' approval to delegate to the CEO, who pursuant to existing delegated authority policy may further sub-delegate authority to staff, authority to approve routine administrative changes for the Next New Jersey Manufacturing Program.

Recommendation:

The Members are asked to approve:

1. The attached special adoption and concurrently proposed new rules for the Program and to authorize staff to:
 - a) submit the special adoption and concurrently proposed new rules to the Office of Administrative Law for publication in the New Jersey Register; and
 - b) submit the rules as final adopted rules to the Office of Administrative Law for publication in the New Jersey Register if no substantive comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; and
2. The creation of the Program, a tax credit incentive program established by legislation (P.L. 2025, c. 123), which is designed to attract and support manufacturers and clean energy product manufacturers throughout New Jersey.

3. Delegation of authority to the Chief Executive Officer to approve administrative changes to approved Next NJ Manufacturing Program awards as currently exists for New Jersey Economic Recovery Act of 2020 programs and for the approved CAFE program.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: Gene Palermo

Attachments:

Appendix A - Next NJ Manufacturing Program Rules GRO Approved - 9.3.25

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Next New Jersey Manufacturing Program

Special Adopted and Concurrent Proposed New Rules: N.J.A.C. 19:31DD

Filed: _____

Authority: P.L. 2025 c. 123.

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

Concurrent Proposal Number: PRN 2025-____.

Effective Date:

Expiration Date:

Submit written comments by _____, 2025, to:

Alyson Jones, Managing Director of Legislative and Regulatory Affairs

New Jersey Economic Development Authority

PO Box 990

Trenton, NJ 08625-0990

Alyson.Jones@njeda.gov

Take notice that in accordance with P.L. 2025, c. 123, the New Jersey Economic Development Authority (“NJEDA” or “Authority”) has specially adopted the following new rules to implement the provisions of the Next New Jersey Manufacturing Program Act, P.L.2025, c.123.

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

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

The specially adopted and concurrently proposed new rules follow.

Summary

As set forth at P.L. 2025, c. 123, the Next New Jersey Manufacturing Program (“Program”) is established as a program under the jurisdiction of the NJEDA. The purpose of the Program is to provide substantial tax credits to eligible businesses to attract new investment to New Jersey in manufacturing industries, create new jobs and economic opportunities, and position New Jersey as a leader in the manufacturing economy.

This Program awards tax credits to businesses that qualify as a manufacturer or clean energy product manufacturer. Eligible businesses must make a minimum capital investment of at least \$10 million and create at least 20 new-full time jobs in the State that provide a median salary of not less than 120 percent of the median salary in the county. The tax credits are awarded on a first-come, first-served basis up to the lesser of either the product of 0.1 percent of the eligible business’s total capital investment multiplied by the number of new full-time jobs; 25 percent of the eligible business’s total capital investment; or \$150 million. The total value of tax

credits approved by the Authority shall not exceed the limitations set forth in N.J.S.A. 34:1B-362.

The following paragraphs summarize the contents of each section of the specially adopted and concurrently proposed new rules implementing the Program.

N.J.A.C. 19:31DD-1 provides that this subchapter is promulgated by the NJEDA to implement the provisions of the Next New Jersey Program Act, P.L. 2025, c. 123.

N.J.A.C. 19:31DD-2 sets forth the definitions used throughout the Program rules, such as, “capital investment”; “clean energy product manufacturer”; “collaborative relationship”; “full-time employee”; “Labor harmony agreement”; “manufacturer”; “manufacturing”; “qualified business facility”; and “quality child care facility”.

N.J.A.C. 19:31DD-3 sets forth the eligibility criteria for participation in the Program, including that the business: will make, acquire, or lease a capital investment at the qualified business facility of at least \$10 million; will create at least 20 new-full time jobs in the state; the median salary at the qualified business facility will be at least 120 percent of the median salary for manufacturing employees in the county; will enter into a collaborative relationship; and will meet the affirmative action, prevailing wage, and minimum environmental and sustainability standards requirements.

N.J.A.C. 19:31DD-4 sets forth restrictions on the awarding of tax credits under the Program, including if a business has received a tax credit or other incentive award relating to the same capital investment and/or employees that qualify the business for a tax credit under the Program.

N.J.A.C. 19:31DD-5 sets forth the Program application requirements, which include but are not limited to: information on the business, including all affiliates contributing either full-time employees or capital investment; documentation demonstrating

N.J.A.C. 19:31DD-1.6 sets forth the fee schedule for the Program.

N.J.A.C. 19:31DD-1.7 sets forth the process for reviewing completed applications. Completed applications will be reviewed on a first come, first served basis, but must be submitted prior to March 1, 2029. Each completed application will be reviewed to check whether the applicant meets the Program eligibility criteria, satisfies the Program submission requirements, and provides adequate information in support of its application. The Authority will additionally confirm that the applicant is in good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Division of Taxation as part of its review process.

N.J.A.C. 19:31DD-1.8 sets forth the requirements for determination of the tax credit award amount. The amount of tax credit allowed under the Program is the lesser of either the product of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs; 25 percent of the eligible business's total capital investment; or \$150 million.

N.J.A.C. 19:31:DD-1.9 sets forth the requirements for the determination of bonus. A business shall be eligible for bonuses in the amount of one percent, for each of the criteria satisfied, to no more than five percent of the annual amount of tax credit. The bonuses include: (1) the eligible business is part of the Business Certification Program, except that a Minority Women Business Enterprise certification shall be in the amount of two percent; (2) the eligible business maintains a qualified business facility in an opportunity zone; or (3) the eligible

business is a party to at least one active collective bargaining agreement or labor harmony agreement.

N.J.A.C. 19:31:DD-1.10 sets forth the requirements for the approval letter. The Board shall determine whether to approve an application. The approval letter shall contain conditions, including but not limited to: evidence that the business has entered a collaborative relationship, that the project complies with prevailing wage and affirmative action requirements, and documentation evidencing project financing and planning approvals. The Authority's approval of tax credits shall expire if the business does not submit the required documentation within one year after approval.

N.J.A.C. 19:31:DD-1.11 sets forth the project agreement and certification requirements. The project agreement shall include, but is not limited to, the following: a detailed description of the proposed project, any personnel information, and a requirement that the business be in New Jersey. Upon completion of the capital investment and employment requirements of the Program, an eligible business shall submit certifications evidencing that the eligible business has satisfied the conditions relating to the capital investment, employment requirements, and other eligibility requirements.

N.J.A.C. 19:31:DD-1.12 sets forth the project completion certification requirements. The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to capital investment. The eligible business shall also submit other documents as required, including but not limited to, a certification from a licensed engineer, evidence of a collaborative relationship, and floor or site plan.

N.J.A.C. 19:31:DD-1.13 sets forth the annual reporting requirements. This section sets forth the timing for when these reports must be submitted to the Authority, the submission requirements for these reports, and the penalties if the reports are incomplete or not timely submitted.

N.J.A.C. 19:31:DD-1.14 sets forth that the Director of the Division of Taxation shall allow the eligible business a tax credit upon receipt of the certificate of compliance, the amount of tax credit that may be applied against the tax liability otherwise due, how tax credits granted to a partnership shall be passed through, and the order of priority of the credits allowed.

N.J.A.C. 19:31:DD-1.15 sets forth the requirements for application for a tax credit transfer certificate. This subsection permits an eligible business to apply to the Authority and the Division of Taxation for a tax credit transfer certificate covering one or more years. Additionally, the tax credit transfer certificate may be sold or assigned, as specified in and subject to certain limitations.

N.J.A.C. 19:31:DD-1.16 sets forth the cap on total credits. The combined value of all credits approved by the Authority pursuant to this Program shall be subject to certain limitations.

N.J.A.C. 19:31:DD-1.17 sets forth the process and basis for any reduction, forfeiture, or recapture of tax credits under the Program. Reduction, forfeiture, or recapture may result if the eligible business does not remain in compliance with the eligibility requirements, fails to be in compliance with prevailing wage requirements, or fails to meet certain post-approval compliance requirements as specified.

N.J.A.C. 19:31:DD-1.18 sets forth the effect of sale or lease of the qualified business facility and relocation of the eligible business. If the qualified business facility is sold in whole or in part during the eligibility period, the new owner shall not acquire the capital investment of

the seller. If the qualified business merges or consolidates with another entity, the resulting or transferee entity shall not be considered the new owner for the purposes of the Program. The seller shall forfeit all tax credits for the tax period in which the sale occurs and all subsequent tax periods.

N.J.A.C. 19:31:DD-1.19 sets forth the affirmative action and prevailing wage requirements. The affirmative action requirements of the Program apply to construction contracts at the qualified business facility undertaken in connection with financial assistance received under the program. The Authority's prevailing wage requirements for construction work and building services work are also applicable. The prevailing wage requirements are applicable during the commitment period for both construction work and building services work.

N.J.A.C. 19:31:DD-1.20 sets forth the appeal process for the Program.

N.J.A.C. 19:31:DD-1.21 sets forth the severability of any section, subsection, provision, clause, or portion of the Program rules if adjudged to be unconstitutional or invalid by a court of competent jurisdiction.

Social Impact

The Program will have a positive social impact throughout the state as it will attract and support manufacturers and clean energy product manufacturers throughout New Jersey. The program encourages businesses to make large-scale capital investments, create high-quality jobs, and promote workforce development through collaborative partnerships.

Economic Impact

The Program is intended to bolster the State's economy by stimulating new high-quality economic development. The resulting investments will support long-term economic benefits after tax credits have been fully utilized and will position New Jersey as a leader in the

manufacturing economy. The rules require that capital investment must be completed before tax credits are issued and set out robust recapture and repayment provisions to ensure projects will meet their long-term obligations and protect the State.

The Program rules establish fees to ensure a source of necessary administrative revenue for the NJEDA to cover the costs of administering the Program.

Federal Standards Statement

A Federal standards analysis is not required because the specially adopted and concurrently proposed new rules are not subject to any Federal requirements or standards. Accordingly, no further analysis is required.

Jobs Impact

The EDA anticipates that the specially adopted and concurrently proposed new rules will incentivize an indeterminate amount of increased job creation throughout New Jersey.

Agriculture Industry Impact

The specially adopted and concurrently proposed new rules will not have an impact on the agriculture industry as agriculture (indoor, outdoor, hydro or aeroponic) is excluded from the “manufacturing” definition. Accordingly, no further analysis is required.

Regulatory Flexibility Statement

The specially adopted and concurrently proposed new rules are unlikely to impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Any requirements are discussed in the Summary above, and if applicable to small businesses, any costs will be minimal and fully offset by the amount of financial assistance received.

Housing Affordability Impact Analysis

The specially adopted and concurrently proposed new rules will not have an impact on the average costs associated with housing or on the affordability of housing. Accordingly, no further analysis is required.

Smart Growth Development Impact Analysis

The specially adopted and concurrently proposed new rules will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. Accordingly, no further analysis is required.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

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

19:31DD-1.1 Applicability and Scope

The rules in this chapter are promulgated by the New Jersey Economic Development Authority to implement the provisions of the Next New Jersey Manufacturing Program Act, P.L. 2025, c. 123 and shall apply to all Next New Jersey Manufacturing Program applications.

19:31DD-1.2 Definitions

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

"Act" means the Next New Jersey Manufacturing Program Act, P.L. 2025, c. 123.

“Affiliate” means an entity that directly or indirectly controls, is under common control with, or is controlled by an eligible business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the entity is an organization in a group of organizations under common control that is subject to the regulations applicable to organizations pursuant to subsection (b) or (c) of section 414 of the federal Internal Revenue Code (26 U.S.C. s.414). An eligible business may establish by clear and convincing evidence, as determined by the Director of the Division of Taxation in the Department of the Treasury, that control exists in situations involving lesser percentages of ownership than required by sections 1563 and 414 of the Internal Revenue Code of 1986 (26 U.S.C. ss.1563 and 414). An affiliate of a business may contribute to meeting either the capital investment or full-time employee requirements of a business and new full-time job requirements and may satisfy the requirement for site control during construction and the eligibility period, but in no event shall the tax credit certificate be issued to any affiliate.

"Approval letter" means the letter sent by the Authority to the eligible business awarded tax credits pursuant to the program and countersigned by the eligible business pursuant to N.J.A.C. 19:31DD-1.10, which sets forth the conditions that must be met by the eligible business before the execution of a project agreement.

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

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

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

“Business” means an applicant proposing to own or lease premises in a qualified business facility that is: a corporation subject to the tax imposed pursuant to N.J.S.A. 54:10A-5-N.J.S.A. 54:18A-2 and, N.J.S.A. 54:18A-3, N.J.S.A. 17:32-15, or N.J.S.A. 17B:23-5; or is a partnership, S corporation, limited liability company, or non-profit corporation. A business shall include an affiliate of the business if that business applies for a tax credit based upon any capital investment made by or full-time employees of an affiliate.

“Capital investment” means expenses incurred by a business or an affiliate of the business or on behalf of the business or affiliate by its landlord, at the qualified business facility following its submission of a completed application to the Authority pursuant to section 5 of P.L. 2025, c. 123, but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. 2025, c. 123, or until such other time specified by the Authority, and which expenses are incurred for:

- (1) site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property;

- (2) obtaining and installing furnishings and machinery, apparatus, or equipment, or obtaining and installing of parts in an existing facility for the operation of a business on real property or in a building, structure, facility, or improvement to real property; or any combination of the foregoing;
- (3) improvement to a site-related utility of the real property, including, but not limited to, water, electric, sewer, and stormwater, and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems or other environmental components required to attain the level of silver rating and gold rating standards or above in the LEED building rating system, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source;
- (4) the value of a capital lease, as defined by generally accepted accounting practices (GAAP), of furnishings and machinery, apparatus, or equipment, based on the shorter of the useful life of the leased property or the commitment period; and
- (5) associated soft costs, which shall not exceed 20 percent of all capital investment.

“Capital investment” shall not include site acquisition, vehicles, and heavy equipment not permanently located in the building, structure, facility, or improvement. Landlord contributions for the purpose of eligibility of the program, are allowed.

“Clean energy product manufacturer” means a manufacturer of components specifically for renewable energy, such as offshore and onshore wind, solar, geothermal, green hydrogen, fuel cells, battery storage, or clean energy manufacturing for nuclear energy. “Clean energy product manufacturer” does not include businesses engaged in the production or assembly of components specifically for combustion-based energy generation.

“Collaborative relationship” means a contractual relationship, as approved by the Authority, over the term of the commitment period, which may be renewed annually, between an eligible business and a New Jersey-based (1) public or private university or college; (2) public or private high school; (3) workforce development organization; (4) vocational or technical school or institution; (5) labor organization, business or employer association, or nonprofit organization that provides workforce training, apprenticeship, and career development services; (6) entities or consortia made up of (1) through (5) that develop and deliver workforce training programs; or (7) any combination thereof. This collaborative relationship is evidenced by the provision of opportunities for workforce hiring, training, or apprenticeship; research and development; demonstration project; curriculum development or educational activity; or other measures determined appropriate by the Authority.

“Commitment period” means a period that is no less than two times the eligibility period specified in the project agreement entered into pursuant to section 7 of P.L. 2025, c. 123.

“Complex of buildings” means buildings that are part of the same financing plan and operational plan. The buildings comprising a complex of buildings may be in non-contiguous geographical locations.

“Compliance period” means the portion of the commitment period starting immediately after the conclusion of the eligibility period through the conclusion of the commitment period.

“Director” means the Director of the Division of Taxation in the Department of the Treasury.

“Eligibility period” means the period in which an eligible business may claim a tax credit under the program, beginning with the tax period in which the Authority accepts certification of

the eligible business that it has met the capital investment and employment requirements of the program pursuant to N.J.A.C. 19:31DD-1.12 and extending thereafter for a term of five years.

“Eligible business” means any business that is a clean energy product manufacturer or manufacturer and that satisfies the criteria set forth in section 5 of P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.3 at the time of application for tax credits under the program.

“Eligible position” or “full-time job” means a full-time position in a business in this State which a business has filled with a full-time employee who spends at least 80 percent of the employee’s work time in the State and at the qualified business facility, or spends any other period of work time generally accepted by custom or practice, as determined by the Authority in its sole discretion based on the characteristics of the employee’s job and work time in the State and at the qualified business facility, and is offered employee health benefits under a group health plan as defined in N.J.S.A. 17B:27-54, a health benefits plan as defined in N.J.S.A. 17B:27A-17, or a policy or contract of health insurance covering more than one person issued pursuant to N.J.S.A. 17B:27-26, et seq.; provided, however, that the requirement to offer employee health benefits shall be deemed to be satisfied if the benefits are provided by the business or pursuant to a collective bargaining agreement, no later than 90 days after the employee’s start date, under a health benefits plan authorized pursuant to State or federal law. An eligible position shall not include an independent contractor or a consultant.

“Full-time employee” means a person who is:

- (1) employed by a business for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

- (2) employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, pursuant to N.J.S.A. 34:8-67 et seq. for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.; or
- (3) a resident of another State, whose income is not subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity agreement with the other state, or who is a partner of a business who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., due to a reciprocity agreement with the other state.

A "full-time employee" shall include, but shall not be limited to, an employee that has been hired by way of a labor union hiring hall or its equivalent, provided that the 35 hours of employment per week in the State shall constitute one "full-time employee," regardless of whether or not the hours of work were performed by one or more persons.

"Full-time employee" shall not include any person who works as an independent contractor or on a consulting basis for the business or a contract worker. "Full-time employee" shall not include any person who, at the time of project application, works in New Jersey for consideration for at least 35 hours per week for the business, or who renders any other standard of service generally

accepted by custom or practice as full-time employment, but who, prior to project application, works under an employee leasing agreement between the business and an employee leasing company that is not a professional employer organization.

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

"Manufacturer" means a business engaged in manufacturing.

"Manufacturing" means producing or assembling of goods for sale by transforming raw materials, recycled materials, or sub-components into components, specialized components, or finished products or by transforming recycled materials into raw materials through various industrial processes, including but not limited to fabrication, assembly, chemical, or biologic processes. "Manufacturing" includes producing or assembling pilot products, including but not

limited to, producing batches for clinical trials, producing finished drug products, or producing prototypes in a pilot plant or good manufacturing practices facility. “Manufacturing” does not include refurbishing or repairing goods, retail, wholesale, packaging, software development, resource extraction, waste incineration, or any agriculture (indoor, outdoor, hydro or aeroponic).

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

“New full-time job” means an eligible position created by a business, following approval of the business’s application by the Board, that did not previously exist in this State. For the purposes of determining the number of new full-time jobs, the eligible positions of an affiliate shall be considered eligible positions of the business. For the purpose of calculating the number of new full-time jobs, a position shall not be considered a new full-time job unless it is in addition to the number of full-time jobs in the business's Statewide workforce in the last tax accounting or privilege period prior to the tax credit amount approval.

“Partnership” means an entity classified as a partnership for federal income tax purposes.

“Professional employer organization” means an employee leasing company registered with the Department of Labor and Workforce Development pursuant to N.J.S.A. 34:8-67 et seq.

“Program” means the Next New Jersey Manufacturing Program established by P.L. 2025, c. 123.

“Project” means the capital investment at a qualified business facility and the employment commitment required pursuant to the project agreement.

“Project agreement” means the contract executed between an eligible business and the Authority pursuant to section 7 of P.L. 2025, c.123, which sets forth the terms and conditions under which the eligible business may receive the tax credits authorized pursuant to the program.

“Qualified business facility” means any building, complex of buildings, or structural components of buildings, and all machinery and equipment located therein, in this State used in connection with the operation of an eligible business and primarily for manufacturing. Space used for ancillary activities related to packaging and distribution at the facility, including, but not limited to, warehousing if the business uses the warehouse as part of the chain of distribution for products assembled, processed, and/or manufactured at the facility, and research and development related to creation of new products or improvement of existing products at the facility, may be considered manufacturing space.

"Quality child care facility" means a child care center licensed by the Department of Children and Families or a family child care home registered with the Department of Human Services, operating continuously, which has not been subject to an enforcement action, and which has and maintains a licensed capacity for children age 13 years or younger who attend for less than 24 hours a day.

“Soft costs” means all costs associated with financing, design, engineering, legal services, or real estate commissions, including, but not limited to, architect fees, permit fees, loan origination and closing costs, construction management, and freight and shipping delivery, but not including early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing, temporary signage, incentive consultant fees, Authority fees, loan interest payments, escrows, or other similar costs.

“Square foot of gross leasable area” or “square footage of gross leasable area” or “gross leasable area” means rentable area of the building or structure as calculated pursuant to the measuring standards of the project. This standard will be defined in the lease for tenant applicants. The rentable area measures the tenant's pro rata portion of the entire office floor, including public corridors, restrooms, janitor closets, utility closets, and machine rooms used in common with other tenants, but excluding elements of the building or structure that penetrate through the floor to areas below. The rentable area of a floor is fixed for the life of a building or structure and is not affected by changes in corridor sizes or configuration.

“Statewide workforce” means the total number of full-time employees in the Statewide workforce of the business and any affiliate of the business, if the affiliate contributes any capital investment or full-time employees, in the last tax accounting or privilege period prior to the tax credit amount approval. "Statewide workforce" shall not include full-time employees at any final point-of-sale retail facilities unless the project, as approved by the Board, includes full-time employees engaged in final point-of-sale retail.

"Total development cost" means any and all costs incurred for and in connection with the project by the eligible business or its landlord until the issuance of a temporary certificate of occupancy, or upon such other event evidencing project completion, as set forth in the project agreement.

19:31DD-1.3 Eligibility criteria

- (a) A business eligible pursuant to this section may submit an application to the Authority in accordance with the provisions of P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.5 on or after August 13, 2025, the effective date of this subchapter, but prior to March 1, 2029.

(b) The Authority shall make the determination that an applicant has met the criteria for eligibility for a tax award and shall determine the amount of the award. In order for a business to be eligible for tax credits under the program, the chief executive officer of the business or an equivalent officer shall demonstrate to the Authority at the time of application that:

1. The business shall make, acquire, or lease a capital investment at the qualified business facility not less than \$10,000,000;

2. The business shall create new full-time jobs at the qualified business facility in an amount not less than 20 new full-time jobs;

3. The median salary of the full-time jobs at the qualified business facility by the business shall be not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located; or if the qualified business facility is a complex of buildings that spans multiple counties, the county with the highest median salary among the counties where the buildings comprising a complex of buildings are located;

4. The business shall maintain the facility as a qualified business facility during the commitment period;

5. The business shall enter into a collaborative relationship;

6. The qualified business facility shall be in compliance with minimum environmental and sustainability standards;

7. The project shall comply with the Authority's affirmative action requirements at N.J.A.C. 19:30-3.1, et seq., adopted pursuant to N.J.S.A. 34:1B-5.4, and N.J.A.C. 19:31DD-1.19(a); and

8. Each worker employed to perform construction work or building services work at the qualified business facility shall be paid not less than the prevailing wage rate for the worker's craft

or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25, et seq., and N.J.A.C. 19:31DD-1.19(b) and (c).

(c) Eligibility requirements shall be considered in the aggregate for a qualified business facility consisting of a complex of buildings.

(d) The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the Authority pursuant to a. of this section are true under the penalty of perjury.

19:31DD-1.4 Restrictions

(a) A business shall not be awarded a tax credit under the program and shall not receive a certificate of compliance if the business received or receives a tax credit or other incentive award relating to the same capital investment or employees that qualify the business for a tax credit under the program, including, but not limited to, those under the “Emerge Program Act,” N.J.S.A. 34:1B-336, et seq., N.J.S.A. 34:1B-209.4, the “Urban Transit Hub Tax Credit Act,” N.J.S.A. 34:1B-207 et seq., the “Business Retention and Relocation Assistance Act,” N.J.S.A. 34:1B-112 et seq., the “Business Employment Incentive Program Act,” N.J.S.A. 34:1B-124 et seq., “Grow New Jersey Assistance Act,” N.J.S.A. 34:1B-242, et seq., or the “Next New Jersey Program Act,” N.J.S.A. 34:1B-394 et seq.

(b) A business with full-time employees that are the subject of an existing incentive award shall maintain 100 percent of the full-time employees subject of the existing incentive award before any full-time employee may be counted as an eligible position.

19:31DD-1.5 Application submission requirements

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

1. Information on the business, including all affiliates contributing either full-time employees or capital investment, or both, to the project, which shall include the following:

- i. The name of the business;
- ii. The contact information of the person identified as the primary contact for the business;
- iii. The prospective future address of the business, if different;
- iv. The type of the business;
- v. The principal products and services and North American Industry Classification System number;
- vi. The New Jersey tax identification number;
- vii. The Federal tax identification number;
- viii. The total number of full-time employees in New Jersey on the date of the application and in the business's last tax period prior to the date of the application. If the application is approved in the business's subsequent tax period, the business must provide the total number of full-time employees in New Jersey in the tax period prior to credit amount approval;
- ix. The total list of the business's locations in New Jersey and the function performed at each location;
- x. A list of all locations in this State of the business and affiliates that will be contributing to the capital investment or full-time employees to the project;
- xii. A letter of intent evidencing a proposed collaborative relationship;
- xiii. The chief executive officer or equivalent officer of the business shall certify that the business applying for the program satisfies the criteria at N.J.A.C. 19:31DD-1.7(c)1 to be in

substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury; that contractors or subcontractors that will perform work at the qualified business facility are registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., have not been debarred by Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury; and that they have reviewed the application information submitted and that the representations contained therein are accurate;

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

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

xvi. A list of all the development subsidies, as required by “The Development Subsidy Job Goals Accountability Act,” N.J.S.A. 52:39-1, et seq., that the applicant is requesting or receiving, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received; and

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

2. Project information, which shall include the following:

- i. An overall description of the proposed project;
- ii. A description of the capital investment planned by the business at the proposed qualified business facility;
- iii. The estimated value of the capital investment and financial information demonstrating ability to complete the capital investment;

iv. A description of how the minimum environmental and sustainability standards are to be incorporated into the proposed project;

v. Identification of the site or sites of the proposed qualified business facility, including the block and lot of the site or sites as indicated upon the local tax map;

vi. A narrative description of the proposed qualified business facility, including a description of how the proposed facility is a qualified business facility, and a floor plan or site plan identifying the uses and square feet and gross leasable area for each use and a description of how each use meets the requirements under the definition of qualified business facility. During the period that tax credits are reserved for clean energy product manufacturers, pursuant to P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.7(a), an additional narrative and supporting documentation demonstrating that the business satisfies the definition of clean energy product manufacturer, if applicable;

vii. A project schedule that identifies the anticipated date of commencement and completion of construction, as well as the anticipated date of project completion;

viii. The terms of any lease agreements (including, but not limited to, information showing net leasable area by the business if a tenant and total net leasable area; or if the business is an owner, information showing net leasable area not leased to tenants, and total net leasable area) and/or details of the purchase or building of the proposed qualified business facility; as well as all lease agreements, ownership documents, or substantially similar documentation for the business's proposed in-State locations and all lease agreements, ownership documents, to the extent they exist;

ix. The total number of anticipated new full-time jobs at the qualified business facility, and the distribution of such totals identified by business entity if any such jobs and employees will be provided by affiliates;

x. Any information and supporting documentation necessary as determined by the Authority to qualify for a bonus pursuant to P.L. 2025, c.123 and N.J.A.C. 19:31DD-1.9 and

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

3. Employee information, which shall include the following:

i. A list of existing and proposed new full-time jobs in the State and at the qualified business facility, and the salaries of existing jobs and anticipated salaries of the employees filling such new full-time jobs;

ii. The WR 30 of the business for the privilege period prior to application, if applicable; and

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

(b) The business applying to the program shall submit an application fee as set forth at N.J.A.C. 19:31DD-1.6.

(c) The Authority may require the submission of additional information to complete the application or may require the resubmission of the entire application, if incomplete. In order to be complete, the application shall identify the proposed project site and demonstrate financial and organizational ability to undertake the proposed project through evidence of available capital sufficient to complete the project.

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

19:31DD-1.6 Fees

(a) A business applying for benefits under this program shall submit a one-time non-refundable application fee. The application fee shall be as follows:

1. For each small project (20 to 75 new full-time jobs), the fee to be charged at application shall be \$5,000;
2. For each medium project (76 to 149 new full-time jobs), the fee to be charged at application shall be \$10,000;
3. For each large project (150 to 199 new full-time jobs), the fee to be charged at application shall be \$15,000; and
4. For each mega project (200 or more new full-time jobs), the fee to be charged at application shall be \$20,000.

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

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

1. For each small project (20 to 75 new full-time jobs), the fee shall be \$10,000;
2. For each medium project (76 to 149 new full-time jobs), the fee shall be \$37,500;
3. For each large project (150 to 199 new full-time jobs), the fee shall be \$50,000; and
4. For each mega project (200 or more new full-time jobs), the fee shall be \$75,000.

(d) A business shall pay to the Authority a non-refundable fee prior to the receipt of the tax credit certificate, as follows:

1. For each small project (20 to 75 new full-time jobs), the fee shall be \$5,000;
2. For each medium project (76 to 149 new full-time jobs), the fee shall be \$10,000;
3. For each large project (150 to 199 new full-time jobs), the fee shall be \$25,000; and
4. For each mega project (200 or more new full-time jobs), the fee shall be \$50,000.

(e) A business shall pay to the Authority an annual servicing fee, beginning with the tax accounting or privilege period in which the Authority accepts the certification that the business has met the capital investment, employment, and other eligibility requirements of the program for the respective project pursuant to N.J.A.C. 19:31CC-1.11, and for the duration of the commitment period. The annual servicing fee shall be paid to the Authority by the business at the time the business submits its annual report, as follows:

1. For each small project (20 to 75 new full-time jobs), the annual servicing fee shall be \$2,500;
2. For each medium project (76 to 149 new full-time jobs), the annual servicing fee shall be \$5,000;

3. For each large project (150 to 199 new full-time jobs), the annual servicing fee shall be \$10,000; and

4. For each mega project (200 or more new full-time jobs), the annual servicing fee shall be \$15,000.

(f) A business applying for a tax credit transfer certificate pursuant to N.J.A.C. 19:31CC-1.14 or permission to pledge a tax credit transfer certificate purchase contract as collateral shall pay to the Authority a fee, as follows:

1. For each small project (20 to 75 new full-time jobs), the fee shall be \$2,500, and \$2,500 for each additional request made annually;

2. For each medium project (76 to 149 new full-time jobs), the fee shall be \$5,000, and \$5,000 for each additional request made annually;

3. For each large project (150 to 199 new full-time jobs), the fee shall be \$10,000, and \$10,000 for each additional request made annually; and

4. For each mega project (200 or more new full-time jobs), the fee shall be \$15,000, and \$15,000 for each additional request made annually.

(g) A business shall pay, to the Authority, a non-refundable fee for each request for any administrative changes, additions, or modifications to the tax credit; and, a non-refundable fee shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval, as follows:

1. For each small project (20 to 75 new full-time jobs), a non-refundable fee of \$1,250 shall be paid for each request for any administrative change, addition, or modification to the tax

credit; and a non-refundable fee of \$3,750 shall be paid for any major change, addition, or modification to the tax credit, such as those requiring extensive staff time and Board approval;

2. For each medium project (76 to 149 new full-time jobs), a non-refundable fee of \$2,500 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$7,500 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval; and

3. For each large project (150 to 199 new full-time jobs), a non-refundable fee of \$5,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$15,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval; and

4. For each mega project (200 or more new full-time jobs), a non-refundable fee of \$7,500 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$25,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval.

(h) A non-refundable fee shall be paid for the first six-month extension to the date by which the business shall submit the certification with respect to the capital investment, employment, and other eligibility requirements of the program for the respective project pursuant to N.J.A.C. 19:31CC-1.11; and a non-refundable fee shall be paid for each subsequent extension, as follows:

1. For each small project (20 to 75 new full-time jobs), the fee for the first six-month extension shall be \$2,500, and \$3,750 for each subsequent extension;

2. For each medium project (76 to 149 new full-time jobs), the fee shall be \$5,000 for the first six-month extension, and \$7,500 for each subsequent extension;

3. For each large project (150 to 199 new full-time jobs), the fee shall be \$10,000 for the first six-month extension, and \$15,000 for each subsequent extension; and

4. For each mega project (200 or more new full-time jobs), the fee shall be \$15,000 for the first six-month extension, and \$25,000 for each subsequent extension.

(i) A business seeking to terminate an existing project agreement in order to participate in a project agreement authorized pursuant to the program shall pay, to the Authority, a non-refundable fee as follows:

1. For each small project (20 to 75 new full-time jobs), the fee for a termination that does not require extensive staff time and Board approval shall be \$1,250, and \$3,750 for each termination that requires extensive staff time and Board approval;

2. For each medium project (76 to 149 new full-time jobs), the fee for a termination that does not require extensive staff time and Board approval shall be \$2,500, and \$7,500 for each termination that requires extensive staff time and Board approval;

3. For each large project (150 to 199 new full-time jobs), the fee for a termination that does not require extensive staff time and Board approval shall be \$5,000, and \$15,000 for each termination that requires extensive staff time and Board approval; and

4. For each mega project (200 or more new full-time jobs), the fee shall be \$7,500 for a termination that does not require extensive staff time and Board approval, and \$25,000 for each termination that requires extensive staff time and Board approval.

19:31DD-1.7 Review of completed application

(a) A business seeking an approval of tax credits for a project shall submit a completed application for tax credits prior to March 1, 2029. Beginning on the date that the authority begins accepting applications in accordance with section 6 of P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.3 and continuing for two years thereafter, \$100,000,000 of the tax credits made available to the program pursuant to N.J.S.A. 34:1B-362(b)(1)(I) shall be reserved exclusively for eligible businesses that are clean energy product manufacturers. If during that period, the authority awards less than \$100,000,000 in tax credits to eligible businesses that are clean energy product manufacturers, the uncommitted portion shall be available to be deployed by the authority to any eligible business beginning in the third year next following the date that the authority begins accepting applications.

(b) The Authority shall conduct a review of each completed application commencing with the completed application bearing the earliest submission date and contingent on funding availability, which review shall determine whether the applicant:

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

(c) Before the Board may consider a completed application:

1. The Authority shall confirm with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury that the eligible business is in substantial good standing with the statutes, rules, and other enforceable standards of the respective department, or, if a compliance issue exists, the eligible business has entered into an agreement with the respective department that includes a practical corrective action plan, as applicable.

i. Substantial good standing shall be determined by each department and mean, at a minimum, that the eligible business:

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

(A) Is in substantial compliance with all material statutes, rules, and other enforceable standards of the respective department that apply to the eligible business; and

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

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

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

2. The Authority may contract with an independent third party to perform a background check on the eligible business.

(d) Upon completion of the review of an application and receipt of a recommendation from Authority staff on the application, the Board shall determine whether or not to approve the application and the amount of tax credits to be awarded. The Authority shall promptly notify the applicant and the Director of the Division of Taxation of the determination. The Board's award of the credits will be subject to conditions subsequent pursuant to N.J.A.C. 19:31DD-1.10(b).

19:31DD-1.8 Determination of award amount

(a) The amount of the tax credit allowed under the program to an eligible business shall be the lesser of: (1) the product of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150,000,000.

(b) No more than the amount of tax credits equal to the total credit amount awarded under the program divided by the duration of the eligibility period in years may be taken in any tax period.

(c) The amount of the tax credit allowed annually shall be determined by recalculating the amount set forth in (a) upon receipt and acceptance of the annual report pursuant to N.J.A.C. 19:31DD-1.13(a).

19:31DD 1.9 - Determination of Bonus

(a) An eligible business shall be eligible for bonuses in the amount of ~~one~~ 1 percent of the annual amount of tax credit, after any reduction, for each of the following criteria satisfied, provided that the total amount of such bonuses shall not exceed 5 percent of the annual award amount of tax credit, after any reduction, and the total award plus bonuses shall not exceed \$150 million.

(b) The bonuses are as follows:

1. The eligible business is certified as part of the Business Certification Program administered by the Division of Revenue and Enterprise Services in the Department of the Treasury, provided that the bonus shall be in the amount of 1 percent for each certification, except that a Minority Women Business Enterprise certification shall be in the amount of 2 percent;

2. The eligible businesses maintains a qualified business facility in an opportunity zone eligible census tract, pursuant to 26 U.S.C. § 1400Z-1;

3. The eligible business is a party to at least one active and executed collective bargaining agreement or labor harmony agreement that covers all or some of the employees at the qualified business facility.

19:31DD-1.10 Approval

(a) Following Board approval and prior to the Authority and an eligible business executing a project agreement, the Authority shall require an eligible business to execute and return an approval letter to the Authority.

(b) The approval letter shall contain conditions subsequent that shall include but not be limited to:

1. The requirement that the eligible business has entered into a collaborative relationship;
2. That the project complies with the Authority's prevailing wage requirements at N.J.S.A. 34:1B-5.1 and N.J.A.C. 19:31DD-1.19(b) and (c), and affirmative action requirements at N.J.A.C. 19:31DD-1.19(a);

3. That the project does not violate any environmental law requirements, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13, and the requirement that the minimum environmental and sustainability standards are incorporated into the proposed project;

4. The requirements necessary for the Authority to execute the project agreement; and

5. Documentation evidencing project financing and planning approvals, including the submittal of executed financing commitments, documents that evidence site control by the eligible business, a copy of the site plan approval, and a copy of all required permits and planning and zoning approvals.

(c) Absent extenuating circumstances or the Authority's determination, in its sole discretion, the Authority's approval of the tax credits shall expire if the eligible business does not submit the documentation required in subsection (b) above within a year after approval of the application.

(d) The approval letter shall provide an estimated date of completion and include a requirement for periodic progress reports.

(e) The chief executive officer of the eligible business, or an equivalent officer, shall sign the approval letter. The approval letter shall contain language that all factual representations made by the eligible business to the Authority pursuant to this subsection are true under penalty of perjury.

19:31:DD-1.11 Project agreement and certifications

(a) Upon satisfaction of the conditions in the approval letter, the Authority shall enter into a project agreement with the eligible business. The Chief Executive Officer of the Authority shall negotiate the terms and conditions of the project agreement on behalf of the State. The awarding of tax credits shall be conditioned on the eligible business's compliance with the requirements of the agreement. The project agreement shall specify and include:

1. A detailed description of the proposed project that will result in job creation, and the number of new full-time jobs that are approved for tax credits;

2. Any personnel information that will enable the Authority to administer the program;

3. A requirement that the eligible business maintain the project at a location in New Jersey for the commitment period, and a provision to permit the Authority to recapture all or part of any tax credits awarded, at its discretion, if the eligible business does not maintain the project at a location in New Jersey for the commitment period;

4. A requirement that the eligible business shall maintain the number of new full-time jobs, and the salaries thereof, to which the eligible business certified at the commencement of the eligibility period pursuant to N.J.A.C. 19:31DD-1.12, and a provision to permit the Authority to proportionally reduce the tax credit award by recalculating the amount as set forth in N.J.A.C. 19:31DD-1.8(a) in any tax period in which the number of new full-time jobs, or the salaries thereof, is reduced below the new full-time jobs, or the salaries thereof, to which the eligible business certified at the commencement of the eligibility period, as required pursuant to subsection f. of section 8 of P.L. 2025, c. 123;

5. A method for the eligible business to certify that it has met the capital investment and employment requirements of the program as set forth in section 5 of P.L. 2025, c. 123, and N.J.A.C. 19:31DD-1.3, and to report annually to the Authority the number of new full-time jobs, and the salaries thereof, for which the tax credits are to be allowed;

6. Representations that the eligible business is in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury, or has entered into an agreement with the departments that includes a practical corrective action plan, as set forth in N.J.A.C. 19:31DD-1.7(c)1, and that the

project complies with all applicable laws, and specifically, that the project does not violate any environmental law, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13;

7. A provision acknowledging the Authority's right to confirm with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury that the eligible business is in substantial good standing, as defined at N.J.A.C. 19:31DD-1.7, or has entered into an agreement with the respective department that includes a practical corrective action plan, as applicable, as set forth in N.J.A.C. 19:31DD-1.7(c)1.

8. A provision providing that if the eligible business is not in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and/or the Department of the Treasury, and has not entered into an agreement with the respective department(s), as set forth in N.J.A.C. 19:31DD-1.7(c)1, and has been given written notice thereof, including opportunity to be heard or to contest the determination, by the respective department, then the eligible business may forfeit the issuance of tax credits pending the resolution of the underlying violation(s) or other issues.

9. A provision acknowledging each contractor or subcontractor performing work at the qualified business facility is registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., has not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

10. A provision providing that if the eligible business fails to confirm that each contractor or subcontractor performing work at the qualified business facility is registered as required by the

Public Works Contractor Registration Act, N.J.S.A. 34:11-56-48, et seq., has not been debarred by the Department of Labor and Workforce Development from engaging or bidding on Public Works Contracts in the State, and/or possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury then the eligible business may forfeit the issuance of tax credits pending the resolution of the underlying violation(s) or other issues.

11. A provision permitting an audit of the payroll records of the eligible business and any other evidence and documentation supporting the certifications pursuant to N.J.A.C. 19:31DD-1.12, the annual reports pursuant to N.J.A.C. 19:31DD-1.13, and the addition of affiliates pursuant to N.J.A.C. 19:31DD-1.13(ii) from time-to-time, as the Authority deems necessary;

12. A requirement for the eligible business to submit evidence, as required by the Authority, that it has entered into and maintains a collaborative relationship;

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

14. A provision establishing the conditions under which the Authority, the eligible business, or both, may terminate the agreement;

15. An agreement by the eligible business that the statute of limitations for the collection and assessment of corporation business tax set forth at N.J.S.A. 54:10A-1, et seq and insurance premiums tax set forth at N.J.S.A. 54:18A-2 and A-3; N.J.S.A. 17:32-15; or N.J.S.A. 17B:23-5 will be extended to the period of the commitment period;

16. Indemnification and insurance requirements; and

17. Default and remedies, including, but not limited, to a default if an eligible business made a material misrepresentation on its application.

(b) Upon completion of the capital investment and employment requirements of the program, an eligible business shall submit to the Authority certifications, evidencing that the eligible

business has satisfied the conditions relating to the capital investment, employment requirements, and other eligibility requirements of the Act, this subchapter, and the project agreement with supporting evidence satisfactory to the Authority.

(c) Absent extenuating circumstances and the written approval of the Authority, the eligible business shall submit the certifications as described at N.J.A.C. 19:31DD-1.12 within three years following the date of approval of the application. The Authority may grant two six-month extensions of the deadline. However, the date of certification shall not occur later than four years following the date of approval of the application. The Authority may grant one additional extension of no more than one year, taking the date of completion to five years past the date of approval of the application, but only if:

1. The Authority finds that:

- i. The project is delayed due to unforeseeable acts related to the project beyond the eligible business's control and without its fault or negligence;

- ii. The eligible business is using best efforts, with all due diligence, to proceed with the completion of the project and the submission of the certification; and

- iii. The eligible business has made, and continues to make, all reasonable efforts to prevent, avoid, mitigate, and overcome the delay; and

2. The eligible business provides timely notice to the Authority of the delay within 30 days after the eligible business has actual or constructive knowledge of the delay, and shall provide periodic reports, not less than every 30 days, of the status of the delay and the steps the eligible business is taking to mitigate or overcome the delay.

(d) In addition to the extensions in (c) above, if the Governor declares an emergency, then the Chief Executive Officer of the Authority shall have the discretion to grant an extension for the

duration of the emergency and the Board of the Authority, upon recommendation of the Chief Executive Officer of the Authority, may grant two additional six-month extensions; provided, however, that:

1. The extensions are due to the economic disruption caused by the emergency;
2. The project is delayed due to unforeseeable acts related to the project beyond the eligible business's control and without its fault or negligence;
3. The eligible business is using best efforts, with all due diligence, to proceed with the completion of the project and the submission of the certification; and
4. The eligible business has made, and continues to make, all reasonable efforts to prevent, avoid, mitigate, and overcome the delay.

19:31:DD-1.12 Project completion certification

(a) The certifications required at N.J.A.C. 19:31DD-1.11(c) shall be in the following form:

1. The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to the capital investment. The amount of capital investment in the certification shall be utilized by the Authority in the calculation of tax credits. The amount of capital investment utilized by the Authority in the calculation of tax credits shall not be increased regardless of additional capital investment at the qualified business facility. In no event will the amount of capital investment exceed the amount of capital investment previously approved by the Board. If the certified capital investment is less than the minimum eligibility requirement set forth at N.J.S.A. 34:1B-397(b) and N.J.A.C. 19:31DD-1.3(b)1, the business shall no longer be eligible for tax credits.

2. The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to employment and the salaries thereof. The number of new full-time jobs in the certification shall be utilized by the Authority in the calculation of tax credits. The number of new full-time jobs utilized by the Authority in the calculation of tax credits shall not be increased regardless of additional jobs at the qualified business facility. In no event will the number of jobs exceed the number of jobs previously approved by the Board. If the certification indicates that the employment is less than the minimum eligibility requirement set forth at N.J.S.A. 34:1B-397(c) and N.J.A.C. 19:31DD-1.3(b)2 and 3, the business shall no longer be eligible for tax credits.

3. The Authority shall qualify certified public accountants and provide to the eligible business the list of qualified certified public accountants; provided, however, the eligible business may select a certified public accountant that is independent to the eligible business and not on the Authority's list of qualified certified public accountants for purposes of the capital investment certification, or the eligible business's chief financial officer may certify for purposes of the employment certification upon the Authority's prior approval, if the eligible business demonstrates an extenuating circumstance prohibiting the eligible business from retaining a qualified certified public accountant. Such circumstances include, but are not limited to, the unavailability of any of the qualified certified public accountants to timely complete the certification or none of the qualified certified public accountants are independent to the eligible business.

4. The eligible business shall submit a certification from a licensed engineer that the project has adhered in all material respects to the plan submitted by the business describing how the eligible business would satisfy the minimum environmental and sustainability standards.

5. The eligible business shall submit evidence of a collaborative relationship.

6. The eligible business shall submit a certification with a floor plan or site plan which identifies the uses and square feet and gross leasable area for each use and a description of how each use meets the requirements in the definition of qualified business facility.

7. Evidence satisfactory to the Authority demonstrating eligibility for the bonuses included at board approval.

8. The Authority may request additional information or certifications from the eligible business to determine eligibility and may seek information from the Department of Labor and Workforce Development to support the certifications.

(b) The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the Authority pursuant to this subsection are true under penalty of perjury.

(c) At, or before, the date of certifications, any modification to the project as approved by the Board, including, but not limited to, a reduction in the amount of the capital investment, new full-time jobs, or square foot of gross leasable area for each use meeting the requirements in the definition of qualified business facility, shall require review and approval by the Authority to determine that the project as modified does not undermine the basis for the tax credit award approved.

(d) The Authority may recalculate the tax credit award if the certifications demonstrate different assumptions or facts upon which the Authority relied to calculate the tax credit award at approval.

(e) In accordance with the project agreement, beginning upon the Authority's acceptance of the certification pursuant to (a) above, including, but not limited to, the receipt of temporary certificates of occupancy for any portion of the project sufficient to evidence project completion

or upon any other event evidencing project completion as set forth in the project agreement, and determination that other required conditions have been met, within 90 days of the Authority's acceptance of the certifications and evidence satisfactory to the Authority, the Authority shall notify the eligible business and notify the Director. The business shall receive its tax credit certificate and shall be allowed a tax credit in an amount determined pursuant to N.J.A.C. 19:31DD-1.8, which will be based on the information submitted in the certifications pursuant to (a) above. The use of the tax credit certificate shall be subject to the receipt of an annual certificate of compliance issued by the Authority.

19:31:DD-1.13 Annual reports

(a) An eligible business that is awarded tax credits under the program shall submit, annually, no later than 120 days after the end of each tax period during the commitment period, commencing in the year in which the grant of tax credits is issued and for the remainder of the commitment period, a report that indicates that the eligible business continues to maintain the number of new full-time jobs and the salaries thereof specified in the project agreement, including, but not limited to:

1. A certification, made pursuant to an agreed upon procedures letter acceptable to the Authority, of a qualified independent certified public accountant, which shall be qualified by the Authority pursuant to N.J.A.C. 19:31DD-1.12(a)3, containing the following:

- i. The number of full-time employees and new full-time jobs at the qualified business facility and in the State;

- ii. The list of affiliates that contributed to the full-time employees at the qualified business facility and in the State;

iii. The number of full-time employees at the qualified business facility and in the eligible business's Statewide workforce;

iv. The number of full-time employees at the qualified business facility and in New Jersey in the last tax period prior to the credit amount approval of any affiliate that contributed to the full-time employees and was not listed in the application;

v. Upon request by the Authority, a copy of the eligible business's applicable New Jersey tax return showing business income and withholdings as a condition of its continuation in the program; and

vi. The quarterly wage report required pursuant to N.J.S.A. 43:21-14 as submitted to the Department of Labor and Workforce Development together with an annual payroll report showing:

(1) The new full-time jobs that were created in accordance with the project agreement;

(2) The new full-time jobs created during each subsequent year of the commitment period; and

(3) The salaries, of all full-time jobs at the qualified business facility and all ~~the~~ new full-time jobs created;

2. Evidence satisfactory to the Authority demonstrating eligibility for the bonuses included at Board approval;

3. The eligible business shall confirm that each contractor or subcontractor performing work at the qualified business facility is registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., has not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State,

and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury;

4. A certification from the eligible business and its counterparties that the collaborative relationship remains in effect and is not in default and that the eligible business is making the contribution(s) required pursuant to the collaborative relationship;

5. A floor plan or site plan which identifies the uses and square feet and gross leasable area for each use and a description of how each use meets the requirements in the definition of qualified business facility;

6. Evidence that the eligible business remains in compliance with the Authority's prevailing wage and affirmative action requirements pursuant to N.J.A.C. 19:31DD-1.19; and

7. A certification indicating whether or not the eligible business is aware of any condition, event, or act that would cause the eligible business not to be in compliance with the approval, the Act, the project agreement, and this subchapter.

(b) An eligible business shall explain, in the certified report required pursuant to (a) above, the reason for any discrepancies between the annual payroll report submitted by the eligible business to the Authority and the quarterly wage report submitted to the Department of Labor and Workforce Development.

(c) The chief executive officer of the eligible business, or an equivalent officer, shall certify that the information provided pursuant to (a) above is true under the penalty of perjury. Claims, records, or statements submitted by an eligible business to the Authority in order to receive tax credits shall not be considered claims, records, or statements made in connection with State tax laws.

(d) In conducting its annual review, the Authority may require an eligible business to submit any information determined by the Authority to be necessary and relevant to its review.

(e) Upon receipt and review to the Authority's satisfaction of each certified report required pursuant to (a) above submitted during the eligibility period, the Authority shall provide to the eligible business and the Director a certificate of compliance indicating the amount of tax credits that the eligible business may apply against its tax liability. The Authority shall pro rate the tax credit for the first and last years of the eligibility period based on the number of full months the project was certified in the year the eligible business first certifies. No tax credit certificate will be valid without the certificate of compliance issued for the relevant tax privilege period.

(f) An eligible business shall forfeit the credit amount for any tax period for which the eligible business's documentation remains uncertified as of the date for certification indicated in the project agreement, although credit amounts for the remainder of the years of the eligibility period shall remain available to the eligible business.

(g) Full-time employment for an accounting or privilege period shall be determined as the average of the monthly full-time employment for the period.

(h) An eligible business may include an affiliate for any period, provided that the eligible business provides a valid tax clearance certificate for the affiliate and a verification of the nature of the affiliate relationship during the relevant period, and provided further that the affiliate provides acceptable responses to the Authority's legal disclosures inquiries in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2, as determined by the Authority. A formal modification of the Authority's approval of the project agreement or approval letter shall not be necessary to add or remove an affiliate after approval or execution of the project agreement or approval letter. Verification of the nature of the affiliate relationship pursuant to

section 1563 of the federal Internal Revenue Code (26 U.S.C. §1563) or subsection (b) or (c) of section 414 of the federal Internal Revenue Code (26 U.S.C. § 414) shall be demonstrated through a certification by an independent certified public accountant or an opinion of counsel.

(i) An eligible business may change its name filed with the Authority by providing a copy of the filed amendment to the certificate of incorporation or formation, as the case may be, of the eligible business and a valid tax clearance certificate with the eligible-business's new name. A formal modification of the Authority's approval shall not be necessary to change an eligible business's name after approval or execution of the project agreement, provided that the eligible business's name change does not change its tax identification number. If the eligible business changes its tax identification number, a formal application for modification of the Authority's approval shall be necessary.

19:31:DD-1.14 Tax credit amount; application and allocation of the tax credit

(a) Upon receipt by the Director of the certificate of compliance, the Director shall allow the eligible business a tax credit. Notwithstanding the provisions of any law or regulation to the contrary, the credit amount may first be taken by the tax certificate holder for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time the eligible business is required to maintain the project at a location in New Jersey, as set forth in the project agreement. The tax certificate holder may transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, for the tax period in which it was issued, or in any of the next three successive tax periods. The tax certificate holder or transferee may first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in this subsection, without the need for amending the

tax return for the tax period for which the credit was issued, subject to the provisions of this section. The tax certificate holder or transferee may carry forward an unused credit resulting from the limitations of subsection (d) below, if necessary, for use in any of the next 10 successive tax periods, which credit shall expire thereafter.

(b) The amount of credit allowed may be applied against the tax liability otherwise due pursuant to N.J.S.A. 54:10A-5; N.J.S.A. 54:18A-2 and A-3; N.J.S.A. 17:32-15; or N.J.S.A. 17B:23-5.

(c) Credits granted to a partnership shall be passed through to the corporate partners, corporate members, or corporate owners, respectively, pro rata, or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method provided to the Director accompanied by any additional information as the Director may prescribe consistent with any rule, guidance, or other publication issued by the Division of Taxation.

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

19:31:DD-1.15 Application for tax credit transfer certificate

(a) An eligible business may apply to the Director and the Chief Executive Officer of the Authority for a tax credit transfer certificate, within three years of the tax period in which the Director allows the eligible business a tax credit, in lieu of any amount of the tax credit against the

eligible business's State tax liability. The tax credit transfer certificate, upon receipt thereof by the eligible business from the Director and the Chief Executive Officer of the Authority, may be sold or assigned, in an amount not less than \$ 25,000, within three years of the tax period in which the eligible business receives the tax credit transfer certificate from the Director, to another person that may have a tax liability pursuant to section N.J.S.A. 54:10A-5; N.J.S.A. 54:18A-2 and A-3; N.J.S.A. 17:32-15; or N.J.S.A. 17B:23-5. The tax credit transfer certificate provided to the eligible business shall include a statement waiving the eligible business's right to claim the tax credit that the eligible business has elected to sell or assign.

(b) The eligible business shall not sell or assign a tax credit transfer certificate allowed pursuant to this section for consideration received by the eligible business of less than 85 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. The tax credit transfer certificate issued to the eligible business by the Director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to P.L. 2025, c. 123 and any other terms and conditions that the Director may prescribe, including, but not limited to, any applicable statutes of limitations for claiming a refund or credit.

(c) A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall not make any subsequent transfers, assignments, or sales of the tax credit transfer certificate.

(d) The Authority shall publish on its Internet website the following information concerning each tax credit transfer certificate approved by the Authority and the Director pursuant to this section:

1. The name of the transferrer;
2. The name of the transferee;
3. The value of the tax credit transfer certificate;

4. The State tax against which the transferee may apply the tax credit; and
5. The consideration received by the transferrer.

19:31:DD-1.16 Cap on total credits

The combined value of all credits approved by the Authority pursuant to this program shall be subject to limitations set forth at N.J.S.A. 34:1B-362. The amount of available tax credit shall be posted at the beginning of each calendar year on the website of the Authority.

19:31:DD-1.17 Reduction, forfeiture, recapture of tax credits

(a) If the eligible business does not remain in compliance with any of the eligibility requirements set forth at P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.3(b)2, 3, 4, and 5, then:

1. If the noncompliance occurs during the eligibility period, the eligible business shall forfeit its credit amount for that tax period, and if in the next tax period the eligible business does not provide documentation satisfactory to the Authority demonstrating compliance, the eligible business shall forfeit the tax credit for each subsequent tax period.

2. For any forfeiture of more than one tax period during the eligibility period or any noncompliance during the compliance period, the Authority may recapture all, or part of, a tax credit awarded. A partial recapture may be calculated to recognize the period of time that the business was in compliance.

(b) If in any tax period during the commitment period an eligible business fails to timely submit its annual report as required by N.J.A.C. 19:31DD-1.13, including, but not limited to, the quarterly wage report, the business shall forfeit the credit amount for that tax period, absent extenuating

circumstances and the written approval of the Authority. Failure to timely submit the annual report for two consecutive years shall be an event of default of the project agreement.

(c) If, in any tax period, the number of new employees in eligible positions, or the salaries thereof, drops below 80 percent of the number of new employees in eligible positions, or the salaries thereof, specified in the project agreement or required as a condition of program eligibility pursuant to section 4 of P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.3(b)2 and 3, whichever is greater, then the eligible business shall forfeit all tax credits allowed for that tax period and each subsequent tax period, until the first tax period in which the Authority has reviewed and approved documentation, submitted by the eligible business, demonstrating that the number of new employees in eligible positions, or the salaries thereof, is not less than 80 percent of the number specified in the project agreement or the amount required as a condition of program eligibility pursuant to section P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.3(b)2 and 3, whichever is greater.

(d) If in any tax period an eligible business reduces the total number of full-time employees in its Statewide workforce by more than 20 percent from the number of full-time employees in its Statewide workforce in the last tax period prior to the credit amount approval under the program, then the eligible business shall forfeit its credit amount for that tax period and each subsequent tax period until the first tax period for which documentation demonstrating the restoration of the eligible business's Statewide workforce to the threshold levels required by this subsection has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the credit shall be allowed.

(e) As of the date the annual report required pursuant to N.J.A.C. 19:31DD-1.13:

1. If any worker employed to perform construction work or building services work at the project is paid less than the prevailing wage rate pursuant to N.J.S.A. 34:11-56.25, et

seq, N.J.S.A. 34:11-56.58, et seq, and N.J.A.C. 19:31DD-1.19(b) or (c) during the relevant tax period, then the eligible business shall forfeit all credit for the tax period in which the prevailing wage is not paid and each subsequent tax period until the first period for which documentation demonstrating compliance has been reviewed and approved by the Authority, for which tax period and each subsequent period the full amount of the credit shall be allowed.

2. If the eligible business is not in compliance with the requirements set forth in N.J.A.C. 19:31DD-1.11(a)10, the Authority may suspend the tax credits for the relevant tax period, and if the suspension continues for two years, then, at the Authority's sole option, the eligible business may forfeit the tax credits for those years.

(f) The Authority may recapture all, or part of, a tax credit awarded if an eligible business does not remain in compliance with any other the requirements of the program in the Act, this subchapter, and the project agreement for the duration of the commitment period. Failure of the eligible business to meet any program criteria shall constitute a default and shall result in the recapture of all or part of the tax credit awarded.

(g) If, at any time, the Authority determines that the eligible business made a material misrepresentation on the eligible business's application, project completion certification, annual report, or any related submissions, the eligible business shall forfeit, and the Authority may recapture any or all of the incentive award and all tax credits awarded under the program, which shall be in addition to any other remedies in the project agreement and any criminal or civil penalties to which the eligible business and the respective officer may be subject.

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

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

(j) If all or part of a tax credit sold or assigned pursuant to section 9 of P.L. 2025, c. 123 and N.J.A.C. 19:31DD-1.15 is subject to recapture, then the Authority shall pursue recapture from the eligible business, and not from the purchaser or assignee of the tax credit transfer certificate.

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

19:31:DD-1.18 Effect of sale or lease of the qualified business facilities

(a) If the qualified business facility is sold in whole or in part during the eligibility period, the new owner shall not acquire the capital investment of the seller, provided, however, that any tax credits of tenants shall remain unaffected. If the business merges or consolidates with another entity, the resulting or transferee entity shall not be considered the new owner. The seller shall forfeit all tax credits for the tax period in which the sale occurs and all subsequent tax periods.

(b) An eligible business may lease or sublease a portion of its qualified business facility to a real estate tenant that is a quality child care facility and up to 5 percent for any other real estate

tenant without forfeiting any of the eligible business's credits, provided that the real estate tenant's full-time employees and capital investment shall not be included in the eligible business's eligible full-time employees or capital investment.

19:31:DD-1.19 Affirmative action and prevailing wage requirements

(a) The Authority's affirmative action requirements at N.J.S.A. 34:1B-5.4 and N.J.A.C. 19:30-3 shall apply to construction contracts at the qualified business facility undertaken in connection with financial assistance received under the program. The affirmative action requirements shall apply for two years after the Authority has issued the first certificate of compliance.

(b) The Authority's prevailing wage requirements at N.J.S.A. 34:1B-5.1, N.J.A.C. 19:30-4, and N.J.A.C. 19:31DD-1.3(b)8 shall apply to construction work performed at the qualified business facility undertaken in connection with financial assistance received under the program during the commitment period.

(c) The Authority's prevailing wage requirements at N.J.A.C. 19:30-4 and N.J.A.C. 19:31DD-1.3(b)9 shall apply to building services work for the duration of the commitment period.

19:31:DD-1.20 Appeals

(a) The Board's action shall be effective 10 business days after the Governor's receipt of the minutes, provided neither an early approval nor veto has been issued.

(b) A business may appeal the Authority's action by submitting in writing to the Authority, within 20 calendar days from the effective date of such action, an explanation of the grounds for such appeal. Such appeals are not contested cases subject to the requirements of the Administrative

Procedure Act, N.J.S.A. 52:14B-1 et seq., and N.J.S.A. 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(c) Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer of the Authority, or delegee, shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record, which includes but is not limited to the written appeal, any documentation provided in support of the appeal, and any written staff response to the appeal. The hearing officer may require an in-person hearing and has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. The Authority may consider new evidence or information.

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing the hearing officer's finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. After reviewing the report, the Chief Executive Officer of the Authority may also include a recommendation to the written report of the hearing officer. The business shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer of the Authority, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report. Any such comments will be incorporated into the final report presented to the Board.

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer of the Authority, if any, and any written comments and exceptions timely submitted by the business. Based on that review, the Board shall issue a final decision on the appeal.

4. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

19:31:DD-1.21 Severability

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

MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: September 10, 2025
SUBJECT: Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3

REQUEST:

The Members of the Board are requested to approve:

1. The Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3, a third phase of a relief program that provides grants to eligible commuter and transit bus private carriers in New Jersey that are experiencing reduced ridership.
2. Utilization of \$3 million appropriated to the Authority through the SFY2026 State Budget to fund the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3, of which 5.0% (\$150,000) would be utilized by the Authority to support administrative costs associated with operating the program. The balance of \$2,850,000 will be utilized as grants to eligible applicants.
3. Delegation of authority to the Chief Executive Officer to approve eligible applications and to decline those based solely on non-discretionary reasons for the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3 in accordance with the terms set forth in this memo and attached program specifications (Appendix A).

BACKGROUND:

COVID-19 Pandemic and Its Impacts

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. Containing the COVID-19 pandemic necessitated restrictions on public gatherings and led to mandated closing for non-essential businesses. New Jersey businesses and residents faced significant economic challenges due to these public health measures. Even essential services that maintained operations through the public health shutdown faced additional financial strain due to increased sanitation protocols and reductions in customers.

The transportation industry was among one of the industries hardest hit during the pandemic. It was defined as an essential service in P.L. 2020, c. 84, signed by Governor Murphy on September 14th, 2020. Executive Order No. 125, signed by Governor Murphy on April 11th, 2021, mandated additional mitigation requirements on NJ Transit and all private carriers to limit the spread of COVID-19, including requirements that both directly and indirectly decreased ridership, resulting in a significant loss of revenue to private transportation companies. Despite public health-related restrictions being lifted and the broader economy showing signs of recovery, ridership had still not

returned to its pre-pandemic levels. As such, grant funding was necessary to help private carriers recover from their lost revenues, allowing them to retain or create jobs.

Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program – Phase 1

To provide financial relief to address the continued impact of COVID-19 on the economy, the Federal government passed the American Rescue Plan Act (ARP) of 2021. Within the ARP, the Coronavirus State and Local Fiscal Recovery Fund (SFRF) provided approximately \$6.2 billion in funds to the State of New Jersey for a variety of recovery-specific uses. The State's Fiscal Year 2022 Appropriations Act allocated \$25,000,000 of these monies to the Authority, and the Members approved the Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program (Phase 1 of the Program) in February 2022. Phase 1 provided a one-time grant to thirteen (13) eligible commuter and transit bus private carriers that operate essential services in New Jersey.

Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2

The objective of Phase 2, similar to Phase 1, was to provide financial relief and support to private carrier companies facing reduced ridership due to the new realities of remote work. The State's Fiscal Year 2024 Appropriations Act allocated \$12 million to the Authority to fund Phase 2 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program. Phase 2 provided grants to ten (10) eligible commuter and transit bus private carriers that operate essential services in New Jersey.

OVERVIEW

Based on an additional \$3 million in funding appropriated to the Authority through the SFY2026 State Budget, the Members are requested to approve the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3 ("Program") to help commuter and transit bus transportation companies alleviate continued revenue loss due to reduced ridership. Helping the state's private carrier industry will both benefit New Jerseyans who rely on the state's commuter bus services as well as the residents employed by the private carrier companies.

The objective of Phase 3, similar to Phase 1 and Phase 2, is to provide financial relief and support to private carrier companies facing reduced ridership. Phase 3 will differ from prior Phases by distributing grant awards based on 2024 Vehicles Operated in Maximum Service (VOMS) data collected and published from the National Transit Database (NTD) for each approved applicant. Award sizes will no longer be calculated based on unmet need or total vehicle revenue miles. Phase 3 will also return to Phase 1's model of a single funding disbursement awarded upon the execution of a grant agreement. By supporting these companies, the Authority will contribute to the overall well-being of communities, help maintain essential transportation services, and foster economic resilience within the State. Providing relief grants to private carrier companies facing reduced ridership, not only addresses their financial challenges but also advances the priority of investing in communities and infrastructure. By adapting to the evolving transportation landscape, these private carriers can continue to serve their communities effectively, contributing to the overall success of the State's development goals.

TRANSPORTATION INDUSTRY-SPECIFIC DEFINITIONS

The NTD is a publicly available repository of data about the financial, operating, and asset condition of transit systems, providing a public accounting of these services. The NTD is designed to support local, state, and regional planning efforts through the availability of multiyear data for trend analyses.

To be eligible for the grant, the applicant must show it currently provides Fixed Route Services or Commuter Bus transportation, as defined in the Federal Transit Administration in the NTD Glossary and as copied here:

Fixed Route Services are services provided on a repetitive, fixed schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed route trip serves the same origins and destinations, such as rail and bus (MB); unlike demand responsive (DR) and vanpool (VP) services.

Commuter Bus (CB) is a local fixed-route bus transportation primarily connecting outlying areas with a central city. Characterized by a motorcoach (aka over-the-road bus), multiple trip tickets, multiple stops in outlying areas, limited stops in the central city, and at least five miles of closed-door service.

Additionally, we will be using the following term as defined by NTD to calculate award sizes:

Vehicles Operated in Maximum Service (VOMS) is the number of revenue vehicles operated to meet the annual maximum service requirement. This is the revenue vehicle count during the peak season of the year; on the week and day that maximum service is provided. Vehicles operated in maximum service (VOMS) exclude:

- Atypical days; or
- One-time special events.

Proposed Program Structure & Design:

To be eligible, an applicant must demonstrate the following in a manner acceptable to the Authority that they:

- Are recognized as an active Private Carrier by NJ Transit at time of application, as demonstrated by NJ Transit program participation or other equivalent documentation. Ferry operators providing bus service that are designated as Private Carriers are also eligible.
- Are a for-profit business
 - Ineligible entities include public agencies, authorities, or government entities
- Are registered to do business in and operating in the state of New Jersey, as evidenced by a valid New Jersey Tax Clearance Certificate;
- Provide active Fixed Route Services or Commuter Bus service. Proof of active service can be shown by providing route documentation (route map, schedules, etc.), proof of ridership (ticket sales, passenger counts, etc.), vehicle revenue miles, or other equivalent documentation. Other transportation services, including but not limited to those provided by charter buses, school buses, municipal shuttles, vanpool, and on-demand bus services, are not eligible.
- Satisfy the Authority's debarment/disqualification review and not have any defaults or outstanding obligations to the Authority; and
- Are in good standing with the following agencies: New Jersey Department of Labor, New Jersey Department of Environmental Protection, New Jersey Division of Taxation, and New

Jersey Transit.

The Program will be structured as a non-competitive grant. As such, the Program's application will remain open for a fixed period of time (to be determined based on anticipated demand, but not less than two weeks), and all eligible applicants that apply within this period will receive a grant. Once the application period closes, staff will review all applications for completeness and eligibility.

Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an applicant responds but does not provide the requested additional information, the application will be declined with a right to appeal.

Award Methodology:

Applicants will submit 2024 VOMS data, which will be verified with NTD.

Grants will be allocated on a percentage based on eligible applicants 2024 VOMS data as published by NTD. Awards will be determined based on the percentage of 2024 VOMS each applicant has in relation to the total 2024 VOMS from all applicants. For example, if an applicant's 2024 VOMS is 19% of the total VOMS from all applicants, then that applicant would receive 19% of the \$2,850,000 available funding.

Funding Disbursements:

The Program will disburse the entire award upon execution of a Grant Agreement. This will eliminate Phase 2's multi-disbursement approach, which was administratively burdensome. Additionally, given that the award sizes are much smaller than previous rounds, NJEDA believes it is crucial to provide the award funding amount all at once. This will allow funds to quickly be used to provide financial relief and support to private carrier companies facing continued reduced ridership.

Fees:

Per the Authority's fee rules at N.J.A.C 19:30-6.1A(b)3, application fees can be waived when there are other sources of funding for the Authority's administrative costs. Given the utilization of up to 5.0% of the appropriation (\$150,000) to cover administrative costs, such as staff time and application technology development, there will be no fees charged to applicants under the Program. NJEDA Staff will be responsible for reviewing applications, coordinating good standing reviews, disbursing funds, maintaining a Program website, and providing educational resources, such as FAQs and an informational webinar, to applicants when needed.

Diversity, Equity, and Inclusion:

This Program has a tightly defined purpose targeted to provide support to private carrier companies. To support NJEDA's commitment to diversity, equity, and inclusion, the application will include voluntary disclosures about applicant company demographic data and any relevant diversity, equity, and inclusion information for their organization

Appeals:

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Hearing Officer will recommend an administrative decision. Delegated authority is requested to accept final administrative decisions prepared by a Hearing Officer for appeals based on solely non-discretionary reasons. Due to the proportional distribution of funds, all funds will be held from assignation until all appeals are resolved, after which funds will be disbursed.

SUMMARY

The Members of the Board are requested to approve:

1. The Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3, a third phase of a relief program that provides grants to eligible commuter and transit bus private carriers in New Jersey that are experiencing reduced ridership.
2. Utilization of \$3 million appropriated to the Authority through the SFY2026 State Budget to fund the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3, of which 5.0% (\$150,000) would be utilized by the Authority to support administrative costs associated with operating the program. The balance of \$2,850,000 will be utilized as grants to eligible applicants.
3. Delegation of authority to the Chief Executive Officer to approve eligible applications and decline those based solely on non-discretionary reasons for the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3 in accordance with the terms set forth in this memo and attached program specifications (Appendix A)



Tim Sullivan, CEO

Prepared by: Cassandra Havens, Analyst, Clean Energy

Attachment: Appendix A – Proposed Product Specifications: Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3

Appendix A: Proposed Program Specifications
Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3
September 10, 2025

Program Details	<ul style="list-style-type: none"> Phase 3 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program Intended to help commuter and transit bus transportation companies alleviate ongoing revenue loss due to reduced ridership.
Program Funding	<ul style="list-style-type: none"> \$3,000,000 from the SFY2026 State Budget <ul style="list-style-type: none"> Of which 5.0% (\$150,000) would be utilized by the Authority to support administrative costs associated with operating the program
Grant Amount	<ul style="list-style-type: none"> Grants will be allocated to eligible applicants on a percentage based on each eligible applicant's 2024 VOMS data as published by NTD.
Eligibility Requirements	<p>Applicant Eligibility:</p> <ul style="list-style-type: none"> Is recognized as an active Private Carrier by NJ Transit at time of application. This includes ferry operators designated as Private Carriers. Demonstrated by NJ Transit program participation or other equivalent documentation; Be a for-profit business <ul style="list-style-type: none"> Ineligible entities include public agencies, authorities, or government entities Be registered to do business in and operating in the state of New Jersey, as evidenced by a valid New Jersey Tax Clearance Certificate; Provide fixed route bus service or commuter bus service as defined in the Federal Transit Administration's National Transit Database (NTD) Glossary. This can be through active route documentation (route map, schedules, etc.), proof of ridership (ticket sales, passenger counts, etc.), vehicle revenue miles, or other equivalent documentation to demonstrate active service. Other transportation services, including but not limited to those provided by charter buses, school buses, municipal shuttles, vanpool, and on-demand bus services, are not eligible; Satisfy the Authority's debarment/disqualification review and not have any defaults or outstanding obligations to the Authority; and Be in good standing with the following sister agencies: New Jersey Department of Labor, New Jersey Department of Environmental Protection, New Jersey Division of Taxation, and New Jersey Transit.
Application Process	<ul style="list-style-type: none"> The Program will be structured as a non-competitive grant. As such, the Program's application will remain open for a fixed period of time (to be determined based on anticipated demand, but not less than two weeks), and all eligible applicants that apply within this period will receive a grant. Once the application period closes, staff will review all applications for completeness and eligibility. Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal.

	<ul style="list-style-type: none">• Appeal process: Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Hearing Officer will recommend an administrative decision. Delegated authority is requested to accept final administrative decisions prepared by a Hearing Officer for appeals based on solely non-discretionary reasons. Due to the proportional distribution of funds, all funds will be held from assignation until all appeals are resolved, after which funds will be disbursed.
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MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: September 2025 Qualified Investment Approval

SUMMARY

The Members are asked to approve a Qualified Investment presented today under the New Jersey Innovation Evergreen Program (“Program”) for an application submitted by EdgeMed Management Ltd. (“Edge Medical Ventures” or “EdgeMed”), a Qualified Venture Firm (“QVF”) to invest into Synchrony Medical Inc. (“Synchrony Medical” or “Synchrony”). The Qualified Investment recommendation is for an investment up to \$1,000,000, with additional management fees and expenses reserved as described in this memorandum. The approval will allow Staff to utilize Program funds to execute a Qualified Investment into a Qualified Business alongside Edge Medical Ventures. Additionally, upon approval of this investment, Staff will reserve Program capital for subsequent follow-on investments into the Qualified Business and for management fees and direct administrative expenses required to support the investment, as authorized in Program regulations, and described in this memorandum.

BACKGROUND

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq.*). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq.*), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NJIEF”, or “Evergreen Fund”) and the Program, which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed. As of August 29th, 2025, approximately \$10 million of unallocated capital remains available for Program investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a QVF. Applications for QVFs opened on December 16, 2022, and as of August 29th, 2025 26 Qualified Venture Firms have been approved to operate on the platform. Qualified Venture Firm are approved by staff pursuant to an updated delegated authority approved by the Members on April 10, 2024.

Qualified Investment Review Process

To access Program co-investment capital, Qualified Venture Firms may apply for Qualified Investments on a rolling basis. Applications for Qualified Investments opened on May 23rd, 2023. NJEDA Staff recommendations are presented to the Members for consideration upon completion of eligibility review of the Qualified Business and Qualified Venture Firm associated with the Qualified Investment transaction. Such Qualified Investments in New Jersey-based businesses must receive co-investment from the Qualified Venture Firm that matches or exceeds the Qualified Investment amount. Upon approval for a Qualified Investment and as required by the Program rules, Qualified Venture Firms will establish a special purpose vehicle (“SPV”) to facilitate the Qualified Investment transaction between the Evergreen Fund, the Qualified Venture Firm, and the Qualified Business. As the Evergreen Fund’s investments mature and experience exit events (e.g. a sale or initial public offering), the proceeds from profitable investments will flow back to the Evergreen SPV. Proceeds will be used to make carried interest payments to the Qualified Venture Firm and to transfer remaining capital back to the Evergreen Fund, providing an ongoing stream of funds to support the State’s innovation ecosystem.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Applications must be submitted to the EDA within 90 days of the date of the transaction by the QVF into the high-growth business. Each request for a Qualified Investment may be as much as the Program investment limit of \$10M, or up to \$12.5M for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university. Qualified Investments into any given business will also be limited by Program concentration test limits, currently set at 10% of all invested and uninvested Program capital, which currently equates to a limit of approximately \$4.2M.

The recommendation presented to Members for consideration this month represents the Program’s tenth Qualified Investment and is for an investment of up to \$1,000,000 of Program capital alongside Edge Medical Ventures into the innovative, high-growth company, Synchrony Medical. EdgeMed has negotiated a term sheet to invest \$1,000,000 through an equity investment. The investment from EdgeMed will be executed through its \$15M fund EdgeMed Ventures L.P. The proposed Qualified Investment will be contingent upon EdgeMed successfully executing its own investment into the business at least matching any Program Qualified Investment. Based upon the projections provided by Edge Medical Ventures, and following approval by the Members, the Program will reserve an additional \$1.6M for subsequent follow-on investments into Synchrony, matching the ratio of reserves set aside by EdgeMed, along with an additional \$146,700 for management fees and \$240,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are subject to ongoing adjustments at least annually based upon guidance from Edge Medical Ventures.

Please refer to **Appendix A** for a summary of Edge Medical Ventures and an overview of the firm’s eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of Synchrony Medical and of the business’s eligibility as a Qualified Business. Finally, please refer to **Appendix C** for an overview of the proposed Qualified Investment transaction terms and related reserves for follow-on investments, transaction management fees, and direct administrative expenses.

QUALIFIED INVESTMENT REQUIREMENTS

Qualified Venture Firms may submit applications for Qualified Investments funded by the Program after receiving NJEDA Board approval as a Qualified Venture Firm or in conjunction with an application for certification as a Qualified Venture Firm. While applications for Qualified Investments are submitted by Qualified Venture Firms, the applications contain information about both the Qualified Venture Firm and the proposed Qualified Business seeking capital. Staff conducts reviews of investment applications on a first-come, first-served basis and screen both Qualified Venture Firms and proposed Qualified Businesses as part of the transaction for eligibility.

The Program investment underwriting process is completed by the NJEDA Venture Programs Department in parallel with the Product Operations Department to ensure objectivity and is limited to an eligibility review of the Qualified Investment, Qualified Venture Firm, and proposed Qualified Business. The eligibility review contains various statutory requirements that ensure the financial merit of the proposed investment, such as requiring certain experience and assets under management by the Qualified Venture Firm, as well as requiring an investment by the Qualified Venture Firm's main fund that is at least equal to the amount of the Qualified Investment. The latter ensures that the Qualified Venture Firms share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. However, the Program does not establish any additional review by staff for the financial merits of the proposed investment. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business. For a detailed description of Program eligibility and compliance requirements, see **Appendix D**.

FOLLOW-ON INVESTMENT REQUIREMENTS

The Program authorizes subsequent follow-on investments alongside Qualified Venture Firms into Qualified Businesses after the initial Qualified Investment. The Authority shall have the right, but not the obligation, to make a follow-on investment from the Evergreen Fund into the Qualified Business. Follow-on investments will be made on a pro rata basis with the Qualified Venture Firm's investment at the same ratio, which the Evergreen Fund matched the initial Qualified Investment.

The screening process for follow-on investments requires NJEDA Staff to verify that firms and businesses continue to meet Program requirements, and that the transaction conforms to Program eligibility and concentration limits. Staff will also screen for any clear signs of financial, reputational, or legal risks. As previously approved by the Board of the Authority, follow-on investments may be approved under delegation to the Authority's Chief Executive Officer (with certain exceptions) to best match operational needs and intensity with the expectations of the private market transaction.

RECOMMENDATION:

Based on the evaluation conducted by Authority staff, according to the criteria established by the Act, and clarified through Program regulations and the April 2022 Program Board memorandum, approval for an amount up to a \$1,000,000 initial Qualified Investment alongside Edge Medical Ventures' matching investment of no less than \$1,000,000 into the innovative, high-growth New Jersey-based company Synchrony Medical is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional \$146,700 and for expected associated direct administrative expenses of up to an additional \$240,000. Following approval, the Program will reserve an additional \$1.6M for subsequent follow-on investments into Synchrony Medical, matching the ratio of reserves set aside by EdgeMed Ventures L.P.



Tim Sullivan, CEO

Prepared by:

Kremena Mironova – Senior Product Officer, Venture Products

Alexander Pachman – Manager, Venture Products

Attachments:

Appendix A – Summary of Qualified Venture Firm and Eligibility

Appendix B – Summary of Qualified Business and Eligibility

Appendix C – Confidential Summary of Transaction Details

Appendix D – Detailed Program Eligibility and Compliance Requirements

Appendix A – Summary of Qualified Venture Firm and Eligibility

Overview:

Founded in 2024, Edge Medical Ventures is an early-stage investment fund with offices in Jersey City, New Jersey, and Yehuda, Israel. The firm expanded into New Jersey through a partnership with the Liberty Science Center's SciTech Scity initiative. The firm is committed to advancing healthcare by identifying and nurturing innovative companies that address significant unmet clinical needs with substantial market potential.

The three founding members of Edge Medical Ventures: Shai Policker, Gal Atarot and Noam Taichler, started their collaboration as managers of MEDX Xelerator. Founded in 2018, MEDX Xelerator focused on supporting early-stage medical device industry innovations and startups in Israel. MEDX Xelerator has fully invested its \$16.4 million in paid-in capital, successfully launching 18 companies with an average valuation multiple of 9.6x.

EdgeMed seeks to attract capital from both the United States and Israel, while supporting companies seeking to enter the U.S. market to develop collaborations with strategic partners and hospitals. EdgeMed is currently investing out of a \$15 million first fund and has made three investments to date in portfolio companies. This fund remains open for new investors and has a target fund size of \$70M.

Strategy:

Edge Medical Ventures is a MedTech-focused venture capital fund committed to transforming healthcare through strategic investments in high-impact medical device companies. Based in Israel and New Jersey, the fund targets early-stage opportunities, particularly those in the pre-seed, seed, and Series A stages.

The fund's investment strategy involves making multiple investments annually, typically ranging from \$1M to \$3M per company in the initial stages, with a reserve of \$5M to \$6M for follow-on investments to support growth. EdgeMed seeks to invest in companies that address significant unmet clinical needs across a broad spectrum of medical specialties, including urology, cardiology, peripheral interventions, endoscopy, women's health, interventional oncology, respiratory, minimally invasive surgery, and chronic disease home monitoring.

In addition to its investment activities, EdgeMed operates EdgeLabs, a venture creation studio. In collaboration with academic institutions and healthcare providers, EdgeLabs identifies and nurtures groundbreaking innovations, ensuring optimal product-market fit through strategic partnerships.

EdgeMed is particularly dedicated to supporting Israeli MedTech companies looking to enter the U.S. market. By leveraging strong connections with U.S.-based healthcare systems, investors, and industry leaders, the firm helps bridge Israeli innovation with the U.S. healthcare system. The firm also encourages Israeli startups to relocate their headquarters to New Jersey through corporate inversion, highlighting NJ state tax credit programs and operational synergies.

Investment and Management Team:

EdgeMed is led by a seasoned leadership team with extensive expertise in medical technologies and venture creation. The three managing partners: Shai Policker, Gal Atarot, and Noam Taichler, offer a deep understanding of the Medtech ecosystem and a proven track record of building and scaling innovative companies, having worked together for the past six years.

Mr. Shai Policker is a Managing Partner of EdgeMed. With over two decades of experience in the medical device and healthcare sectors, Shai has held senior leadership positions across numerous MedTech startups since 1999. He has a strong background in managing R&D activities, leading global multi-center pre-clinical and clinical trials, and driving commercialization. Shai served as the CEO of MEDX Xelerator LP, Israeli pre-seed and seed fund and incubator, where he led the creation of 16 successful MedTech companies spanning diverse sectors, including cardiovascular, orthopedics, respiratory care, and ophthalmology. Shai holds a BS in Electrical Engineering from the Technion, Israel Institute of Technology, and an MBA from Columbia University.

Mr. Gal Atarot is a Managing Partner of EdgeMed. He was the Chief Technology Officer of MEDX Xelerator. Gal has over 20 years of experience in the medical device industry, having held pivotal R&D leadership roles, including Vice President of R&D at a surgical robotics company, which was acquired in 2017. Since joining MEDX Xelerator LP in 2018, he has overseen due diligence, venture creation, and portfolio success for the incubator. His expertise lies in the development of complex medical devices, ranging from electro-optical systems to robotics and cardiovascular technologies. Gal holds both a BS in Mechanical Engineering and an MS in Biomedical Engineering, both from the Technion, Israel Institute of Technology.

Mr. Noam Taichler is a Managing Partner of EdgeMed. He previously served as the Chief Financial Officer at MEDX Xelerator LP and oversaw the financial management of all portfolio companies. With extensive experience in senior financial management roles, Noam has worked at both private and public companies, as well as investment firms, since 2015. Notably, he served as CFO of Hutchison Kinrot, a global seed investor in water technologies and clean tech. Over the past six years, he has played a pivotal role in managing the financial operations and strategic growth of several medical technology ventures. Noam holds both a BA and an MBA from Tel Aviv University.

New Jersey Investment History:

The proposed investment in Synchrony Medical Inc. will be EdgeMed's second investment in a New Jersey-based business. Their first investment was \$1.25 million in Exero Medical, an Israeli company that later relocated to New Jersey.

Appendix B – Summary of Qualified Business and Eligibility

Synchrony Medical Inc. Business Overview

Synchrony Medical Inc. is a pioneering company in the field of respiratory therapy, dedicated to enhancing the quality of life for patients with chronic lung diseases. Founded in October 2020 by the MEDX Xelerator incubator in Israel, Synchrony Medical has developed a highly differentiated, FDA-cleared home-use device known as the LibAirty™ System. This innovative device provides effective airway clearance therapy, significantly improving patient outcomes compared to the standard of care, High Frequency Chest Wall Oscillation (HFCWO) vests. Although R&D activities will continue in Israel, Synchrony Medical will shift all other operations to the U.S. through a corporate inversion from Israel.

The LibAirty™ System is designed to break the cycle of lung infection, mucus production, and inflammation, which is common in chronic lung disease patients. It offers 2X clinical efficacy and superior user satisfaction compared to HFCWO devices. The system leverages existing US reimbursement codes and established distribution channels, positioning it for a successful market launch in 2025.

Synchrony Medical's technology is based on years of know-how developed at the National CF Center of Israel. The company's intellectual property assets include strong protection for the current airway clearance product and is also a basis for other platforms including an efficient delivery of inhaled medications. The company has completed product development, two clinical trials (one in Israel and one in the U.S.), and received U.S. FDA approval and insurance reimbursement. The company has also signed a manufacturing agreement with a supplier to support its ability to scale production.

The market potential for Synchrony Medical is substantial, with an estimated four million patients in the U.S. alone needing effective airway clearance. The company aims to capture a significant share of this market, which is expected to grow to over \$1B in value by 2031. The company's strong intellectual property protection and ongoing discussions with potential strategic partners may further enhance its competitive position. The company is also exploring opportunities for future regulatory submissions to add remote patient monitoring features to the system.

Team

Synchrony Medical's management team, led by CEO and co-founder Anat Shani, is focused on building a robust sales and marketing organization based in New Jersey to support the product launch in the U.S. market. Anat Shani has a strong background in project management within the wearable sensing space. Although this is her first role as a CEO, she has successfully led Synchrony Medical through various critical phases, including product and clinical development in both Israel and the U.S., verification and validation testing, and a successful 510(K) application. Under her leadership, the company formed a collaboration with a vest manufacturer, achieving a highly efficient development cycle in terms of both time and capital.

Before joining Synchrony Medical, Anat Shani worked at Sensible Medical Innovations Ltd. for seven years where she served as an R&D Project Manager and as an R&D Engineer. She holds an MBA from The Wharton School and IDC Herzliya, and a Bachelor of Science (BSc) in Biomedical/Medical Engineering from Ben Gurion University.

Edge Medical Ventures plans to continue supporting Ms. Shani with a growing team of strong commercial and clinical personnel in the U.S. including the recent addition of an established National Sales Director.

Eligibility

NJEDA Staff finds the proposed Qualified Business, Synchrony Medical, meets all Program Qualified Investment eligibility requirements. As described in Table 1 below, the Jersey City based, high-growth, innovative business maintains a place of business and its principal business operations in New Jersey and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, Synchrony Medical operates in the Program-targeted life sciences industry and satisfies the Program's high-growth test using forward-looking projections prepared by Edge Medical Ventures showcasing the company's projected revenue increase exceeding 150% per year over the next 4 years. Finally, the proposed Qualified Investment size of \$1,000,000 is within the concentration limit of aggregate investments into any Qualified Business of 10 percent of the Program's uninvested and invested capital.

Table 1: Synchrony Medical Eligibility Review

Criteria	Criteria Explanation	Eligibility
NJ Principal Business Operations	Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State, or (v) the location where the business's high level officers direct, control and coordinate the business's activities is in New Jersey and New Jersey has the largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.	One out of Synchrony's two U.S.-based full-time employees resides and works in New Jersey.
NJ Place of Business	Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.	Synchrony Medical's corporate headquarters is located at SciTech Scity in Jersey City, New Jersey.
Targeted Industry	Qualified Investments will be restricted to businesses operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and	Synchrony Medical operates in the Program-targeted life sciences sector.

	beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models. Qualified Business shall be considered to be in a targeted industry if the business is engaged primarily in a targeted industry.	
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	Synchrony Medical maintains two U.S.-based full-time employees, as evidenced by their employee log and employee payroll.
High-growth Business	<p>Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.</p> <p>Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections. For these businesses, Qualified Venture Firms may submit their base case projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in any, one-year period over the subsequent 3-5 years.</p>	<p>Synchrony Medical satisfies the Program's high-growth test using forward-looking projections prepared by Edge Medical Ventures showcasing the company's projected revenue growth of c. 150% for the period 2026-2029.</p> <p>Forward-looking projections are permissible in this case, as Synchrony Medical has less than one year of revenue and customers and has not previously raised third-party equity capital prior to this financing round.</p>
Concentration Limits on Businesses	The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.	The proposed \$1,000,000 Qualified Investment is less than 2% of the Program's uninvested and invested capital.

Note: Table 1 depicts the Program's primary Qualified Business eligibility requirements, however the Program maintains additional technical requirements, such as the requirement to register to do business in the State.

Appendix C – Confidential Summary of Transaction Details

Transaction Overview

Edge Medical Ventures has executed a Stock Purchase Agreement with Synchrony Medical to purchase \$1,000,000 worth of Series Seed Preferred Stock of Synchrony Medical Inc. The investment will provide Edge Medical Ventures with approximately a 10% share of equity in the company on a fully diluted basis. The company plans to raise a total of \$2.5M in this Series Seed fundraising round at a \$5M pre-money valuation. The round is being led by Edge Medical Ventures, with other investors expected to join the round. Upon successfully raising the Series Seed Preferred financing round, Edge Medical Ventures will control an additional 6.6% of equity in the company through the conversion of a previously issued SAFE agreement of \$400,000.

Although the Stock Purchase Agreement executed between Edge Medical Ventures and Synchrony Medical includes a provision for a milestone investment where the second tranche of the investment amount is committed after the first product sale by Synchrony Medical, Edge Medical Ventures plans to invest the full amount since the business has already met the investment milestone. The proposed Qualified Investment will be contingent upon, and match, EdgeMed's investment.

EdgeMed's Financial Analysis

The Program does not establish a review for the merits of the proposed investment. Rather, the Program will rely on Qualified Venture Firms that will share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business. Table 2 below provides an overview of the projected revenues and operating expenses provided by the Qualified Venture Firm through 2029.

Following this \$2.5M financing round Synchrony Medical will also be eligible to pursue a grant from the Israeli Innovation Authority of up to \$1.5M bringing the total planned capital raise to \$4M. In addition, gross profits are expected to contribute \$2.6M through the end of 2026 bringing total additional cash to \$6.6M and extending runway through Q4 2026. Series A round of \$7-10M is planned for Q2 2026 ahead of further sales expansion.

Edge Medical Ventures forecasts that Synchrony Medical will grow to \$64 million in revenues by the end of 2029, from \$4.1M in 2026, representing a CAGR of 150%. Funds from the Series Seed financing round will support additional R&D and clinical activities as well as the formation and expansion of commercialization operations in New Jersey. The Series Seed financing round is expected to take Synchrony through the end of 2026, when the company will need to raise another round of preferred stock to fund further operations.

Table 2: Financial Projections Provided by Investor

Year	2025 (Aug-Dec)	2026	2027	2028	2029
Financial Summary					
Revenue	\$370,000	\$4,100,000	\$15,600,000	\$33,800,000	\$64,800,000
YOY Growth		1008%	280%	117%	92%
Gross Margin	60%	60%	65%	73%	80%
Gross Profit	\$369,999	\$4,099,999	\$15,599,999	\$33,799,999	
Fundraising					
Pre-Money Value	\$5,000,000		\$117,000,000	\$253,500,000	\$486,000,000
Raise Amount	\$2,500,000		\$10,000,000		
Enterprise Value	\$7,500,000		\$127,000,000		
NJ Evergreen Ownership	9.96%				

Reserves for Management Fees and Special Purpose Vehicle Administrative Expenses

The Program will reserve funds to pay Qualified Venture Firm management fees and direct administrative expenses necessary to comply with the Program (such as costs for establishing the Evergreen special purpose vehicles and compiling the annual reports). The Program will pay firms their standard management fee and carried interest rate up to the limit established by the Authority based on peer industry norms. Reserves for management fees will be guided by a management fee schedule provided by the venture firm at the time of an application for an initial Qualified Investment, to be updated annually. The Qualified Venture Firm Active Fund for the proposed Qualified Investment, EdgeMed Ventures L.P., charges an annual management fee rate of 2% of the committed capital and a carried interest rate of 20%. The carried interest and management fee rates fall within the Program limits of 30% and 2.5%, respectively.

Additional direct administrative expenses paid by the NJIEF to QVFs will be limited to a budgeted cap applied to all NJIEF investments, established by the Authority based on industry standard costs of establishing and winding down a special purpose vehicle, auditing a special purpose vehicle, and other direct miscellaneous administrative and accounting costs. If a Qualified Venture Firm's direct expenses exceed the budgeted limit, of \$15,000 per special purpose vehicle for one-time formation and wind down costs, and \$25,000 per special purpose vehicle per year for the life of the special purpose vehicle for ongoing administrative costs such as an annual audit, the firm must cover any excess costs. The expected life of the Evergreen SPV will mirror that of the Qualified Venture Firm Active Fund, which has approximately eight years remaining on its expected fund life.

As depicted below, NJEDA Staff recommends reserving an additional \$240,000 for direct administrative expenses necessary to comply with the Program and an additional \$146,700 for management fees payable to Edge Medical Ventures.

Table 3: Projected Management Fee and Administrative Expenses

\$'s in thousands	One-time	4Q25	2026	2027	2028	2029	2030	2031	2032	2033	Total
Management Fee Rate	-	0.67%	2.00%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	1.50%	
Management Fee Amount	-	\$6.7	\$20.0	\$20.0	\$20.0	\$20.0	\$15.0	\$15.0	\$15.0	\$15.0	\$146.7
Direct Admin Expenses	\$15.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$25.0	\$240.0

Reserves for Follow-on Investments

Under the Program, the Authority shall have the right, but not the obligation to make follow-on investments from the Evergreen Fund into Qualified Businesses. The Authority will reserve Fund capital for follow-on investments in Qualified Businesses in an amount based on the same ratio set aside by the Qualified Venture Firm, up to the Program investment limits noted above in any twelve-month period. To align in lock-step proportion with the amount reserved for subsequent follow-on investments into Synchrony Medical by EdgeMed Ventures L.P., staff recommends the Program reserve \$1.6M for follow-on investments. Updated reserve estimates will be provided annually by the Qualified Venture Firm, which will inform staff allocation decisions about changes to Program reserves.

Appendix D – Detailed Program Eligibility and Compliance Requirements

QVF and Investment Requirements at Time of Initial Qualified Investment

QVFs must demonstrate continued compliance with Program initial certification requirements described in this memorandum through the time of approval for a Qualified Investment. The firms are not re-evaluated based on the Program’s weighted scoring criteria at the time of application for Qualified Investment. Continued eligibility requirements for Qualified Venture Firms required at the time of application for initial Qualified Investments include, but are not limited to, those described below, which are further defined in the Program regulations.

- 1) Number of Investors Employed by the Firm: QVFs must continue to employ at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each) at the time of application.
- 2) Minimum Assets Under Management: QVFs must continue to maintain at least \$10,000,000 in assets under management at the time of application.
- 3) Limit on Size and Number of Investments: QVFs may only complete up to two qualified investments per calendar year. Applications for investments shall not be less than \$100,000 per Qualified Investment and must be limited to \$10,000,000 per investment. If the proposed Qualified Business is a New Jersey university spin-off, utilizes intellectual property developed at a NJ university that is core to its business model, or is certified by the State as a “minority business” or a “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), the businesses may qualify for a Qualified Investment of up to \$12,500,000.

In cases where multiple Qualified Venture Firms apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same Qualified Business up to a \$10,000,000 aggregate initial investment limit, or \$12,500,000 limit for select types of companies, if the investments occur in the same fundraising round.

- 4) Concentration Limits on Qualified Venture Firms: To mitigate concentration risk, Qualified Venture Firms may only receive aggregate Program capital across investments up to 15 percent of the firm’s total assets under management, to be tested at the time of initial and follow-on investment application. If the Program is unable to fulfill a QVF’s entire request for investment due to investment size and concentration risk policies or an availability of funds, a QVF may amend the amount requested through its investment application.
- 5) Timing of Investment Application: Qualified Venture Firms must have at least begun negotiations over a draft term sheet with a business before applying for a Qualified Investment. In all cases, an executed stock purchase agreement, which finalizes the terms of the investment between the Qualified Venture Firm and the proposed Qualified Business, must be submitted by the Qualified Venture Firms to close on an approved Qualified Investment. The investments must be part of the same fundraising round and on equal terms.

Qualified Business Requirements at Time of Initial Qualified Investment

Proposed Qualified Businesses must also meet Program eligibility requirements prior to Qualified Venture Firms receiving approval for a Qualified Investment into the business. Eligibility is reviewed by NJEDA Staff from the Venture Programs Department in parallel with the Product Operations Department to ensure objectivity of review. Qualified Business eligibility requirements at the time of application for an initial Qualified Investment include, but are not limited to, those described below.

1) New Jersey Principal Business Operations: Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State, or (v) the location where the business's high level officers direct, control and coordinate the business's activities is in New Jersey and New Jersey has the largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.

2) New Jersey Place of Business: Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.

3) Targeted Industry: Qualified Investments will be restricted to businesses primarily operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models.

4) Limit on Business Size: Qualified Businesses must employ fewer than 250 full-time employees.

5) High-growth Business: Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.

Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections from the Qualified Venture Firm. For these businesses, QVFs may submit their base case forward-looking projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in anyone-year period over the subsequent 3-5 years.

6) Concentration Limits on Qualified Businesses: The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.

QUALIFIED VENTURE FIRM COMPLIANCE REQUIREMENTS

Qualified Venture Firms must submit an annual report to the Authority demonstrating they remain in compliance with Program requirements. Ongoing compliance requirements include continuing to maintain at least \$10,000,000 in assets under management and two full-time investors employed to direct investment capital with at least five years of professional money management experience. QVFs must also submit documentation demonstrating the firm's efforts to identify New Jersey-based investment opportunities.

Additionally, Qualified Venture Firms that received points through the Program's weighted criteria evaluation model for maintaining robust diversity, equity, and inclusion or New Jersey Incentive Area investment policies must demonstrate best efforts to comply with their policy goals. Firms that fail to do so will be rescored through the weighted criteria evaluation model and risk decertification should their score fall below the minimum acceptable score.

The annual reports will also include important information pertaining to program Qualified Investments, such as audited financial statements of the Evergreen SPV established to execute the Qualified Investment and Qualified Venture Firm Active Fund. Firms that fall out of compliance with program requirements risk decertification.

QUALIFIED BUSINESS COMPLIANCE REQUIREMENTS

Qualified Businesses that receive Qualified Investment capital from the Evergreen Fund must meet ongoing compliance requirements throughout the Qualified Business Compliance Period, which is the period starting with the initial Qualified Investment and ending with the sale or other disposition of all shares of stock of the Qualified Business from the Evergreen SPV, including any distribution of the shares to the NJEDA. If the distribution of the shares of stock from the Evergreen Fund SPV to the NJEDA occurs in less than five years after the Qualified Investment, the Qualified Business Compliance Period shall be five years or such other shorter Qualified Business Compliance Period determined by the NJEDA, which may be based on factors including, but not limited to, the number of the Qualified Business full-time employees filling a position in New Jersey.

Throughout the Qualified Business Compliance Period, Qualified Businesses that receive a Program Qualified Investment must maintain a place of business and their principal business operations in New Jersey, as described in this memorandum. Compliance will be tested annually, and businesses that fail to meet ongoing requirements will receive a one-year grace period to come back into compliance. If Qualified Businesses fail to continue to meet Program compliance requirements following the conclusion of the one-year grace period, the NJEDA may exercise its right of redemption to require the Qualified Business to redeem the shares purchased with the Qualified Investment and any follow-on investments for an amount equal to the greater of the cost of the Qualified Investment plus follow-on investments or the fair market value of the shares at the time of the redemption demand. If the Qualified Venture Firm or any other investor offers to purchase the shares for the same amount as set forth above, the NJEDA may accept such purchase instead of redemption.



TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: New Jersey Innovation Fellows (NJIF) Staff Recommendation for Award to Applicant, Stack Wallet Inc.,

RECOMMENDATION:

The members are requested to approve the staff's recommendation:

- Expand the number of NJIF Cohort I awards to include applicant, Stack Wallet Inc., in the mentorship program, resulting in an increase of \$350,000 in total Program awards disbursement.

BACKGROUND

The New Jersey Innovation Fellows Program, a competitively scored program, provides financial and mentorship support to newly formed teams of first-time entrepreneurs, with business plans to operate in an eligible targeted industry, through two-year income replacement grants and a dedicated mentorship program. The Program offers a \$200,000 base grant award over a two-year period, with potential bonuses and is designed to help teams of entrepreneurs forgo traditional employment while focusing on their startup venture. The bonuses include \$50,000 for entrepreneurs residing in opportunity zones, and for entrepreneurs self-identified as diverse or providing evidence of graduating from a New Jersey college or university. Based upon bonuses, teams of entrepreneurs may be eligible to receive grants up to \$400,000. The Program requires all members to participate in a mentorship program which helps increase the chance of business longevity and success.

This Program supports teams of at least three entrepreneurs, of whom at least 50% of its members are first-time entrepreneurs, and who are committed to working full-time on their proposed business for at least two years. All entrepreneurs are required to pay gross income tax during the two-year grant period and meet Program compliance requirements.

If an approved team fails to meet continued eligibility or compliance requirements, their funding may be paused, and they must provide a remedy within three months to resume disbursements of their grant award. If the team fails to resolve the issue(s), the team may be removed from the Program and subject to clawback of funds.

On June 18, 2023, the Program received an application from Stack Wallet, Inc., a new company within the advanced manufacturing sector. The applicant proposed using advanced manufacturing techniques to

produce durable and effective consumer products. The company seeks to use advanced manufacturing techniques to create ultra-compact, functional wallets to address the bulkiness of traditional wallet design. Further, Stack Wallet seeks to utilize advanced injection molding techniques and incorporate ocean-recovered nylon into its products, to support environmental cleanup efforts and promote the use of sustainable materials.

Staff determined that neither co-founder, David Talerico nor Robert Blau, met the statutory definition of a "First Time Entrepreneur" due to their roles as both founders and chief financial officers in previous joint ventures. Pursuant to the Program's eligibility criteria, which mandate that at least 50% of the founding team (i.e., two out of its three founders) must qualify as first-time entrepreneurs, the applicant was deemed ineligible. On November 3, 2023, the Program received a formal appeal from Stack Wallet, Inc., regarding the denial of its application to the NJ Innovation Fellows based on the Program citing that they did not meet the minimum of 50% of the entrepreneurial leadership team classified as first-time entrepreneurs.

An Authority Hearing Officer was assigned to review the appeal, relevant file materials and the evaluation process used to decision the "first-time entrepreneur" eligibility criteria. On September 18, 2024, following this review, the application was sent back to staff for a new determination on this eligibility criteria based on information they failed to consider on their initial determination. We note that the appeal has been held since and would be deemed moot if the Board approves staff's recommendation to award Stack Wallet, Inc.

As part of the continuing review, staff sought to verify information related to Mr. Blau's involvement as a founder in Pocket Appeal. Staff sought to determine whether Mr. Blau's activities in Pocket Appeal excluded him from being a first-time entrepreneur as defined by the program. On July 17, 2025, the reviewing staff initiated an inquiry into Mr. Blau's involvement in operating a business within a targeted industry in New Jersey and examined the funding sources for his business ventures. The purpose was to determine whether Mr. Blau qualified for the designation of "First Time Entrepreneur". These criteria include:

(1) whether the applicant has been a founder, co-founder, or owner of a business entity operating within a targeted industry in New Jersey; or

(2) whether the applicant has received third-party institutional funding for any prior entrepreneurial ventures, including those at the ideation stage.

Mr. Blau affirmed, in his written reply to the staff's inquiry, that he had never been listed as a founder, co-founder, or owner of a business entity operating within a Targeted Industry. He clarified that Pocket Appeal Inc. was engaged in producing a consumer product (keychain bottle openers) using conventional manufacturing. Mr. Blau asserted that the business did not participate in research and development activities related to new manufacturing techniques nor did it employ advanced technologies such as additive manufacturing, computer-aided manufacturing, advanced sensors, robotics, or digital twin development. Furthermore, Mr. Blau stated that Pocket Appeal Inc. did not use or develop advanced materials or innovative manufacturing processes that would distinguish it from conventional manufacturing practices. Additionally, Mr. Blau certified that Pocket Appeal Inc. did not receive financial support from external investors; all funding was sourced from personal resources and family contributions.

Based upon these clarifications, staff made the following two determinations:

1. Robert Blau: Has not been involved as a founder, co-founder, or owner of a business within a Targeted Industry in New Jersey, nor has he received third-party institutional funding for past ventures. Therefore, Mr. Blau is eligible as a First Time Entrepreneur.
2. Karen Talerico: Ms. Talerico has not been involved as a founder, co-founder, or owner in a Targeted Industry in New Jersey, nor has she received third-party institutional funding for past ventures. Karen is, therefore, eligible as a First Time Entrepreneur.

As a result of this eligibility determination of greater than 50% of founding entrepreneurs being First Time Entrepreneurs, Stack Wallet is deemed eligible under Program requirements. Therefore, the appeal will be withdrawn and the initial determination of ineligibility reversed. The applicant is recommended to proceed with enrollment into the mentorship program and be eligible to receive a \$350,000 Program grant.

RECOMMENDATION:

The members are requested to approve the staff's recommendation:

1. Expand the number of NJIF Cohort I awards to include applicant, Stack Wallet Inc., in the mentorship program, resulting in an increase of \$350,000 in total Program awards disbursement.



Tim Sullivan, CEO

Prepared by: Michelle Martinez, Product Officer, Venture Programs



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Delegated Authority for NJEDA CEO to Appoint the
First NJGB Executive Director

Request:

The Members are asked to approve delegated authority to the NJEDA CEO to appoint the first New Jersey Green Bank (“NJGB”) Executive Director because the first Executive Director shall be an NJEDA employee.

NJGB By-laws

The NJGB is a wholly-owned subsidiary of the NJEDA, created pursuant to Section 16 of P.L. 1997, c. 150 (C.34:1B-159) – the “Subsidiary Act” – and was approved by the Members on April 10, 2024. Members approved the current version of the NJGB By-laws on October 9, 2024. Article V of the NJGB By-laws states that the first Executive Director shall be approved by the NJEDA Board and all subsequent executive directors shall be approved by the NJGB Board.

NJEDA By-laws

The Members approved the current version of the NJEDA By-laws on March 9, 2022. Article V of the NJEDA By-laws empowers the CEO to oversee the general and active management of the NJEDA, which expressly includes hiring and supervising NJEDA staff.

Reason for Delegated Authority

This request would authorize the NJEDA CEO to approve and appoint the first NJGB Executive Director. At the time of drafting the NJGB By-Laws, which requires NJEDA Board approval of the first Executive Director, it was envisioned that the NJGB would hire staff directly. To date, however, all staff that support the NJGB have been, and continue to be, NJEDA employees. The NJGB anticipates that its first Executive Director shall also be an NJEDA employee. Because the NJEDA CEO is authorized under the NJEDA By-laws to make hiring decisions related to NJEDA staff and because the first NJGB Executive Director will be an NJEDA employee, this request for delegated authority is being brought to the Members to align the CEO’s existing hiring authority under the NJEDA By-laws with the appointment process of the first NJGB Executive Director.

under the NJGB By-laws. In the future, the NJGB Board would be responsible for the appointment of any future executive directors.

Recommendation

For the reasons above, the Members are asked to approve delegated authority to the NJEDA CEO to appoint the first NJGB Executive Director.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: John Kuehne
Kerry McNeilly



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Special Adoption and Concurrently Proposed Rules for the
Historic Property Reinvestment Program “2.0” (N.J.A.C. 19:30Y)

Request:

The Members are asked to approve the attached special adoption rules and concurrently proposed rules for the Historic Property Reinvestment Program (“HPRP” or “Program”) and to authorize staff to (a) submit the special adoption rules and concurrently proposed rules to the Office of Administrative Law (“OAL”) for publication in the New Jersey Register and (b) submit the concurrently proposed rules for final adoption if no substantive comments are received; subject to final review and approval by the Office of the Attorney General, the Governor’s Rules Office, and OAL.

Background:

HPRP 1.0

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (“ERA”) into law as P.L. 202, c. 156, establishing a host of new and updated programs administered by the Authority, including establishing the HPRP (sections 2 through 8 at P.L. 2020, c. 156 (codified at N.J.S.A. 34:1B-270 through 34:1B-276)). On July 7, 2021, Governor Murphy signed P.L. 2021 c.160 amending P.L. 2020, c.156, including the HPRP and further improving the programs established under the ERA. On February 9, 2022, the members approved the creation of and the rules for the HPRP.

On March 7, 2022, the proposed rules were filed with OAL. The proposal followed the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and were published in the April 4, 2022 New Jersey Register for public comment. One set of comments was received with questions but without any request for substantive changes.

On October 3, 2022 the final adoption of the rules with responses to the questions received but without changes to the rules were published in the New Jersey Register and effective on November 7, 2022.

HPRP 2.0

On September 4, 2025, Governor Murphy signed A4619 into law as P.L. 2024, c.61. The amendments included, but were not limited to, increasing the amount of tax credits that may be awarded to non-transformative rehabilitation projects, changes to some program definitions, eliminating the financing gap requirement for smaller projects and projects located within government restricted municipalities, and allowing certain prior construction activities.

Program Description

The HPRP focuses on historic preservation as a component of community development, encouraging long-term private investment into the State while preserving properties that are of historic significance. The program can be used to leverage the federal Historic Tax Credit program to incentivize rehabilitation of identified historic properties. The amount of tax credits a rehabilitation project receives is a percentage of the project's eligible costs, subject to a statutory cap determined by whether the project includes a qualified property or a transformative property and on project location.

Eligibility

To be eligible for the HPRP, a project must meet various eligibility criteria at the time of application, including:

- Demonstrate that without the tax credit, the rehabilitation project is not economically feasible.
- Projects with total project costs over \$5 million and located outside of a government restricted municipality must:
 - Prove that a project financing gap exists. Note: Under the prior HPRP "1.0" Rules a financing gap was required for all projects; and
 - Show business entity contributed equity of at least 20 percent of the Total Cost of Rehabilitation. Note: Under the prior HPRP 1.0 rules, the business entity contributed equity was at least 10 percent of the Total Cost of Rehabilitation for projects located within a government restricted municipality, while all other projects were required to show equity contribution of at least 20 percent.
- Have not commenced any construction or rehabilitation activity at the site of the rehabilitation project prior to submitting an application and will not commence any construction or rehabilitation activity until the execution of the Rehabilitation Agreement (with certain limited exceptions). Note: These HPRP "2.0" rules codify the legislative change creating new exceptions for certain prior construction, making the Program more user friendly.
- Meet minimum cost requirements where the cost of rehabilitation for the selected rehabilitation period shall not be less than the greater of the adjusted basis of the structure or \$5,000.
- For a residential project, the structure must serve a residential rental purpose and also contain at least four dwelling units.
- For a residential project or a redevelopment project consisting of newly-constructed residential units, at least 20 percent of the residential units constructed shall be reserved for occupancy by

low- and moderate-income households with affordability controls as required under the “Fair Housing Act.”

- Include the rehabilitation of a qualified property or transformative property.

Program Cap and Awards

Projects under the HPRP are subject to an annual program cap of \$50 million for a total of \$300 million for a period of six years. Annual unused amounts may be included in the amounts available for approval in the subsequent year.

The Historic Property Rehabilitation program awards are calculated based on a percentage of the cost of rehabilitation (eligible costs), with actual percentages dependent on the type of property (e.g., whether it is a qualified property or a transformative property) and on location of the project.

Good Standing with Sister Agencies

In addition to meeting the program eligibility, the business entity and any co-applicant must be in substantial good standing with the New Jersey Department of Labor and Workforce Development, the New Jersey Department of Environmental Protection, and the New Jersey Department of Treasury (as determined by each Department). The eligible business entity and any co-applicant must have no unpaid liability in excess of any threshold dollar amount(s) that may be established by each respective Department. If a compliance issue exists, the eligible developer or co-applicant may have an agreement with the respective Department that includes a practical corrective action plan, as applicable. Furthermore, the business entity will be required to provide, prior to execution of a grant agreement, a valid tax clearance certificate from the Division of Taxation within the New Jersey Department of Treasury.

Key Updates

Proposed amendments to the Program rules at N.J.A.C. 19:30Y are consistent with the recent statutory updates in P.L. 2024, c. 61. Specifically, these amendments are proposed to implement the following statutory changes to the Program:

Definitions

Amends defined terms as follows:

- “Qualified property” to allow for better alignment with the federal program and to facilitate projects to rehabilitate multi-structure properties.
 - Includes historic designation obtained as part of the Federal Historic Preservation Tax Incentives Program Part 1 approval (36 C.F.R. s.67.3 and 36 C.F.R. s.67.4) as one of the allowable prior historic designations required. (A project using this designation must complete the process of listing the property in accordance with the “New Jersey Register of Historic Places Act” (N.J.S.A. 13:1B-15.128) and the New Jersey Register of Historic Places rules (N.J.A.C. 7:4-1) within one year of the issuance of the final tax credit for the project.)¹

¹ A score value for the new designation (consistent with values assigned to the other historic designations in the definition) has been added to the Program’s Scoring Criteria.

- May include more than one building/structure.
- “Selected rehabilitation period” to increase the maximum duration of the period for single-phase projects from 24-months to 36-months.

Eligibility criteria

Amends the Program’s eligibility criteria include:

- Elimination of the requirement for a funding gap and equity contribution for projects with total costs under \$5 million and those located within government restricted municipalities.
- Exceptions for construction at a rehabilitation project site prior to application and the execution of the rehabilitation agreement if the work meets one of the following exceptions:
 - Work is approved by the New Jersey Historic Trust or the New Jersey State Historic Preservation Office as meeting the Secretary of the Interior’s Standards for Rehabilitation.
 - The business entity is ordered by a building code or other official with jurisdiction over the site of the rehabilitation project to correct a health, safety, or other hazard. (The work must be limited to correcting the identified issue and must be completed in accordance with the Secretary of the Interior’s Standards for Rehabilitation.)
 - Work was completed by the applicant more than two years prior to the date of application to the Program.
 - Work was completed within two years of application in accordance with the Secretary of the Interior’s Standards for Rehabilitation.
 - Construction was conducted by an entity that is not the current owner or business entity, or an affiliate of the current owner or business entity, and was not done at the direction of or under contract with the current owner, business entity, or an affiliate of the current owner or business entity.

Any work completed prior to submitting an application or execution of the agreement under the Program may be considered as part of the project, but will not be considered an eligible cost when calculating and determining the award amount under the Program.

Calculation of Tax Credit Amount

Increases the amount of tax credits that may be awarded to non-transformative rehabilitation projects as follows:

- Rehabilitation projects *not* located in a qualified incentive tract or a government restricted municipality: Increases the award percentage threshold from 40 percent to 50 percent of the cost of rehabilitation, and the award cap from \$4 million to \$8 million.
- Rehabilitation projects located *in* a qualified incentive tract or a government-restricted municipality; Increases the award percentage threshold from 45 percent to 60 percent of the cost of rehabilitation, and the award cap from \$8 million to \$12 million.

Application Rounds

Applications may be accepted on a rolling basis, rather than through competitive application windows, with awards based on the order in which complete applications are received by the Authority. All applications received will be scored based on the Program’s established scoring criteria. A minimum score of 50 out of a possible 100, will be required to be considered for an award under the Program. However, if interest in the Program so warrants, at the Authority’s discretion and upon notice, the Authority may

reinstitute a competitive application process whereby all completed applications submitted by a date certain will be evaluated as if submitted on that date.

Program Fees

The new rules introduce a new lower fee structure for projects with eligible costs under \$5 million, to encourage Program applications for smaller projects. The new fee structure, which aligns the fees for smaller projects to more closely resemble those for the Federal Historic Preservation Tax Incentives Program, was reviewed and approved by NJEDA's Chief Financial Officer.

Eligible Soft Costs

In order to better align with other NJEDA real estate incentive programs, modifications are being made to the amount of soft costs that may be considered as eligible costs. The HRPR 1.0 rules allowed for soft costs incurred up to 12 months prior to the date of application submission to be considered eligible costs. The HRPR 2.0 rules will allow for costs incurred within 24 months prior to the date of application to be considered as eligible costs under the Program. Additionally, while no cap on the amount of soft costs incurred within the established timeframe exists under the HRPR 1.0 rules, the HRPR 2.0 rules cap eligible soft costs at 20 percent of the total cost of rehabilitation.

Prevailing Wage Requirements

The new rules change the Program's construction and building service prevailing wage requirements to align with other Authority programs and begin at the time of approval of the application. Under the HRPR 1.0 rules, prevailing wage requirements for construction work begin at the start of the selected rehabilitation period and prevailing wage requirements for building services work commence at the conclusion of the selected rehabilitation period for a single-phased rehabilitation project, or at the completion of the first phase for a multi-phased rehabilitation project.

Rulemaking Process

P.L. 2024, c.61 authorizes the Authority to promulgate special adoption rules for the HPRP, which will be effective immediately upon filing with the Office of Administrative Law. In addition, concurrently proposing the new rules will allow, ultimately, for final adoption of the HPRP 2.0 rules and includes a 60-day public comment period pursuant to the Administrative Procedure Act.

Compliance with Executive Order 63

In accordance with the Executive Order 63 to ensure outreach efforts to the public and affected stakeholders on agency rulemaking, the Authority issued a media advisory and the Program team sent out emails advising interest parties that a slide deck summarizing the proposed rule changes was posted on NJEDA's webpage. Members of the public were able to submit written feedback through the NJEDA's [Informal Draft Rules Feedback - NJEDA](#) from July 14, 2025 through July 21, 2025. No comments were received.

Chief Compliance Officer Certification of Draft Rule Proposal:

Pursuant to the ERA at N.J.S.A. 34:1B-365, the Chief Executive Officer is required to appoint a Chief Compliance Officer (“CCO”) to, among other things, “review and certify that the provisions of program rules or regulations provide the authority with adequate procedures to pursue the recapture of the value of an economic development incentive in the case of substantial noncompliance, fraud, or abuse by the economic development incentive recipient, and that program rules and regulations are sufficient to ensure against economic development incentive fraud, waste, and abuse”.

CCO Patrick Caughey has reviewed the proposed rules for the HPRP 2.0 and is prepared to sign the certification, subject to the Board taking action to approve the same for submission.

Recommendation

The Members are asked to approve the attached special adoption rules and concurrently proposed rules for the Historic Property Reinvestment Program (“HPRP” or “Program”) and to authorize staff to (a) submit the special adoption rules and concurrently proposed rules to the Office of Administrative Law (“OAL”) for publication in the New Jersey Register and (b) submit the concurrently proposed rules for final adoption if no substantive comments are received; subject to final review and approval by the Office of the Attorney General, the Governor’s Rules Office, and OAL.



Tim Sullivan
Chief Executive Officer

Prepared by: C. Aidita Milsted

Attachments:

Appendix A – Special Adoption and Concurrently Proposed Rules – Historic Property Reinvestment Program “2.0”

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Historic Property Reinvestment Program

Specially Adopted and Concurrently Proposed Amendments: N.J.A.C. 19:31Y-1.1 through - 1.10, 1.12 through – 1.15.

Authorized By: New Jersey Economic Development Authority, Tim Sullivan, Chief Executive Officer.

Authority: P.L. 2020, c. 156, P.L. 2021, c. 60, and P.L. 2024, c. 61.

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

Proposal Number: PRN 2025-_____.

Submit written comments by _____, 2025, to:

Alyson Jones, Managing Director of Legislative and Regulatory Affairs

New Jersey Economic Development Authority

PO Box 990

Trenton, NJ 08625-0990

Alyson.jones@njeda.gov

Take notice that in accordance with P.L. 2024, c. 61, the New Jersey Economic Development Authority (“NJEDA” or “Authority”) has specially adopted the following amendments to implement the provisions of the New Jersey Economic Recovery Act of 2020, establishing the Historic Property Reinvestment Program, sections 2 through 8 of P.L. 2020, c. 156, as amended by P.L. 2021, c. 160, and P.L. 2024, c. 61.

The specially adopted new rules with specially adopted substantial changes became effective on

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

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

The specially adopted and concurrently proposed amendments follow.

Summary

Summary of the Rulemaking and Legislative History:

The New Jersey Economic Recovery Act of 2020, P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 (codified at N.J.S.A. 34:1B-269, et seq) created a package of tax incentive, financing, and grant programs to address the ongoing impact of the COVID-19 pandemic and build a stronger, fairer New Jersey economy, including the Historic Property Reinvestment Program. The Historic Property Reinvestment Program focuses on historic preservation as a component of community development and encourages long-term private investment into the State, while preserving properties that are of historic significance. The Program can be used to leverage the Federal Historic Tax Credit Program to incentivize rehabilitation of identified historic properties. The current Historic Property Reinvestment Program rules were published for final adoption in the November 7, 2022 New Jersey Register at 54 N.J.R. 2091(b).

On September 4, 2024, Governor Murphy signed A4619 into law as P.L. 2024, c. 61, which

amended the Historic Property Reinvestment Program in several ways, including but not limiting to increasing the award percentages and caps for non-transformative projects, creating new exceptions for prior construction work, eliminating the funding gap and equity contribution requirements for projects with a total project cost under \$5 million or located within a government-restricted municipality, increasing the duration of a single-phase project, and changes to the definition of “qualified property”.

The following summarizes the specially adopted and concurrently proposed rule amendments implementing the Historic Property Reinvestment Program:

N.J.A.C. 19:31Y-1.1, “Applicability and Scope”, is proposed for amendment to update the statutory citation to reference P.L. 2024, c. 61.

N.J.A.C. 19:31Y-1.2, “Definitions”, is proposed for amendment to define the following new term: “Structural components”. Additionally, the Authority is proposing to amend the following definitions in accordance with the most recent statutory updates or for clarity: “Cost of rehabilitation” or “eligible rehabilitation costs”; “Government-restricted municipality”; “Project financing gap”; “Qualified property”; “Rehabilitation”; “Selected rehabilitation period”; and “Transformative property”. “Cost of rehabilitation” or “eligible rehabilitation costs” is proposed for amendment to be consistent with the most recent statutory changes found at P.L. 2024, c. 61, which provides that this term means all costs associated with the structural components within a qualified property or transformative property and any softs costs associated with a rehabilitation project, except not including any costs associated with an increase in building volume. Clarifying language is also proposed to state that soft costs are limited to 20 percent of the total cost of rehabilitation, consistent with Authority practice, and that costs associated with any building or structure that does not contribute to the historic significance of the qualified or transformative property is also excluded. “Government-restricted municipality” is proposed for amendment to explicitly state the

effective date of P.L. 2020, c. 156 (January 7, 2021). “Project financing gap” is proposed for amendment to clarify that the business entity, after making all good faith efforts to raise additional capital, must certify that additional capital cannot be raised from other sources on a non-recourse basis. “Qualified property” is proposed for amendment to include language from P.L. 2024, c. 61 which allows a qualified property to be inclusive of more than one building or structure and to include properties with a historic designation obtained as part of the Federal Historic Tax Credit Program with a Part 1 approval by the National Park Service. “Rehabilitation” is proposed for amendment to include language from P.L. 2024, c. 61 which provides examples of repair or reconstruction activities, including but not limited to structural or substrate components, and electrical, plumbing, and heating components of a qualified property or transformative property. “Selected rehabilitation period” is proposed for amendment to increase the period for single-phased projects from 24 to 36 months to be aligned with the amendments in P.L. 2024, c. 61. “Transformative property” is proposed for amendment to clarify that it means a structure, including its site improvements and landscape features, assessed as real property. These definitions were additionally updated for grammar and syntax.

N.J.A.C. 19:31Y-1.3, “Eligibility Criteria”, is proposed for amendment. Subsection (a) is proposed for amendment to align the rules with the statutory changes made in P.L. 2024, c. 61, including removing the project financing gap requirement for rehabilitation projects with a total rehabilitation cost of less than \$5 million, or projects located in a government-restricted municipality; and creating new exceptions for prior construction work. Subsection (b) is proposed for amendment to clarify that soft costs incurred within 24 months prior to the date of application may be eligible as project costs for all rehabilitation projects. Subsection (c) is proposed for amendment to clarify that this section only applies to rehabilitation projects required to demonstrate a project financing gap. New subsection (d) is proposed to clarify that the evaluation of the

proposed total cost of rehabilitation against reasonable costs applies to all rehabilitation projects.

New subsection (i) is proposed to stipulate that multiple buildings and structures must either be part of a singular historic designation or a continuous site to be part of a qualified property.

Amendments are additionally proposed for grammar, clarity, and syntax, and to reflect the reorganization of this section.

N.J.A.C. 19:31Y-1.4, “Application submission requirements”, is proposed for amendment to amend the application submission requirements to require drawings or specifications that clearly show planned alterations or new construction proposed as part of the project, eliminating the need for a full set of construction documents which are currently required. This section is further proposed for amendment to not require a market study for projects that are not required to demonstrate a project financing gap. Instead, these amendments propose requiring a feasibility study regarding whether the project is able to obtain non-recourse conventional bank financing and whether the project is economically feasible without the incentive award for these projects. Amendments for grammar, clarity, and syntax are additionally proposed.

N.J.A.C. 19:31Y-1.5, “Fees”, is proposed for amendment to create a lower fee structure for projects with a cost of rehabilitation of under \$5 million.

N.J.A.C. 19:31Y-1.6, “Review and approval of completed application; tax credit amounts”, is proposed for amendment. Subsection (a) is proposed for amendment to propose accepting Program applications on a rolling basis, rather than during competitive limited application windows, with awards based on the order in which complete applications are received by the Authority. The amendments further propose permitting the Authority to institute a competitive application process if interest in the Program so warrants, at the Authority’s discretion and upon notice. Subsection (b) is proposed for amendment as the current subsection (d) and includes the language which is currently codified at subsection (e). Subsection (c), which discusses the scoring

criteria for the Program, is proposed for amendment to reflect the update in subsection (a) from a competitive to rolling application process. Subsection (d) is proposed for amendment to include language from P.L. 2024, c. 61, which stipulates that any construction or rehabilitation work completed before the start of construction of rehabilitation may be considered part of the rehabilitation project, but not considered a cost of rehabilitation. Subsection (e) is proposed for amendment to increase the award percentages and caps for non-transformative projects consistent with P.L. 2024, c. 61. Amendments for grammar, clarity, and syntax are additionally proposed.

N.J.A.C. 19:31Y-1.7, “Modifications”, is proposed for amendment at subsection (b) to reflect the increase in the selected rehabilitation period for single-phased projects consistent with P.L. 2024, c. 61.

N.J.A.C. 19:31Y-1.8, “Approval letter, rehabilitation agreement” is proposed for amendment at subsection (e) to reflect that certain projects are no longer required to demonstrate a project financing gap, consistent with P.L. 2024, c. 61. Amendments for grammar, clarity, and syntax are additionally proposed throughout this section.

N.J.A.C. 19:31Y-1.9, “Reporting requirements and annual report” is proposed for amendment at subsection (a) to include clarifying language for multi-phased projects that the annual reporting requirement commences in the year in which a tax credit is issued for the first phase of the rehabilitation project. Subsection (b) is proposed to clarify that submission of a permanent certificate of occupancy is required in the first annual report subsequent to its issuance, as well as to require documentation for the second annual report after the final tax credit is issued for qualified properties with a historic designation with a Part 1 approval by the National Park Service.

N.J.A.C. 19:31Y-1.10, “Application for tax credit transfer certification”, is proposed for amendment for grammar, clarity, and syntax.

N.J.A.C. 19:31Y-1.12, “Affirmative action and prevailing wage”, is proposed for amendment to stipulate that the Program’s construction and building services prevailing wage requirements begin at the time of approval of the business entity’s Program application. Amendments for grammar, clarity, and syntax are also proposed.

N.J.A.C. 19:31Y-1.13, “Reduction and recapture of tax credits”, is proposed for amendment at subsection (a) to include as a reason for possible recapture failure to be listed on the New Jersey Register of Historic Places for qualified properties with a historical designation with a Part 1 approval by the National Park Service within one year of issuance of the tax credit. Amendments are further proposed at subsection (d) to clarify that multi-phased projects whose architectural plans change so that the project would no longer qualify for the Program shall be subject to recapture, consistent with P.L. 2024, c. 61, and that any tax credits that have not been issued shall be forfeited. Amendments for grammar, clarity, and syntax are also proposed.

N.J.A.C. 19:31Y-1.14, “Appeals”, is proposed for amendment to clarify the policies and procedures for appeals stemming from declinations of Program applications. Subsection (b) is proposed for amendment to require the business entity to submit an explanation of the grounds for such appeal within 20 calendar days from the effective date of the Board action. Subsection (c) is proposed for amendment to clarify the appeal review procedure process, including the requirements for the hearing officer’s review and recommendation and the Authority’s Board’s responsibilities as the Final Decision Maker on the appeal. Amendments for grammar, clarity, and syntax are also proposed.

N.J.A.C. 19:31Y-1.15, “Reports on implementation of program”, is proposed for amendment for grammar, clarity, and syntax.

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

3.3(a)5.

Social Impact

The Authority anticipates that the specially adopted and concurrently proposed amendments to the Historic Property Reinvestment Program rules will have a positive social impact as these amendments will encourage smaller projects and projects in Government Restricted Municipalities to apply to the Program. This, in turn, will help bolster economic development while preserving properties and structures that are of historic importance to the State in communities throughout the state, particularly in lower-income and under-resourced communities.

Economic Impact

The Authority anticipates that the specially adopted and concurrently proposed amendments to the Historic Property Reinvestment Program rules will help strengthen the State's economy. The proposed rule amendments increase the award percentages and caps for most projects under the Program, which will encourage the revitalization of more historic structures throughout the State, which, in turn, will bolster economic growth in communities throughout the state.

Federal Standards Statement

A Federal standards analysis is not required because the specially adopted and concurrently proposed amendments are not subject to any Federal requirements or standards. Accordingly, no further analysis is required.

Jobs Impact

The NJEDA anticipates that the specially adopted and concurrently proposed amendments to the Historic Property Reinvestment Program rules will not have a direct impact on the generation or loss of jobs.

Agriculture Industry Impact

An agricultural industry analysis is not required because the specially adopted and concurrently proposed amendments are not related to any specific industry. Accordingly, no further analysis is required.

Regulatory Flexibility Analysis

The specially adopted and concurrently proposed amendments are unlikely to impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16, et seq. Any requirements are discussed in the Summary above, and if applicable to small businesses, any costs will be minimal and fully offset by the amount of financial assistance received.

Housing Affordability Impact Analysis

The specially adopted and concurrently proposed amendments will not have an impact on the average costs associated with housing or on the affordability of housing, as the rules intended to revitalize properties and structures with historic significance throughout the State. Accordingly, no further analysis is required.

Smart Growth Development Impact Analysis

The specially adopted and concurrently proposed amendments will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan in New Jersey, as the rules intended to revitalize properties and structures with historic significance throughout the State. Accordingly, no further analysis is required.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

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

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 26. HISTORIC PROPERTY REINVESTMENT PROGRAM

19:31Y-1.1 Applicability and scope

The rules in this subchapter are promulgated by the New Jersey Economic Development Authority (Authority) to implement the provisions of the New Jersey Economic Recovery Act 2020, establishing the Historic Property Reinvestment Act (Act), sections 2 through 8 at P.L. 2020, c. 156, **as amended by P.L. 2024, c. 61** (N.J.S.A. 34:1B-270 through 34:1B-276).

19:31Y-1.2 Definitions

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

“Act” means [sections 2 through 8 at P.L. 2020, c. 156, as amended (]N.J.S.A. 34:1B-270 through 34:1B-276[)].

“Affiliate” means an entity that directly or indirectly controls, is under common control with, or is controlled by, the business entity. Control exists in all cases in which the entity is a member of a controlled group of corporations, as defined pursuant to section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563), or the entity is an organization in a group of organizations under common control, as defined pursuant to subsection (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414).

“Archeology and historic preservation standards” means the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation, 48 Fed. Reg. 44716, as updated and revised by the National Park Service.

“Authority” means the New Jersey Economic Development Authority established pursuant to

[section 4 at P.L. 1974, c. 80 (N.J.S.A. 34:1B-4)].

“Board” means the Board of the New Jersey Economic Development Authority, established pursuant to [section 4 at P.L. 1974, c. 80 (N.J.S.A. 34:1B-4)].

“Building services” means any cleaning or routine building maintenance work, including, but not limited to, sweeping, vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse or trash, window cleaning, securing, patrolling, or other work in connection with the care or securing of an existing building, including services typically provided by a door-attendant or concierge. “Building services” shall not include any skilled maintenance work, professional services, or other public work for which a contractor is required to pay the “prevailing wage” as defined in [section 2 at P.L. 1963, c. 150 (N.J.S.A. 34:11-56.26)].

“Business entity,” “developer,” or “applicant” means a person who enters or proposes to enter into a rehabilitation agreement pursuant to the provisions of [section 4 at P.L. 2020, c. 156 (N.J.S.A. 34:1B-272)] and that has, or will have, site control over the qualified property or transformative property, including, but not limited to, a lender that completes a rehabilitation project, operates a rehabilitation project, or completes and operates a rehabilitation project.

“Co-applicant” means an entity that is non-profit for taxation purposes pursuant to the provisions at Section 501(c)3 of the Internal Revenue Code; contributes capital, real property, or services related to the project that directly affect and serve the anticipated residents, tenants, or customers of the tenants of the redevelopment project; and enters into a participation agreement with the business entity that specifies the co-applicant’s participation in the redevelopment project.

“Compliance period” means a period of five years starting immediately after the conclusion of the selected rehabilitation period.

“Cost of rehabilitation” or “eligible **rehabilitation** costs” means the consideration given,

valued in money, whether given in money or otherwise, for the materials and services that constitute the rehabilitation, **and includes all costs associated with the structural components within a qualified property or transformative property and any soft costs, in an amount not to exceed 20 percent of the total cost of rehabilitation, associated with a rehabilitation project, except not including any costs associated with an increase in total building volume or associated with any building or structure that does not contribute to the historic significance of the qualified property or transformative property.** [Eligible costs shall be all costs associated with the structural components, as defined at 26 CFR 1.48-1(e)(2), within the qualified property or transformative property, and any soft costs associated with the rehabilitation project. Eligible costs shall not include any costs associated with an increase in total building volume.]

“Director” means the Director of the Division of Taxation in the Department of the Treasury.

“Equity” means business entity-contributed capital that may consist of cash, deferred development fees, costs for project feasibility incurred within the 12 months prior to application, property or site value less any mortgages when the business entity owns the project site, and any other investment by the business entity in the project deemed acceptable by the Authority.

Property or site value shall be valued at the lesser of: the purchase price, provided the property or site was purchased pursuant to an arm's length transaction within 12 months of application; or the value as determined by a current appraisal acceptable to the Authority. Equity shall include Federal or local grants and proceeds from the sale of Federal or local tax credits, including, but not limited to, the Historic Rehabilitation Tax Credit, 26 U.S.C. § 47, Low-Income Housing Tax Credit, 26 U.S.C. § 42, and New Market Tax Credit, 26 U.S.C. § 45D. Equity shall not include State grants or tax credits or proceeds from redevelopment area bonds. For a residential project utilizing Low-Income Housing Tax Credits awarded by the New Jersey Housing and Mortgage

Financing Agency, equity includes the portion of the developer's fee that is deferred for a minimum of five years.

“Government-restricted municipality” means a municipality in this State with a municipal revitalization index distress score of at least 75, that met the criteria for designation as an urban aid municipality in the 2019 State fiscal year, and that, on **January 7, 2021** (the effective date of P.L. 2020, c. 156 (N.J.S.A. 34:1B-269 et seq.)) is subject to financial restrictions imposed pursuant to the Municipal Stabilization and Recovery Act, [P.L. 2016, c. 4 (N.J.S.A. 52:27BBBB-1 et seq.)], or is restricted in its ability to levy property taxes on property in that municipality as a result of the State of New Jersey owning or controlling property representing at least 25 percent of the total land area of the municipality or as a result of the Federal government of the United States owning or controlling at least 50 acres of the total land area of the municipality, which is dedicated as a national natural landmark.

“Income producing property” means a property that is used in a trade or business or to produce rental income. A property is used in a trade or business if the property generates income.

“New Jersey S corporation” means the same as the term is defined in [section 12 at P.L. 1993, c. 173 (N.J.S.A. 54A:5-10)].

“Officer” means the State Historic Preservation Officer or the official within the State designated by the Governor or by statute in accordance with the provisions of [Chapter 3023 of Title 54, United States Code (54 U.S.C. §§ 302301 et seq.)], to act as liaison for the purpose of administering historic preservation programs in the State.

“Partnership” means an entity classified as a partnership for Federal income tax purposes.

“Program” means the Historic Property Reinvestment Program established by [sections 2 through 8 at P.L. 2020, c. 156 (N.J.S.A. 34:1B-270 through 276)].

“Project financing gap” means the part of the total cost of rehabilitation, including reasonable

and appropriate return on investment, that remains to be financed after all other sources of capital have been accounted for. Sources of capital include, but are not limited to, equity, which shall not be less than 20 percent of the total cost of rehabilitation, and investor or financial entity capital or loans. The business entity, after making all good faith efforts to raise additional capital, certifies that additional capital cannot be raised from other sources **on a non-recourse basis**.

[For a redevelopment project located in a government-restricted municipality, the equity shall not be less than 10 percent of the total cost of rehabilitation.]

[“Property” means a structure, including its site improvements and landscape features, assessed as real property, and used for a commercial purpose, or residential rental of at least four dwelling units, or a combination of both. Property shall not include multiple separate rowhouses included in a single application.]

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

“Qualified property” means a property, **including a structure or structures, site improvements, and landscape features, that is assessed as real property, that is used for a commercial purpose; a residential rental purpose, provided the structure or structures contain at least four dwelling units; or any combination thereof; that is** located in the State of New Jersey; that is [an] income producing [property,]; and that is:

1. Individually listed, or located in a district listed on the National Register of Historic Places in accordance with the provisions at [Chapter 3021 of Title 54, United States Code (154 U.S.C. §§ 302101 et seq.)], and if located within a district, certified by the Officer as contributing to the historic significance of the district;

2. Individually listed, or located in a district listed on the New Jersey Register of Historic Places pursuant to [P.L. 1970, c. 268 ([N.J.S.A. 13:1B-15.128 et seq.[]], and if located within a district, certified by the Officer as contributing to the historic significance of the district;

3. Individually designated, or located in a district designated by the Pinelands Commission as a historic resource of significance to the Pinelands in accordance with the Pinelands comprehensive management plan adopted pursuant to the Pinelands Protection Act, [P.L. 1979, c. 111 ([N.J.S.A. 13:18A-1 et seq.[]], and if located within a district, certified by the Pinelands Commission as contributing to the historic significance of the district; [or]

4. Individually identified or registered, or located in a district composed of properties or structures and such district is identified or registered, for protection as significant historic resources in accordance with criteria established by a municipality in which the property, structure, or district is located if the criteria for identification or registration has been approved by the Officer as suitable for substantially achieving the purpose of preserving and rehabilitating buildings of historic significance within the jurisdiction of the municipality, and if located within a district, certified by the Officer as contributing to the historic significance of the district; **or**

5. Preliminarily determined by the National Park Service to be of historic significance in accordance with the requirements of 36 C.F.R. s.67.3 and 36 C.F.R. s.67.4, and within one year of the issuance of the tax credits, listed on the New Jersey Register of Historic Places in accordance with the “New Jersey Register of Historic Places Act”, N.J.S.A. 13:1B-15.128, et seq. and the New Jersey Register of Historic Places rules, N.J.A.C. 7:4-1, et seq., as adopted by the Department of Environmental Protection and administered through the Historic Preservation Office.

“Reasonable and appropriate return on investment” means the discount rate at which the

present value of the future cash flows of an investment equal the cost of the investment. For purposes of the analysis of the reasonable and appropriate return on investment, an investment shall not include any Federal, State, or local tax credits. For a residential project utilizing Federal tax credits under the Low-Income Housing Tax Credit Program awarded by the New Jersey Housing and Mortgage Finance Agency, the reasonable and appropriate return on investment shall be based upon the approval of deferred developer fees pursuant to N.J.A.C. 5:80-33. The Authority may establish a deferred developer fee analysis for rehabilitation projects utilizing other tax credits, including, but not limited to, the Federal Historic Rehabilitation Tax Credit, as equity if the reasonable and appropriate return on investment analysis is not applicable, including, but not limited to, when such tax credits are the sole or primary equity for the rehabilitation project.

“Rehabilitation” means the repair or reconstruction of the exterior or interior, **including, but not limited to, structural or substrate components and electrical, plumbing, and heating components**, of a qualified property or transformative property necessary to make an efficient contemporary use possible while preserving the portions or features of the property that have significant historical, architectural, and cultural values.

“Rehabilitation agreement” means the contract executed between a business entity, any co-applicant, if applicable, and the Authority pursuant to [section 4 at P.L. 2020, c. 156 ([N.J.S.A. 34:1B-272[])], which sets forth the terms and conditions under which the business entity and any co-applicant may receive the tax credit authorized pursuant to the provisions of [sections 2 through 8 at P.L. 2020, c. 156 ([N.J.S.A. 34:1B-270 through 34:1B-276[])].

[“Rehabilitation of the exterior of the qualified property or transformative project” or “repair or reconstruction of the exterior of the qualified property or transformative property” means the repair or reconstruction of the building envelope, exterior historic finishes, and exterior fixtures

and structural or substrate components of the exterior of a qualified property or transformative property.

“Rehabilitation of the interior of the qualified property or transformative property” or “repair or reconstruction of the interior of the qualified property or transformative property” means the repair or reconstruction of the structural or substrate components and electrical, plumbing, and heating components within the interior of a qualified property or transformative property.]

“Rehabilitation project” means a specific construction project or improvement, or phase of a project or improvement, undertaken by a business entity that includes the rehabilitation of a qualified property or transformative property.

“Selected rehabilitation period” means the period starting on the date the rehabilitation agreement is executed during which, or parts of which, a rehabilitation is occurring. The selected rehabilitation period shall be [24] **36** months, but a business entity may choose a selected rehabilitation period of 60 months if a rehabilitation is reasonably expected to be completed in distinct phases set forth in written architectural plans and specifications completed before or during the physical work on the rehabilitation. For purposes of this definition, a phase may be an early site package, demolition, or abatement, or a portion of a project that results in a separate certificate of occupancy or certificate of acceptance. The selected rehabilitation period shall end at the earlier of either [24] **36** or 60 months, respectively, or the issuance of the final temporary certificate of occupancy or equivalent.

“Soft costs” means costs not directly related to construction, including capitalized interest paid to third parties, real estate taxes, utility connection fees, accounting, title/bond insurance, fixtures/equipment with a useful life of five years or less, affordable housing fees, and all costs associated with financing, design, engineering, legal, or real estate commissions, including, but not limited to, architect fees, permit fees, loan origination and closing costs, construction

management, and freight and shipping delivery. The term does not include early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing and advertising, temporary signage, incentive consultant fees, Authority fees, loan interest payments on permanent financing, escrows, reserves, pre-opening costs, commissions and fees to the developer, project management, or other similar costs.

“Structural components” means the same as that term is defined in 26 C.F.R. s.1.48-1.

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

“Transformative project” means a specific construction project or improvement or phase of a project or improvement undertaken by a business entity that includes the rehabilitation of a transformative property.

“Transformative property” means a **structure, including its site improvements and landscape features, assessed as real** property that is:

1. An income-producing property, not including a residential property, whose rehabilitation the Authority determines will generate substantial increases in State revenues through the creation of increased business activity within the surrounding area;

2. Individually listed on the New Jersey Register of Historic Places pursuant to [P.L. 1970, c. 268 ([N.J.S.A. 13:1B-15.128 et seq.])] and which, before the enactment of [P.L. 2020, c. 156 ([N.J.S.A. 34:1B-269 et seq.])], received a determination of eligibility from the Keeper of the National Register of Historic Places in accordance with the provisions of [Part 60 of Title 36 of

the Code of Federal Regulations] **36 C.F.R. 60**; and

3. Located within a one-half mile radius of the center point of a transit village, as designated by the New Jersey Department of Transportation, and located within a city of the first class, as classified pursuant to N.J.S.A. 40A:6-4, or located within a government-restricted municipality.

19:31Y-1.3 Eligibility criteria

(a) A business entity shall be eligible to receive a tax credit award for a rehabilitation project only if the business entity demonstrates to the Authority at the time of application that:

1. Without the tax credit award, the rehabilitation project is not economically feasible;
2. A project financing gap exists[,] **for a rehabilitation project that has a total rehabilitation cost equal to or greater than \$5 million and is located outside of a government-restricted municipality, and if applicable,** the tax credit award being considered for the project is equal to or less than the project financing gap;
3. The proposed project is a rehabilitation project;
4. The business entity has not commenced any construction or rehabilitation activity at the site of the rehabilitation project prior to submitting an application, and will not commence any construction or rehabilitation activity until the execution of the rehabilitation agreement except as follows:

i. Work approved by the New Jersey Historic Trust or the New Jersey State Historic Preservation Office as meeting the Secretary of the Interior’s Standards for Rehabilitation pursuant to 36 C.F.R. s.67.7; or

[i] **ii.** In the event that the business entity has been ordered by a building code or other official with jurisdiction over the site or the rehabilitation project to correct a health, safety, or other hazard if:

- (1) The business entity provides a copy of the order to the Authority;
- (2) The business entity documents to the Authority's satisfaction that the proposed construction or rehabilitation activity is limited to resolve the hazard; and
- (3) The proposed construction or rehabilitation activity complies with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67.7; [and] **or**

iii. Work completed more than two years prior to the date of application; or

iv. Work completed within two years of application and in accordance with the Secretary of the Interior's Standards for Rehabilitation pursuant to 36 C.F.R. 67.7;

or

[ii] **v.** Any construction or rehabilitation activity at the site of the rehabilitation project was conducted by an entity that is not the current owner or business entity, or an affiliate of the current owner or business entity, and was not done at the direction of or under contract with the owner, business entity, or an affiliate of the owner or business entity; and

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

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

1. For applications submitted on or after January 1, 2023, soft costs incurred within 12 months prior to the date of application; and

2. For applications submitted prior to January 1, 2023, soft costs incurred within 24 months prior to the date of application.] **Soft costs incurred within 24 months prior to the date of application may be eligible project costs.**

(c) **If applicable**, [T]the Authority shall review the proposed total cost of rehabilitation and evaluate and validate the project financing gap estimated by each business entity applying for a tax credit award as follows:

1. The business entity shall demonstrate that the rehabilitation project has equity of at least 20 percent of the total cost of rehabilitation[, except that if a rehabilitation project is located in a government-restricted municipality, the equity shall be at least 10 percent of the total cost of rehabilitation;

2. The Authority shall evaluate the proposed total cost of rehabilitation against reasonable costs];

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

[4] **3.** The project financing gap analysis shall include, but not be limited to, an evaluation of the total cost of rehabilitation, amount of capital sufficient to complete the rehabilitation project, proposed rental rates, vacancy rates, reasonable and appropriate return on investment, and, in the Authority's sole discretion, a comparison to alternative financing structures for a comparable project available to the developer or its tenants.

(d) The Authority shall evaluate the proposed total cost of rehabilitation against reasonable costs.

[(d)] **(e)** The cost of rehabilitation during a business entity's selected rehabilitation period shall not be less than the greater of the adjusted basis of the structure of the qualified property or transformative property used for Federal income tax purposes as of the beginning of the business entity's selected rehabilitation period, or \$5,000.

[(e)] **(f)** In addition to the requirements set forth at [(a), (b), (c), or (d)] **(a) through (e)** above, for a residential project or a redevelopment project consisting of newly-constructed residential units to qualify for a tax credit award, the developer shall reserve at least 20 percent of the residential units constructed for occupancy by low- and moderate-income households with affordability controls as required pursuant to the Fair Housing Act, [P.L. 1985, c. 222 (]N.J.S.A. 52:27D-301 et seq.[).]

[(f)] **(g)** The rehabilitation project shall be completed, and the business entity shall be issued a temporary certificate of occupancy, **or any other appropriate documentation, as outlined in the rehabilitation agreement evidencing project completion,** for the rehabilitation project facilities by the applicable enforcing agency within the selected rehabilitation period.

[(g)] **(h)** To the extent that a rehabilitation project is within more than one geographic area with different eligibility criteria and tax credit calculations, the more favorable shall apply to the rehabilitation project.

(i) For multiple buildings or structures to be part of a single qualified property, all buildings and structures must be either part of a singular historic designation pursuant to paragraphs 1 to 5 in the definition of qualified property or be a contiguous site.

19:31Y-1.4 Application submission requirements

(a) Each application to the Authority made by a business entity **for a rehabilitation project** shall include the following information in an application format prescribed by the Authority:

1. The name of the business entity;
2. Historic name(s) of **the proposed qualified property or transformative property** as used in all applicable historic designations and the address of the **proposed qualified property or** _____

transformative property;

3. The contact information of the person identified as the primary contact for the business entity;

4. The address of the business entity and prospective future address of the business entity (if different);

5. Organizational structure of the business entity;

6. The New Jersey tax identification number;

7. The Federal tax identification number;

8. Name of historic architect or architectural historian consultant for the rehabilitation project. The historic architect or architectural historian shall meet professional qualifications for historic architecture or architectural history in the archeology and historic preservation standards;

9. The total projected number of construction employees and permanent employees at the rehabilitation project;

10. A narrative description of the rehabilitation project, including a breakdown of uses and related square footage;

11. A narrative explaining the level of experience and qualifications of the business entity and/or project team demonstrating sufficient expertise to complete the rehabilitation project, including, but not limited to, examples of successful completion of projects of similar size and scope;

12. A narrative description of the rehabilitation project approach, including, but not limited to, information regarding proposed methods for protecting historic features and fabric and for addressing unforeseen issues that may be discovered during construction. For rehabilitation projects that will include ground disturbance, the project approach shall also include information explaining the project approach to archeology within the site of the rehabilitation project, which

must address known archaeological resources and any potential archeology discovered during the course of the rehabilitation project. A proposed approach to archeology shall be prepared by, or in consultation with, a professional meeting the professional qualifications for archeology in the archeology and historic preservation standards;

13. Construction cost estimate for the rehabilitation project, including, but not limited to, all construction costs associated with the rehabilitation project. The estimate shall include the final estimate of the total cost of rehabilitation and the cost of rehabilitation;

14. Information regarding the historic significance and current condition of the qualified property or transformative property, including but not limited to:

- i. Information of any historic designations (with designation dates);
- ii. A narrative description highlighting the specific historic significance of the qualified property or transformative property (including eligibility criteria for any historic designations received); and
- iii. Photographs showing all exterior building facades, significant and representative interior spaces, and examples of significant historic fabric being proposed for repair and/or removal as part of the rehabilitation project;

15. A narrative description of the historic connection/significance of the property within the local community and information on how the proposed rehabilitation project will have a positive impact on the surrounding neighborhood;

16. **If applicable, [A] a** narrative description of any existing or potential threat to the property due to physical condition, encroachment, or other factors, including, but not limited to, supporting documentation;

17. [Full set of construction documents, including d]**Drawings and specifications that clearly show planned alterations or new construction proposed as part of the project. The**

drawings and specifications must be sufficiently detailed to show existing wall configurations and all anticipated changes. Additionally, [D] documents shall include details showing treatment of exterior and interior historic fabric throughout the building. All plans and specifications shall be prepared by, or in consultation with, a professional meeting the professional qualifications for architectural history or historic architecture in the archeology and historic preservation standards;

18. A narrative explaining how the rehabilitation project will address requirements and compliance with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67.7. Information shall include, but not be limited to, detailed specific proposed treatment for interior and exterior historic fabric, materials, and spaces throughout the property;

19. A copy of a [market and/or]feasibility study for the proposed use of the property by an independent third party;[, which shall include their position regarding the marketability and underwriting of the revenue and expense components of the property for the duration of the commitment period]

i. For projects located within a government-restricted municipality or that have a total rehabilitation cost of less than \$5 million, the feasibility study shall include the third party's conclusion regarding whether the project is able to obtain non-recourse conventional bank financing and whether the project is economically feasible without the incentive award; or

ii. For projects located outside of a government-restricted municipality that have a total rehabilitation cost equal to or greater than \$5 million, the feasibility study shall include the third party's position regarding the marketability and underwriting of the revenue and expense components of the project for the duration of the commitment period;

20. Selected rehabilitation period and anticipated construction schedule showing rehabilitation project milestones and proposed phases;

21. Financial information of the rehabilitation project, which shall include all phases, including, but not limited to, any State or local financial assistance for the project, proposed terms of financing, [projected reasonable and appropriate return on investment based on the business entity's equity, net margin, and cash-on-cash yield,] and a certification from the chief executive officer, or equivalent officer of the business entity, that additional capital cannot be raised from other sources on a non-recourse basis after making all good faith efforts to raise additional capital, and any other documentation demonstrating economic and commercial viability pursuant to N.J.A.C. 19:31Y-1.3(a);

- i. For projects located outside of a government-restricted municipality that have a total rehabilitation cost equal to or greater than \$5 million, financial information shall also include information on the projected reasonable and appropriate return on investment based on the business entity's equity, net margin, and cash on cash yield;**

22. A list of all of the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury permits and approvals or obligations and responsibilities, with which the business entity is associated, or in which the business entity has an interest. The list shall identify the entity that applied for or received such permits and approvals or have such obligations and responsibilities, such as by program interest numbers or licensing numbers. The business entity shall also submit a written certification by the chief executive officer, or equivalent officer of the business entity, stating that the business entity applying for the program satisfies the criteria at N.J.A.C. 19:31Y-1.6(d) to be in substantial good standing with the Department of Labor and Workforce Development,

the Department of Environmental Protection, and the Department of the Treasury;

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

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

25. Submission of a tax clearance certificate, pursuant to [P.L. 2007, c. 101 (]N.J.S.A. 54:50- 39[)];

26. A list of all the development subsidies, as defined at [P.L. 2007, c. 200 (]N.J.S.A 52:39- 1[)], that the business entity is requesting or receiving, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received;

27. The status of control of the site of the qualified property or transformative property, shown for each block and lot of the site, as indicated on the local tax map. If the business entity has not secured control of the site at time of application, the business entity must demonstrate an agreement with the current owner of the site, including, but not limited to, a right of entry or a letter of intent to purchase the site;

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

29. The adjusted basis of the structure of the qualified property or transformative property used for Federal income tax purposes as of the date of application and **an estimate of the adjusted basis** as of the anticipated beginning of the business entity's selected rehabilitation period;

30. 30. For projects located outside of a government-restricted municipality that have a total rehabilitation cost equal to or greater than \$5 million, the business entity must provide documentation demonstrating the business entity’s ability to meet the Program’s minimum equity requirement, which shall be no less than 20 percent of the total cost of rehabilitation;

31. [30] **31.** [In addition to the information at (a)1 through 30 above, the business entity must demonstrate the following f]For a transformative project, **the business entity must demonstrate:**

i. That the transformative project will generate substantial increases in State revenues through the creation of increased business activity within the surrounding area;

ii. **The [H]**historic name of the property and date of historic designations required in the definition of “transformative property”; and

iii. That the transformative property is located within a city of the first class and within a half mile of the center of a transit village, or government-restricted municipality by providing a map showing project site location; and

32. [31]. **32.** Any other necessary and relevant information as determined by the Authority for a specific application, including, but not limited to, information needed to complete project financial review and business entity capacity.

(b) If the business entity is applying with a co-applicant, the application shall also include the following co-applicant information:

1. The name of the co-applicant;
2. The contact information of the person identified as the primary contact for the co-applicant;
3. The address of the co-applicant and prospective future address of the co-applicant (if

different);

4. The organizational structure of the co-applicant;

5. The New Jersey tax identification number;

6. The Federal tax identification number;

7. A list of all of the New Jersey Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury permits and approvals or obligations and responsibilities, with which the co-applicant is associated or in which the co-applicant has an interest. The list shall identify the entity that applied for or received such permits and approvals or have such obligations and responsibilities, such as by program interest numbers or licensing numbers. The co-applicant shall also submit a written certification by the chief executive officer, or equivalent officer of the eligible co-applicant, stating that the co-applicant applying for the program satisfies the criteria at N.J.A.C. 19:31Y-1.6(d) to be in substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury;

8. A certification by the chief executive officer or equivalent officer of the co-applicant that the officer has reviewed the application information submitted and that the representations contained therein are accurate;

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

10. Submission of a tax clearance certificate, pursuant to [P.L. 2007, c. 101 (N.J.S.A. 54:50- 39)];

11. A list of all the development subsidies, as defined at [P.L. 2007, c. 200 (N.J.S.A. 52:39-1)], that the co-applicant is requesting or receiving, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or

received;

12. The organizing documents of the co-applicant and a narrative regarding the activity of the co-applicant generally, and in the State and municipality;

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

14. An explanation for the need of a co-applicant to receive the tax credits; and

15. Any other necessary and relevant information as determined by the Authority for a specific application, including, but not limited to, information needed to complete project financial review and co-applicant eligibility.

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

(d) If circumstances require a business entity to amend its application to the Authority, then the business entity, or chief executive officer or equivalent officer of the business entity, shall certify to the Authority that the information provided in its amended application is true under the penalty of perjury.

19:31Y-1.5 Fees

(a) A business entity applying for tax credits under this program shall submit a one-time non-refundable application fee. The application fee shall be as follows:

1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be

\$1,000;

[1] **2.** For rehabilitation projects with cost of rehabilitation [of] **between \$5 million and \$10 million** [or less], the fee shall be \$2,000;

[2] **3.** For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$7,000; and

[3] **4.** For transformative projects, the fee shall be \$18,000.

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

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

1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,500;

[1] **2.** For rehabilitation projects with cost of rehabilitation [of] **between \$5 million and \$10 million** [or less], the fee shall be \$5,000;

[2] **3.** For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$14,000; and

[3] **4.** For transformative projects, the fee shall be \$125,000.

(d) The business entity shall pay to the Authority a non-refundable fee prior to the execution of the rehabilitation agreement as follows:

1. For all rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,500;

[1] **2.** If the business entity is applying for a Federal Historic Preservation Tax Credit and has received prior approval of applications from the Officer pursuant to Parts 1 and 2 of the Historic Preservation Certification Application pursuant to 36 CFR 67.3, and if the rehabilitation project's cost of rehabilitation is **between \$5 million and** \$10 million [or less], the fee shall be \$5,000.

[2] **3.** For all other rehabilitation projects with [a] cost of rehabilitation [of] **between \$5 million and** \$10 million [or less] that have not received prior approval of applications from the Officer as specified at (d)1 above, the fee shall be \$10,000.

[3] **4.** If the business entity is applying for a Federal Historic Preservation Tax Credit and has received prior approval of applications from the Officer pursuant to Parts 1 and 2 of the Historic Preservation Certification Application pursuant to 36 CFR 67.3, and if the rehabilitation project's cost of rehabilitation is greater than \$10 million, the fee shall be \$14,000.

[4] **5.** For all other rehabilitation projects with cost of rehabilitation greater than \$10 million that have not received prior approval of applications from the Officer as specified at (d)3 above, the fee shall be \$28,000.

[5] **6.** If a business entity with a transformative project is applying for a Federal Historic Preservation Tax Credit and has received prior approval of applications from the Officer pursuant to Parts 1 and 2 of the Historic Preservation Certification Application pursuant to 36 CFR 67.3, the fee shall be \$125,000.

[6] **7.** For all other transformative projects that have not received prior approval of applications from the Officer as specified at (d)5 above, the fee shall be \$250,000.

(e) For all rehabilitation projects, including transformative projects, a business entity shall pay to the Authority a non-refundable fee prior to the receipt of the tax credit certificate. For a

rehabilitation project with a selected rehabilitation period of 60 months, the business entity shall pay an additional non-refundable fee prior to the approval of the project cost certification for the second phase and each subsequent phase. The fee shall be as follows:

1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,500;

[1] **2.** For rehabilitation projects with cost of rehabilitation [of] **between \$5 million and \$10 million** [or less], the fee shall be \$5,000;

[2] **3.** For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$14,000; and

[3] **4.** For transformative projects, the fee shall be \$125,000.

(f) A business entity applying for a tax credit transfer certificate pursuant to N.J.A.C. 19:31Y-1.11, or permission to pledge a tax credit transfer certificate purchase contract as collateral, shall pay to the Authority a fee, as follows:

1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,000;

[1] **2.** For rehabilitation projects with cost of rehabilitation [of] **between \$5 million and \$10 million** [or less], the fee shall be \$5,000;

[2] **3.** For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$7,500; and

[3] **4.** For transformative projects, the fee shall be \$25,000.

(g) Upon application to pledge, assign, transfer, or sell any or all of its rights, title, and interest in and to a rehabilitation agreement and in the tax credits payable thereunder, a developer

shall pay to the Authority a fee, as follows:

- 1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,000;**

[1] **2. For rehabilitation projects with cost of rehabilitation [of] between \$5 million and \$10 million [or less], the fee shall be \$2,500;**

[2] **3. For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$5,000; and**

[3] **4. For transformative projects, the fee shall be \$50,000.**

(h) A business entity shall pay to the Authority a non-refundable fee for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval, as follows:

- 1. For rehabilitation projects with cost of rehabilitation under \$5 million, a non-refundable fee of \$1,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$2,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval;**

[1] **2. For rehabilitation projects with cost of rehabilitation [of] between \$5 million and \$10 million [or less], a non-refundable fee of \$2,500 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$5,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval;**

[2] **3. For rehabilitation projects with cost of rehabilitation greater than \$10 million, a**

non- refundable fee of \$5,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$10,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval; and

[3] **4.** For transformative projects, a non-refundable fee of \$50,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of \$125,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval.

(i) A non-refundable fee shall be paid for the first six-month extension to the date by which the business entity shall provide project financing and planning documentation required in the approval letter pursuant to N.J.A.C. 19:31Y-1.8(a), and a non-refundable fee shall be paid for each subsequent extension, as follows:

1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,000;

[1] **2.** For rehabilitation projects with cost of rehabilitation [of] **between \$5 million and \$10 million** [or less], the fee shall be \$2,500;

[2] **3.** For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$5,000; and

[3] **4.** For transformative projects, the fee shall be \$10,000.

(j) A non-refundable fee shall be paid for the first six-month extension to the date by which the business entity shall submit the satisfactory evidence with respect to the eligibility requirements of the program pursuant to N.J.A.C. 19:31Y-1.8(d) for the respective

redevelopment project, or the respective phase of a rehabilitation project with a selected rehabilitation period of 60 months; and a non-refundable fee shall be paid for each subsequent extension, as follows:

1. For rehabilitation projects with cost of rehabilitation under \$5 million, the fee shall be \$1,000;

[1] **2. For rehabilitation projects with cost of rehabilitation [of] between \$5 million and \$10 million [or less], the fee shall be \$2,500;**

[2] **3. For rehabilitation projects with cost of rehabilitation greater than \$10 million, the fee shall be \$5,000; and**

[3] **4. For transformative projects, the fee shall be \$10,000.**

19:31Y-1.6 Review and approval of completed application; tax credit amounts

(a) [In each State fiscal year for which there are tax credits available for this program, the Authority shall establish the date for the availability of the application and the date by when applications must be submitted. The Authority may establish separate dates for the transformative projects and for all other rehabilitation projects, provided that the dates for transformative projects shall be before, or the same as, the dates for all other rehabilitation projects. The Authority shall provide prior public notice of these dates through its website.

(b) For rehabilitation projects eligible pursuant to section 4 at P.L. 2020, c. 156 (N.J.S.A. 34:1B-272), the Authority shall review applications submitted by the corresponding application deadline for eligibility. The review shall determine if the applicant:

1. Complies with the eligibility criteria;
2. Satisfies the submission requirements; and

3. Provides adequate information for the subject application.

(c) The Authority shall allocate tax credits to eligible rehabilitation projects, first to transformative projects, and then to other rehabilitation projects in the order determined based on the factors at (c)1 through 5 below. To receive a tax credit award, a business entity's application shall meet a minimum score. The Authority shall establish weights for the factors and the minimum score before applications are submitted for the State fiscal year and shall provide public notice of the weights through its website.

1. Historic significance of the qualified property or transformative property;

2. Existing or potential threat to the qualified property or transformative property due to physical condition, encroachment, or other factors;

3. Project concept and team, including prior and future stewardship of the building during the business entity's control of the qualifying property or transformative property;

4. Existence of site control by the business entity or certainty of obtaining site control as demonstrated by an agreement that will provide site control; and

5. Positive impact of the rehabilitation project on the surrounding neighborhood.]

For rehabilitation projects eligible pursuant to N.J.S.A 34:1B-272 and N.J.A.C. 19:31Y-1.3, the Authority shall award incentive awards based on the order in which complete applications are received by the Authority. If interest in the Program so warrants, at the Authority's discretion, and upon notice, the Authority may institute a competitive application process whereby all completed applications submitted by a date certain will be evaluated as if submitted on that date. If insufficient funding exists to fully fund all eligible projects, a project may be offered partial funding. The review will determine whether the applicant:

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

[d] **(b).** Before the Board may consider for approval a business entity's application for tax credits:

1. The Authority will confirm with the New Jersey Department of Labor and Workforce

Development, the Department of Environmental Protection, and the Department of the Treasury

that the business entity and any co-applicant is in compliance by being in substantial good

standing with the statutes, rules, and other enforceable standards of the respective department, or,

if a compliance issue exists, the business entity and any co-applicant, as applicable, has entered

into an agreement with the respective department that includes a practical corrective action plan,

as applicable.

i. Substantial good standing shall be determined by each department and mean, at a minimum, that the business entity and any co-applicant:

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

(A) Is in substantial compliance with all material statutes, rules, and other enforceable standards of the respective department that apply to the business entity and any co-applicant; and

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

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

ii. If the Department of Labor and Workforce Development, the Department of Environmental Protection, or the Department of the Treasury promulgates, or issues, its own more stringent rule or standard defining the term "substantial good standing," the respective

department shall use such rule or standard to determine whether an entity is in substantial good standing.

2. The Authority may contract with an independent third party to perform a background check on the business entity and any co-applicant.

3. The business entity shall certify that any contractors or subcontractors that perform work at the qualified property or transformative project are registered as required by the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48, et seq; have not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in New Jersey; and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

(c) Provided that the requirements at (a) and (b) above are satisfied, the Authority shall allocate incentive awards to rehabilitation projects obtaining at least the minimum score. If the Authority has instituted a competitive application, the Authority shall allocate incentive awards according to the rehabilitation project's score. The scoring shall be based on factors including, but not limited to:

1. The historic significance of the qualified property or transformative property;

2. The existing or potential threat to the qualified property or transformative property due to physical condition, encroachment, or other factors;

3. The project concept and team, including prior and future stewardship of the building during the business entity's control of the qualified property or transformative property;

4. The existence of site control by the business entity or certainty of obtaining site control as demonstrated by an agreement that will provide site control; and

5. The positive impact of the rehabilitation project on the surrounding neighborhood.

[(e) The business entity shall certify that any contractors or subcontractors that will perform work at the qualified property or transformative property are registered, as required by the Public Works Contractor Registration Act, P.L. 1999, c. 238 (N.J.S.A. 34:11-56.48 et seq.), have not been debarred by the Department of Labor and Workforce Development from engaging in, or bidding on, public works contracts in the State, and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

(f)] (d) Any construction or rehabilitation work completed before the start of construction or rehabilitation pursuant to N.J.A.C. 19:31Y-1.3(a)4 may be considered as part of the rehabilitation project, but shall not be considered a cost of rehabilitation.

(e) A business entity shall be allowed a tax credit for an approved rehabilitation project that shall not exceed the following limits:

1. For the rehabilitation of a qualified property not located in a qualified incentive tract or government-restricted municipality, [40] **50** percent of the cost of rehabilitation paid by the business entity, or an affiliate, for the rehabilitation of the qualified property, or \$[4] **8** million, whichever is less;

2. For the rehabilitation of a qualified property located in a qualified incentive tract or government-restricted municipality, [45] **60** percent of the cost of rehabilitation paid by the business entity, or an affiliate, for the rehabilitation of the qualified property, or \$[8] **12** million, whichever is less; and

3. For the rehabilitation of a transformative property 45 percent of the cost of

rehabilitation paid by the business entity, or an affiliate, for the rehabilitation of the transformative property, or \$50 million, whichever is less.

19:31Y-1.7 Modifications

(a) Once a rehabilitation project has been approved by the Board, changes in the work as detailed within the rehabilitation agreement, including, but not limited to, demolition or removal of historic fabric, any change in the treatment of historic finishes, any change in the layout or proposed uses of the property, a reduction in the amount of the total cost of rehabilitation or cost of the rehabilitation, or any change in the financing, shall require prior review and written approval by the Authority. In considering whether to approve the modification request, the Authority shall:

1. Determine that the revised rehabilitation project continues to meet the requirements for the rehabilitation of a qualified property or transformative property, as defined under the program.

2. Confirm that any proposed change to the rehabilitation project will not undermine the basis for the tax credit award approved.

3. Determine that the revised rehabilitation project continues to meet the minimum score and would have been eligible based on the order of applications pursuant to N.J.A.C. 19:31Y-1.6(c), unless the business entity demonstrates to the Authority that:

- i. The modification is due to unforeseeable conditions related to the rehabilitation project beyond the business entity's control and without its fault or negligence;

- ii. The business entity is using best efforts, with all due diligence, to proceed with the completion of the rehabilitation project; and

- iii. The business entity has made all reasonable efforts to prevent, avoid, mitigate, and overcome the modification.

(b) If the business entity discovers an unforeseeable condition for which additional work will be required, and such work would constitute a phase as defined under “selected rehabilitation period,” the business entity may request a modification in the selected rehabilitation period from [24] **36** months to 60 months. Notwithstanding the change in selected rehabilitation period, the amount of the tax credit award shall not be increased from the amount approved by the Board.

19:31Y-1.8 Approval letter; rehabilitation agreement

(a) Upon receipt of a recommendation from the Authority staff on the rehabilitation project, the Board shall determine whether or not to approve the application, the maximum amount of the tax credit award and the maximum percentage amount of allowed tax credits for its cost of rehabilitation in a rehabilitation project, and promptly notify the applicant and the Director of the Division of Taxation of the determination.

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

2. The approval letter shall require documentation evidencing project financing and planning approvals, including the submittal of executed financing commitments, documents that evidence

site control by the business entity or an affiliate of the business entity, a copy of the site plan approval, and a copy of all required permits and planning and zoning approvals and permits. If the Authority approval included a co-applicant, the required documents shall also include the executed participation agreement between the co-applicant and the business entity with a term that extends for the duration of the compliance period. Absent extenuating circumstances or the Authority's determination in its sole discretion, the Authority's approval of the tax credit award shall expire if the business entity or co-applicant, as applicable, does not submit the documentation required in this paragraph within a year after approval of the application.

3. The Authority shall review, and may require clarifying information regarding, the construction documents to determine if the proposed rehabilitation project is in substantial compliance with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67.7. The Authority's review of substantial compliance shall be a condition of approval.

4. If the terms of the financial commitment contained in the evidence required by the approval letter are materially different from the projected terms in the application, the Authority may reevaluate the project financing gap, **if applicable**, and reduce the size of the tax credit award accordingly.

5. The approval letter shall provide an estimated date of completion of the rehabilitation project and include a requirement for periodic progress reports.

6. For a rehabilitation project with a selected rehabilitation period of 60 months, as defined under "selected rehabilitation period," the approval letter shall identify the phases for which the business entity shall be allowed tax credits and shall state the maximum cost of rehabilitation for each such phase.

(b) Following satisfaction of the requirements for the execution of a rehabilitation agreement, the Authority shall enter into a rehabilitation agreement with the business entity and any co-

applicant. The Chief Executive Officer of the Authority shall negotiate the terms and conditions of the rehabilitation agreement on behalf of the State. The awarding of tax credits shall be conditioned on the business entity's, and any co-applicant's, compliance with the requirements of the agreement.

(c) The rehabilitation agreement shall specify and include:

1. A detailed description of the proposed rehabilitation project. For a rehabilitation project with a selected rehabilitation period of 60 months, the rehabilitation agreement may include a rehabilitation phase agreement for each phase, which shall contain a description of the phase, the expected total rehabilitation cost and cost of rehabilitation, and the commencement and completion for the respective phase;

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

3. A description of the occupancy permit or other event evidencing project completion;

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

5. A requirement that the business entity shall not cease to operate the rehabilitation project during the compliance period without prior written consent of the Authority;

6. A method for the business entity to certify that it has met the minimum cost of rehabilitation and other eligibility requirements of the program;

7. Representations that the business entity and any co-applicants are in substantial good standing and that the rehabilitation project will comply with all applicable laws, including, but not limited to, prevailing wage requirements pursuant to N.J.A.C. 19:31Y-1.12(b) and (c),

affirmative action requirements pursuant to N.J.A.C. 19:31Y-1.12(a), and environmental laws, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13;

8. A provision permitting an audit of evidence and documentation, of the business entity and any co-applicant, supporting the certifications pursuant to (f) below, and the annual reports pursuant to N.J.A.C. 19:31Y-1.9, as the Authority deems necessary;

9. Reporting requirements pursuant to N.J.A.C. 19:31Y-1.9;

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

11. A provision establishing the conditions under which the Authority, the business entity and any co-applicant, or all parties, may terminate the agreement;

12. A provision acknowledging the Authority's right to confirm with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury, as set forth at N.J.A.C. 19:31Y-1.6(d)1, that the business entity and any co-applicant are in substantial good standing or has entered into an agreement with the respective department that includes a practical corrective action plan, as applicable;

13. A provision providing that if the business entity or any co-applicant is not in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury, and has not entered into an agreement with the respective department, as set forth at N.J.A.C. 19:31Y-1.6(d)1, and has been given written notice thereof and an opportunity to be heard or to contest the determination, by the respective department, then the business entity and any co-applicant shall forfeit the tax credits in any year in which the business entity or any co-applicant is neither in substantial good standing with each department nor has entered into a practical corrective action;

14. A requirement that the business entity shall confirm that each contractor or subcontractor performing work at the rehabilitation project: is registered as required by the Public Works

Contractor Registration Act, [P.L. 1999, c. 238 (N.J.S.A. 34:11-56.48 et seq.)]; has not been debarred by Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State; and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury;

15. The right of the Authority to conduct site inspections of the site of the rehabilitation project at any time during the course of the rehabilitation project, during the compliance period, and while the business entity and any co-applicant retains an obligation under this program;

16. Indemnification and insurance requirements from the business entity and any co-applicant;

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

18. Default and remedies, including, but not limited to, a default if a business entity or any co-applicant made a material misrepresentation on its application.

(d) For a rehabilitation project with a selected rehabilitation period of [24] **36** months, a business entity shall submit no later than 12 months following project completion, satisfactory evidence of the completion of the rehabilitation project and satisfaction of the program eligibility requirements, which shall include, but not be limited to, the documents below. For a rehabilitation project with a selected rehabilitation period of 60 months, a business entity shall submit by no later than 12 months following completion of each phase identified in the rehabilitation agreement, satisfactory evidence of the completion of that phase and satisfaction of the program eligibility requirements relevant to that phase, which shall include, but not be limited to, the following:

1. Evidence of a temporary certificate of occupancy or other event evidencing project or phase completion indicated in the rehabilitation agreement;

2. A certification by a qualified independent certified public accountant of the cost of rehabilitation. The certification shall be made pursuant to an “agreed upon procedures” letter acceptable to the Authority. If the cost of rehabilitation is reduced below the minimum total cost of rehabilitation for eligibility, the rehabilitation project shall no longer be eligible. The Authority shall qualify certified public accountants and provide to the business entity the list of qualified certified public accountants, provided, however, the business entity may select a certified public accountant that is independent to the business entity and any co-applicant and not on the Authority's list of qualified certified public accountants for purposes of the project cost certification if the business entity demonstrates an extenuating circumstance prohibiting the business entity from retaining a qualified certified public accountant. Such circumstances include, but are not limited to, the unavailability of any of the qualified certified public accountants to timely complete the certification or a lack of independence of the qualified certified public accountants from the business entity;

3. A certification indicating whether the business entity is aware of any condition, event, or act that would cause the business entity or any co-applicant not to be in compliance with the approval, the rehabilitation agreement, the Act, or this subchapter;

4. For rehabilitation projects with a selected rehabilitation period of [24] **36** months or for any phase of a rehabilitation project with a selected rehabilitation period of 60 months, documentary evidence that a deed restriction reserving units pursuant to N.J.A.C. 19:31Y-1.3[(e)](**f**) has been recorded against each residential component, if any, of the rehabilitation project or the corresponding phase;

5. For rehabilitation projects with a selected rehabilitation period of [24] **36** months or for any phase of a rehabilitation project with a selected rehabilitation period of 60 months, documentary evidence that a deed restriction has been recorded prohibiting modifications to the

qualified property or transformative property, or the corresponding phase, during the compliance period, so that it ceases to meet the requirements for the rehabilitation of a qualified property or transformative property, or corresponding phase, as defined under the program, or ceases to meet the requirements of the rehabilitation agreement;

6. Documentary evidence that a deed restriction has been recorded requiring construction and building services' prevailing wage at the qualified property or transformative property pursuant to N.J.A.C. 19:31Y-1.12(b) and (c);

7. A certification by the chief executive officer or equivalent officer of the business entity that the information provided pursuant to this subsection is true under the penalty of perjury. Claims, records, or statements submitted by a developer to the Authority in order to receive tax credits shall not be considered claims, records, or statements made in connection with State tax laws;

8. If the Authority approval included a co-applicant, a certification that the participation agreement between the business entity and the co-applicant remains in effect and is not in default;

9. Certification by the architect or design consultant of record for the rehabilitation project confirming that all work was completed in accordance with the construction documents in the rehabilitation agreement;

10. Photographs showing all exterior building facades, significant and representative interior spaces, and examples of significant historic fabric repaired and restored as part of the rehabilitation project; and

11. Updated and actual capital financing information.

(e) For a rehabilitation project that has a total rehabilitation cost equal to or greater than \$5 million and is located outside of a government-restricted municipality, [I]f the

Authority determines upon receipt of documentation required at (d) above that the actual capital financing approach utilized by the rehabilitation project has resulted in a project financing gap that is smaller than the project financing gap determined at Board approval, the Authority shall reduce the amount of the tax credit award. If there is no project financing gap due to the actual capital financing approach utilized by the project, then the developer shall forfeit the tax credit award.

(f) Once the Authority accepts the documentation required at (d) above and the Authority determines that other required conditions have been met, within 90 days of the Authority's acceptance of the documentation and evidence satisfactory to the Authority, the Authority shall notify the business entity and the Director, and the business entity or co-applicant shall receive its tax credit certificate and shall be allowed the use of the tax credit certificate against the tax otherwise due pursuant to [section 5 at P.L. 1945, c. 162 (N.J.S.A. 54:10A-26 5)], [sections 2 and 3 at P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3)], and [section 1 at P.L. 1950, c. 231 (N.J.S.A. 17:32-15)], or N.J.S.A. 17B:23-5, as follows:

1. For a rehabilitation project with a selected rehabilitation period of [24] **36** months, the business entity or co-applicant shall be issued a tax credit certification and certificate of compliance for the accounting or privilege period in which the business entity or affiliate makes the final payment for the cost of the rehabilitation and receives a temporary certificate of occupancy for the rehabilitation project, or upon any other event evidencing project completion as set forth in the rehabilitation agreement. The tax credit allowed shall be based on the information submitted in the certification pursuant to (d) above, provided it shall not exceed the maximum amount determined by the Board pursuant to (a) above.

2. For the first phase of a rehabilitation project with a selected rehabilitation period of 60 months, the business entity or co-applicant shall be issued a tax credit certification based on the

information for the first phase submitted in the certification pursuant to (d) above and the amount approved by the Board for the subsequent phases, provided the total tax credit amount shall not exceed the maximum amount determined by the Board for the rehabilitation project pursuant to (a) above. No tax credit certificate will be valid without the certificate of compliance issued for the corresponding phase pursuant to (f)3 below.

3. For all phases of a rehabilitation project with a selected rehabilitation period of 60 months, the Authority shall issue a certificate of compliance allowing the business entity or co-applicant the use of a portion of the tax credit during the accounting or privilege period in which the phase approved by the Board for the tax credit is completed and for which the business entity receives a temporary certificate of occupancy for the phase, or upon any other event evidencing phase completion as set forth in the rehabilitation agreement, provided the amount allowed in the certificate of compliance shall not exceed the maximum amount determined by the Board for the phase pursuant to (a) above.

(g) Credits granted to a partnership or a New Jersey S corporation shall be passed through to the corporate partners, corporate members, or corporate owners, respectively, pro-rata, or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method provided to the Director, accompanied by any additional information as the Director may prescribe, consistent with any rule, guidance, or other publication issued by the Division of Taxation.

19:31Y-1.9 Reporting requirements and annual report

(a) A business entity approved for a tax credit award and that enters into a rehabilitation agreement shall submit annually, commencing in the year in which the tax credit award is issued **or in the year in which a tax credit is issued for the first phase of a rehabilitation project**

with a selected rehabilitation period of 60 months, and for the remainder of the compliance period, a report indicating whether the business entity is aware of any condition, event, or act that would cause the business entity or any co-applicant not to be in compliance with the rehabilitation agreement or the provisions of this subchapter and the Act and any additional reporting requirements contained in the rehabilitation agreement or tax credit certificate. The business entity, or an authorized agent of the business entity, shall certify that the information provided pursuant to this subsection is true under the penalty of perjury. The Authority may provide any information contained in the annual report to the Officer for any rehabilitation project.

(b) The annual report shall consist of:

1. A certification indicating whether or not the business entity is aware of any condition, event, or act, which would cause the business entity or any co-applicant not to be in compliance with the approval, the Act, the rehabilitation agreement, or this subchapter;

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

3. For the two years after the first certificate of compliance is issued, evidence that the rehabilitation project remains in compliance with the Authority's affirmative action requirements pursuant to N.J.A.C. 19:31Y-1.12(a);

4. Evidence that the rehabilitation project remains in compliance with the Authority's prevailing wage requirements pursuant to N.J.A.C. 19:31Y-1.12(b) and (c);

5. A tax clearance certificate as described in [section 1 at P.L. 2007, c. 101 (N.J.S.A. 54:50- 39)] for the business entity and any co-applicant;

6. A certification from the business entity that it has not modified the qualified property or

transformative property, so that it ceases to meet the requirements for the rehabilitation of a qualified property or transformative property as set forth at N.J.A.C. 19:31Y-1.3, or ceases to meet the requirements of the rehabilitation agreement;

7. A certification from the business entity that adequate climate control and building envelope have been maintained and that the building is secure. The business entity shall also provide a description of the climate control, and the measures to preserve and secure the building;

8. For a rehabilitation project with residential units, documentary evidence that the deed restriction required pursuant to N.J.A.C. 19:31Y-1.8(d)4 remains recorded, and documentation from the administrative agent that the rehabilitation project remains in compliance with the affordability controls pursuant to the Fair Housing Act, [P.L. 1985, c. 222 (]N.J.S.A. 52:27D-301 et seq.[)];

9. For the first annual report **subsequent to its issuance**, the permanent certificate of occupancy covering the entire rehabilitation project;

10. For the second annual report after the final tax credit is issued, documentation demonstrating that, if preliminarily determined by the National Park Service at the time of application to be of historic significance in accordance with the requirements of 36 C.F.R. s.67.3 and 36 C.F.R. s.674, the qualified property has been listed on the New Jersey Register of Historic Places in accordance with the New Jersey Register of Historic Places Act, N.J.S.A. 13:1B-15.128, et seq, and the New Jersey Register of Historic Places rules at N.J.A.C. 7:4-1, et seq.

[10] 11. If the Authority approval included a co-applicant, a certification that the participation agreement between the business entity and the co-applicant remains in effect and is not in default and that the co-applicant is making the contribution(s) required under the

participation agreement; and

[11] **12.** In conducting its annual review, the Authority may require a business entity to submit any information determined by the Authority to be necessary and relevant to its review.

(c) The annual report required at (a) above is due 120 days after the end of the business entity's tax privilege period. Failure to timely submit the report, absent extenuating circumstances and the written approval of the Authority, may result in recapture of some or all of the tax credit award. The Authority reserves the right to audit any of the representations made and documents submitted in the annual report.

(d) Upon receipt, review, and acceptance of each annual report submitted, the Authority shall provide to the business entity and any co-applicant a letter indicating acceptance.

19:31Y-1.10 Application for tax credit transfer certification

(a) A business entity or co-applicant holding an unused, otherwise allowable tax credit issued pursuant to [sections 2 through 8 at P.L. 2020, c. 156 (N.J.S.A. 34:1B-270 through 34:1B-276)], may apply to the Director and the Authority for a tax credit transfer certificate pursuant to this section. Upon receipt thereof, the business entity or co-applicant may sell or assign, in full or in part, the tax credit transfer certificate to another taxpayer in exchange for private financial assistance to be provided by the purchaser or assignee of the tax credit transfer certificate to the seller thereof. The business entity or co-applicant shall not sell a tax credit transfer certificate allowed pursuant to this section for consideration received by the business entity or co-applicant of less than 85 percent of the transferred credit amount before considering any further discounting to present value, which shall be permitted, except a developer of a residential project consisting of newly constructed residential units that has received Federal low income housing

tax credits pursuant to 26 U.S.C. § 42(b)(1)(B)(i) may assign a tax credit transfer certificate for consideration of no less than 75 percent subject to the submission of a plan to the Authority and the New Jersey Housing and Mortgage Finance Agency to use the proceeds derived from the assignment of tax credits to complete the residential project. The purchaser or assignee of the tax credit transfer certificate may apply the face value of the tax credit transfer certificate acquired against the purchaser's or assignee's applicable tax liability by claiming the tax credit on the purchaser's or assignee's corporation business tax or insurance premiums tax return with the corresponding tax credit transfer certificate accompanying the tax return.

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

(c) A tax credit transfer certificate issued by the Director and the Authority shall include a statement waiving the rights of the business entity or co-applicant to which the tax credit has been granted to claim any amount of remaining tax credit against any tax liability.

(d) The tax credit transfer certificate issued to a business entity or co-applicant by the Director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to [sections 2 through 8 at P.L. 2020, c. 156 (N.J.S.A. 34:1B-270 through 34:1B-276)], and any other terms and conditions that the Director may prescribe including, but not limited to, any applicable statutes of limitations for claiming a refund or credit.

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

1. Name of the transferor;
2. Name of the transferee;
3. Value of the tax credit transfer certificate;
4. State tax against which the transferee may apply the tax credit; and
5. Consideration received by the transferor.

19:31Y-1.11 Assignment of rights of rehabilitation agreement

(a) A business entity who has entered into a rehabilitation agreement pursuant to N.J.A.C. 19:31Y-1.8(b) may, upon notice to and written consent of the Authority, pledge, assign, transfer, or sell any, or all, of its rights, title, and interest in and to the rehabilitation agreement and in the tax credit awards payable under the rehabilitation agreement, and the right to receive the tax credit awards, along with the rights and remedies provided to the business entity under the rehabilitation agreement. To decide whether to consent, the Authority will consider the purchaser's proposed use and treatment of the qualified property or transformative property. Any assignment shall be an absolute assignment for all purposes, including the Federal bankruptcy code. If the Authority approval included a co-applicant, prior to requesting the consent of the Authority, the business entity shall obtain in writing the co-applicant's consent, and the business entity shall provide the co-applicant's written consent to the Authority with the business entity's notice.

(b) A co-applicant who has entered into a rehabilitation agreement pursuant to N.J.A.C. 19:31Y-1.8(b) may, upon notice to and written consent of the Authority, assign, transfer, or sell any or all of its rights, title, and interest in and to the rehabilitation agreement and in the tax credit awards payable under the rehabilitation agreement, and the right to receive the tax credit awards, along with the rights and remedies provided to the co-applicant under the rehabilitation

agreement, provided that the purchaser shall be a non-profit under section 501(c)3 of the Internal Revenue Code. To decide whether to consent, the Authority will consider the contributions of the co-applicant and the proposed contributions by the purchaser. The new purchaser shall be the co-applicant and shall be required to receive an assignment of the co-applicant's participation agreement or to execute a new participation agreement with the business entity. Any assignment shall be an absolute assignment for all purposes, including the Federal bankruptcy code. Prior to requesting the consent of the Authority, the co-applicant shall obtain in writing the business entity's consent, and the co-applicant shall provide the business entity's written consent to the Authority with the co-applicant's notice.

(c) Any pledge of a tax credit award made by the business entity shall be valid and binding from the time the pledge is made and filed in the records of the Authority. The tax credit award pledged, and thereafter received, by the business entity shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the business entity irrespective of whether the parties have notice thereof. As a condition of any tax credit award, the grantee, assignee, pledgee, or subsequent holder of the tax credit award shall immediately file notice of the same with the clerk of the county in which the project is located.

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

1. The name of the person or entity offering the pledge, assignment, transfer, or sale of a right, title, or interest in a rehabilitation agreement;
2. The name of the person or entity receiving the pledge, assignment, transfer, or sale of a right, title, or interest in the rehabilitation agreement;

3. The value of a right, title, or interest in the rehabilitation agreement; and
4. The consideration received by the person or entity offering the pledge, assignment, transfer, or sale of a right, title, or interest in the rehabilitation agreement.

19:31Y-1.12 Affirmative action and prevailing wage

- (a) The Authority's affirmative action requirements at [P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4)], and N.J.A.C. 19:30-3 shall apply to the rehabilitation project. The affirmative action requirements shall apply until the later of the completion of the rehabilitation project or two years after the first tax credit is issued.
- (b) The Authority's prevailing wage requirements at [P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1)], and N.J.A.C. 19:30-4[4] shall apply to construction contracts for work performed for the rehabilitation project [during the selected rehabilitation period] **starting at the approval of the business entity's application**. This prevailing wage requirement shall apply until the later of the end of the selected rehabilitation period or two years after the first tax credit is issued. Prevailing wages shall apply to all work done by tenants at the [redevelopment] **rehabilitation** project.
- (c) Prevailing wages shall apply to building services at the qualified property or transformative property starting [with the completion of the first phase of a rehabilitation project with a selected rehabilitation period of 60 months or the end of the selected rehabilitation period for a rehabilitation project with a selected rehabilitation project of 24 months] **at the approval of the business entity's application**. For all rehabilitation projects, this prevailing wage requirement shall continue for 10 years following the end of the selected rehabilitation period. In the event a portion of a rehabilitation project is undertaken by a tenant and the tenant has a leasehold of more than 35 percent of space in the building owned or controlled by the business

entity, the requirement that each worker employed to perform building service work at the building be paid not less than the prevailing wage shall apply to the entire rehabilitation project and all tenants therein.

19:31Y-1.13 Reduction and recapture of tax credits

(a) If during the compliance period, a business entity that has received a tax credit modifies the qualified property or transformative property so that it ceases to meet the requirements for the rehabilitation of a qualified property or transformative property as defined under the program or ceases to meet the requirements of the rehabilitation agreement, then the Authority may recapture some or all of the tax credit allowed under the program. The requirements include, but are not limited to: substantial compliance with the Secretary of the Interior's Standards for Rehabilitation, 36 CFR 67.7; remaining an income producing property; minimum number of residential units, if applicable; maintaining the rehabilitation project so that it meets the minimum score pursuant to N.J.A.C. 19:31Y-1.6(c); **if preliminarily determined by the National Park Service to be of historical significance in accordance with the requirements of 36 C.F.R. s.67.3 and 36 C.F.R. s.67.4, being listed on the New Jersey Register of Historic Places in accordance with the New Jersey Register of Historic Places Act, N.J.S.A. 13:1B-15.128, et seq and the New Jersey Register of Historic Places rules at N.J.A.C. 7:4-1, et seq, within one year of issuance of the tax credit;** and for a transformative project, continuing to meet the definition of transformative property.

(b) If, during the compliance period, the business entity ceases to maintain adequate climate control or fails to preserve the building envelope, then the Authority may recapture some or all of the tax credit allowed under the program.

(c) If any worker employed to perform **construction work or** building services work at the

rehabilitation project is paid less than the prevailing wage rate for the worker's craft or trade pursuant to N.J.A.C. 19:31Y- 1.12(b) and (c) during the relevant tax period, then the Authority shall recapture a proportional amount of the tax credit.

(d) In the case of a business entity that has chosen a selected rehabilitation period of 60 months, if the architectural plans change in the course of the phased rehabilitation project, so that the rehabilitation of the 1 or transformative property would, upon the rehabilitation's completion, no longer qualify for a tax credit pursuant to the requirements of this program, **or the Officer disallows the project**, then the [business entity's tax liability for the accounting or privilege period in which the business entity was issued the certificate of compliance shall be increased by the full amount of the tax credit that the Authority had previously allowed by that certificate of compliance upon the completion of a distinct prior project phase that the business entity has applied against its tax liability in the prior accounting or privilege period] **tax credits issued shall be subject to recapture and the tax credits that have not yet been issued shall be forfeited.** [The Authority shall notify the business entity and the Director. The Director may take adverse action against the business entity, consistent with the State Uniform Tax Procedure Law, N.J.S.A. 54:48-1 et seq., including, but not limited to, determining a deficiency with respect to payment due to the increased liability and assessing penalties and interest from the date of the accounting or privilege period.] Any portion of the tax credit that the business entity has not yet used or transferred at the time of the disallowance by the Officer shall be deemed void.

(e) If, based on new information, the Authority determines that recapture should have been applicable pursuant to any of the provisions in this section, the Authority shall recapture the tax credits as if the Authority had been timely informed.

(f) If, at any time, the Authority determines that the business entity or co-applicant made a

material misrepresentation on the business entity's application, project completion certification, annual report, or any related submissions, the Authority shall recapture some or all of the tax credits of the business entity and any co-applicant, which shall be in addition to any other remedies in the rehabilitation agreement and any criminal or civil penalties to which the business entity, co-applicant, and the respective officer of the business entity or co-applicant may be subject.

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

(h) The Authority shall notify the Officer of any reduction or recapture of tax credit awarded under this program.

(i) If all, or part, of a tax credit sold or assigned pursuant to [section 5 at P.L. 2020, c. 156] **N.J.S.A. 34:1B-273**, and N.J.A.C. 19:31Y-1.11 is subject to recapture, then the Authority shall pursue recapture from the business entity and, to the extent the co-applicant is involved with the basis for the recapture, any co-applicant, and not from the purchaser or assignee of the tax credit transfer certificate.

(j) The Authority shall notify the Director of any funds recaptured pursuant to this section. Any recaptured funds, including penalties and interest, shall be deposited into the General Fund of the State.

19:31Y-1.14 Appeals

(a) The Board's action shall be effective 10 business days after the Governor's receipt of the minutes, provided neither an early approval nor veto has been issued.

(b) A[n applicant] **business entity** may appeal the [Board's] **Authority's** action by submitting in writing to the Authority, within [21] **20** calendar days from the effective date of [the Board's] **such** action, an explanation [as to how the applicant has met the program criteria] **of the grounds for such appeal**. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(c) Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer **of the Authority, or delegate**, shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record, **which includes but is not limited to the written appeal, and any documentation provided in support of the appeal, and any written staff response to the appeal. The hearing officer** may require an in- person hearing[. The hearing officer] **and** has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. The Authority [cannot] **may** consider [any] new evidence or information [about the project other than evidence or information that would demonstrate that the applicant met all of the application criteria by the application deadline].

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing [his or her] **the hearing officer's** finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. After reviewing the report, the Chief Executive Officer of the

Authority may also include a recommendation to the written report of the hearing officer. The [applicant] **business entity** shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer **of the Authority**, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report. **Any such comments will be incorporated into the final report presented to the Board.**

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer **of the Authority**, if any, and any written comments and exceptions timely submitted by the [applicant] **business entity**. Based on that review, the Board shall issue a final decision on the appeal.

4. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

19:31Y-1.15 Reports on implementation of program

On or before December 31, 2025, the Authority, in consultation with the Officer and the Director, shall prepare and submit a written report regarding the number and total monetary amount of tax credits granted for the rehabilitation of qualified properties or transformative properties pursuant to [section 4 at P.L. 2020, c. 156 ([N.J.S.A. 34:1B-272])], the geographical distribution of the credits granted, a summary of the tax credit transfer program established pursuant to [section 5 at P.L. 2020, c. 156 ([N.J.S.A. 34:1B-273])], an evaluation of the effectiveness of the tax credits provided pursuant to [sections 2 through 8 at P.L. 2020, c. 156 ([N.J.S.A. 34:1B-270 through 34:1B-276])], in promoting the rehabilitation of historic properties, recommendations for administrative or legislative changes to increase the effectiveness of the program, and any other information that the Authority, the Officer, or the

Director may deem useful or appropriate. This report shall be submitted to the Governor and, pursuant to [section 2 at P.L. 1991, c. 164 (N.J.S.A. 52:14-19.1)], to the Legislature.

19:31Y-1.16 Severability

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



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: QOZB Ellavoz Newark Urban Renewal, LLC
Newark Commons
Historic Property Reinvestment Program
Recommendation of Award

Request

The Members are requested to approve a proposed Historic Property Reinvestment Program tax credit award to QOZB Ellavoz Newark Urban Renewal, LLC (Applicant) for the Newark Commons (Project) in Newark. The recommended tax credit award is 60% of actual eligible costs with a maximum tax credit amount \$12,000,000. The final award amount will be based on the Project's actual eligible costs.

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

Historic Property Reinvestment Program Background

The Historic Property Reinvestment Program (HPRP or Program) is a tax credit program designed to complement the Federal Historic Tax Credit Program to encourage and bolster smart growth investments focused on the rehabilitation of existing identified historic structures throughout New Jersey. The HPRP focuses on historic preservation as a component of community development, encouraging long-term private investment in the State while preserving properties that are of historic significance.

The HPRP is a competitive program, under which projects must apply within a defined application window, with all applications to be considered following the closure of the application period. The Authority has established scoring criteria for the evaluation of proposed rehabilitation projects. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100 maximum total score. Additionally, if on any given year the Program is oversubscribed, then applications will be ranked based on score and awards will be based on ranking.

To be awarded tax credits under the HPRP, the applicant must be in good standing with the NJ Department of Labor and Workforce Development, NJ Department of Treasury, and the NJ Department of Environmental Protection (as determined by each Department). The HPRP rules also require that the rehabilitation project pay prevailing wages for construction work during the duration of the project, which starts at execution of the rehabilitation agreement, and to building service workers for a period of 10 years following project completion for single phase project, or 10 years following the completion of the first phase for multiphase rehabilitation projects.

Projects under the HPRP are subject to an annual program cap of \$50 million. Annual unused amounts may be included in the amounts available for approval in the subsequent fiscal year.

The last application round, which was the fifth round under the Program, closed on December 5, 2024. Ten (10) applications representing a combined total project cost of just under \$430 million, and a maximum tax credit request of just over \$88 million, were received under the round. Out of the applications received, one (1) was withdrawn by the applicant, three (3) have been approved by the Board earlier this year for a combined maximum tax credit amount of just over \$29 million, two (2) are being presented to the Board at the July 2025 (including the subject of this authorization request), and four (4) remain under review. Duration of review times for applications received under the Program varies based on clarity and completeness of documentation submitted at time application and responsiveness at the request for clarifying information during application review.

As part of the prior four (4) application rounds, one (1) project was awarded in the first round (which was a transformative project round), and one (1) was awarded in the fourth round. After the fourth application round closed, legislative changes to improve the Program were made and signed into law by Governor Murphy in September of 2024. The new legislation increased potential award percentages and caps and reduced some requirements, such as the need to demonstrate a funding gap, for projects under \$5 million or located in a Government Restricted Municipality. Some of the changes contained within the new bill, such as the increase in tax credit award percentages and caps, were enacted upon signing of the bill and therefore were in effect during the last application round. The remaining changes will become effective upon adoption of revised Program rules.

Project Information

Applicant

QOZB Ellavoz Newark Urban Renewal, LLC

Founded in 2024, QOZB Ellavoz Newark Urban Renewal LLC is a special purpose entity created to acquire, own, rehabilitate, and operate the "Newark Commons" project located at 292-306 MLK Blvd in Newark, NJ. While the Project is the entity's initial development, they have assembled a multi-disciplinary team of professionals in the fields of historic preservation, architecture, and development. Members of the Project team have extensive experience in the rehabilitation of historic properties with completed projects of similar or greater size and complexity throughout the tri-state area.

Project Location

292-306 Martin Luther King Jr. Boulevard, Newark, New Jersey 07102

Project Name

Newark Commons

Project Description

The property's prior owner had started rehabilitation at the project site, the former St. Michael's Hospital in Newark, and has since sold the project and property to the applicant, QOZB Ellavoz Newark Urban Renewal, LLC, who is proposing to keep the original layouts for co-living residential units throughout the building since much of the prior construction had already commenced. Encompassing 96,263 square feet, co-living apartments will offer modern housing solutions where individuals rent private bedrooms in a shared apartment, while sharing common areas such as kitchens, living rooms, and sometimes bathrooms, combining private living space with communal amenities while fostering community, affordability, and convenience. The mixed-use project is designed to accommodate university students, young professionals, and healthcare workers and will feature individual units with multiple bedrooms. The property's unit count is 42 co-living residential units, with a total of 144 bedrooms. Out of the proposed 42 units, 8 residential units, comprised of 29 bedrooms will be set aside as affordable housing for low- moderate income households. The city of Newark administrative agent has confirmed that the proposed low- moderate income set aside with co-living approach for the project will meet affordability controls required under the Fair Housing Act and will be monitored by the City's Office of Affordability and Sustainable Housing. The project will be managed by a third-party entity that has a demonstrated history of managing similar types of co-living spaces. The projects offer a full amenity package that includes interior and exterior lounge space, fitness room, and well as a large multi-purpose/community room with work and gathering space. There will also be one commercial/retail space on the first floor of 4,230 square feet.

Previously Awarded Incentives

The NJEDA has not previously provided incentives for this site or any other project submitted by the Applicant (QOZB Ellavoz Newark Urban Renewal, LLC).

Selected Rehabilitation Period and Project Schedule

Documentation submitted as part of the HPRP application for the Newark Commons project indicates that the Project will be conducted in one (1) phase. Therefore, as per Program rules, the Applicant will have a selected rehabilitation period of up to twenty-four (24) months to complete the Project. Specifically, the schedule submitted with the application shows a Project duration of one hundred and ninety-eight (198) workdays. Based on this schedule, if the Rehabilitation Agreement were executed in the first quarter of 2026, the projected project completion date would be during the first quarter of 2027.

Evaluation of the Application**Scoring Criteria**

The HPRP application submitted for the Project was reviewed and scored based on the Program's pre-established scoring criteria. The criteria focus on five (5) main themes: Historic Significance, Imminent Threat to Historic Resource, Project Concept and Team, Status of Site Control, and Impact on the Surrounding Neighborhood. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100.

As part of the Project Concept and Team review, the scoring committee scored the Applicant based on information submitted regarding the Project team's demonstrated experience. Documentation reviewed included information on experience and qualification of the applicant entity as well as individual team

members, professional resumes and prior projects completed of similar size and complexity. Based on the information reviewed, the Applicant demonstrated that the Project team is comprised of individuals within the appropriate disciplines with suitable levels of experience to complete the proposed Project scope and no concerns were identified.

The Newark Commons application was reviewed and scored by a committee comprised of a multidisciplinary team of professionals with experience in the fields of historic preservation, construction, and project management. The three (3) members of the committee included NJEDA staff, as well as professional staff from DEP's Historic Preservation Office, and DCA's NJ Historic Trust.

Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 66.83 of out of a possible 100, therefore surpassing the required minimum score of 50. Seven (7) out of the nine (9) active applications under the round have been scored to date, and all have surpassed the minimum score requirement.

The Fall 2024 HPRP Project Application Round was undersubscribed (total amount of tax credits requested by all applicants was less than the total amount of funding available for the round) therefore the Project overall ranking against all other projects was not considered as a factor for this award recommendation.

Underwriting Review

Based on our financial review, Underwriting concludes that the Applicant has adequate and bona fide sources of funding to cover all project costs and there is a reasonable expectation these sources of funding will be available to complete the Project. The Applicant has also illustrated the wherewithal to meet the Program's minimum 20% equity contribution requirement (which as defined by Program rules may include Federal or local grants and expected proceeds from the sale of Federal or local tax credits, including the Federal Historic Tax Credit) and has demonstrated a financing gap. Additionally, the Applicant has provided documentation showing proposed terms for the sale of HPRP credits at a price of 86 cents on the dollar, which exceeds the Program minimum price requirements for the sale or transfer of HPRP credits.

Uses	Total Project Costs	Eligible Costs
Acquisition of Property	11,000,000.00	-
Property Improvements	19,545,000.00	18,190,562.00
Professional Services	2,224,707.00	718,212.00
Financing and Other Costs	4,580,781.00	2,864,644.00
Contingency	1,978,190.00	1,977,049.00
Development Fee	4,800,000.00	-
Total	\$44,128,678.00	\$23,750,467.00

Sources	Amount
Construction Loan A	11,231,418.00
Construction Loan B	5,000,000.00
NMTC Loan A	1,387,600.00
NMTC Loan B	612,400.00
Bridge Loan	15,879,260.00
Opportunity Fund IV (Equity Contribution)	9,000,000.00
Opportunity Fund I (Equity Contribution)	1,000,000.00
Total	\$44,128,678.00

Secretary of the Interior's Standards for Rehabilitation Review

The DEP's Historic Preservation Office (HPO) has finalized its review of the Project for compliance with the Secretary of the Interior's Standards for Rehabilitation (Standards) as part of a submission under the Federal Historic Preservation Tax Incentives program. This review determined the proposed rehabilitation work meets the Standards and aligns with the property's historic character, as approved with conditions.

NJEDA's Historic Preservation Team assessed the documentation submitted under the federal program to ensure it aligns with the applicant's HPRP application and Project. The team confirmed concurrence with HPO's findings and Standards' compliance determination.

The Standards provide direction in making appropriate choices in planning the repairs, alterations, and additions that may be a part of a rehabilitation project. They are the standard most often used by historic preservation entities and organizations nationwide. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. They cover the treatment of all materials on the exterior and the interior of historic buildings along with related landscape features and the building's site and environment, and attached, adjacent, or related new construction. The Standards are a statutory requirement under the HPRP and a regulatory requirement for the Federal historic tax credit program.

Project Costs Review

Authority staff completed a detailed review of Project cost breakdowns that included total Project costs, and eligible Project costs, which typically include soft costs incurred within a year from the application submission date and most permanent construction costs within the building or attached to the building's exterior. The evaluation consisted of a review of the Project's construction cost estimate, drawings and specifications to determine general appropriateness of total Project costs submitted for the purpose of assess Project viability as well as a detailed review of all identified eligible costs to ensure adherence with the Program's eligible costs definition. The review found that all costs seemed appropriate; however, it identified that some cabinetry work and property acquisition costs, which do not meet the Program's definition of eligible costs, had been included as eligible cost; therefore, an adjustment to the Project's eligible cost was requested by the Authority and made by the Applicant. Ineligible construction costs under the Program include all costs associated with Project site work, furniture, cabinetry not inherently part of the building structure or any improvement not permanently attached to the interior or exterior of the structure, as well as all costs associated with an increase in total building volume. Ineligible soft costs include early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing and advertising, temporary signage, incentive consultant fees, Authority fees, loan interest payments on permanent financing, escrows, reserves, pre-opening costs, commissions and fees to the developer, project management, or other similar costs. Since there are a number of potential large cost items not considered eligible costs under the Program, such as site work and costs associated with an increase in total building volume (addition to existing buildings), there is a significant delta between total project costs and eligible costs for some projects. Adjustments made to the eligible costs did not have an impact on the Project's overall cost. Authority staff has confirmed that only verified eligible costs are being used to calculate the applicant's maximum tax credit amount award.

Additionally, the review confirmed that eligible costs for the proposed Project will be greater than the Program's minimum cost requirement for the Project, which must exceed the greater of the adjusted basis of the structure or \$5,000. The adjusted basis for the structure for the existing building is \$7,600,000.00.

Other Reviews

In addition to the review of scoring criteria items and underwriting review of financial documents, NJEDA staff conducted other reviews to confirm eligibility and compliance with Program requirements including application completeness review, sister agency review and legal review in accordance with the Authority's debarment and qualification rules. The submitted proposed Project schedule was also reviewed and NJEDA staff confirmed that the selected rehabilitation period of 24-months was a reasonable timeframe for the proposed work.

Award Calculation

Newark Commons includes the rehabilitation of a qualified property that is located within a qualified incentive track; therefore, it qualifies to receive tax credits worth up to 60% of eligible project costs up to a project cap of \$12 million. Once the Applicant successfully completes the Project, the Authority will issue a certificate of compliance allowing the Applicant to use the tax credit during the accounting or privilege period in which the Project is completed. The Project will be considered complete when the Applicant receives a temporary certificate of occupancy for the Project, or upon any other event evidencing project completion that is set forth in the rehabilitation agreement.

With an understanding of the numerous unknowns inherent with rehabilitation work in historic structures, the Program application process allows for an applicant's estimate for eligible construction costs to include a construction contingency. All cost estimates submitted, including construction contingency, are thoroughly reviewed, and validated by the Authority staff as part of the application review process.

The construction contingency associated with eligible construction costs is included in the total eligible costs for calculating the maximum tax credit award. However, this "eligible cost contingency" will only be applied to the final tax credit award if a modification request, meeting all applicable requirements under N.J.A.C. 19:31-26.7, is reviewed and approved by the Authority before any work modifications occur.

Based on validated project eligible costs of \$23,750,467.00, the maximum award for the project will not exceed \$12,000,000. The Applicant may utilize the tax credit in the accounting or privilege period in which the project is completed.

Conditions of Approval

Staff recommends an award contingent upon the Applicant satisfying certain conditions within one year of approval. These conditions include, but are not limited to:

1. Drawings and specifications showing modifications as needed to ensure substantial compliance with the Secretary of the Interior's Standards for Rehabilitation.
2. Copy of site plan approval from permitting entity authorizing the development of the Project, and a copy of all required planning and zoning approvals and permits, and any other required permits.
3. Copy of executed financing commitments for the Project. If the terms of the financial commitments are materially different from the projected terms provided in the application.

4. A certification that no construction will commence at the Property prior to execution of the Rehabilitation Agreement unless it meets one of the allowable exemptions under the Program.

Program Funding

The HPRP is capped at \$50 Million per year with the option to roll-over unused funding in any given year to the following year. The first round of funding for the Program (\$50 Million) became available as part of the 2021 State Fiscal Year; therefore, to date, a total of \$300 Million has become available for the Program. After accounting for previously awarded credits, open applications still under review as well as the recommended award covered in this memorandum, a total of \$151,878,089.96 remains available.

Recommendation

Authority staff has reviewed the application for QOZB Ellavoz Newark Urban Renewal, LLC and finds that it satisfies the eligibility requirement of the Historic Property Reinvestment Program's statute and rules. It is recommended that the Members approve a Historic Property Reinvestment tax credit award to QOZB Ellavoz Newark Urban Renewal, LLC for the Newark Commons project. The tax credit award is 60% of actual eligible costs with a maximum tax credit amount of \$12,000,000. The final award amount will be based on the Project's actual eligible costs.



Tim Sullivan, CEO



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: 10 Park Place Newark LLC
10 Park Place Newark
Historic Property Reinvestment Program
Recommendation of Award

Request

The Members are requested to approve a proposed Historic Property Reinvestment tax credit award to 10 Park Place Newark LLC (Applicant) for the 10 Park Place Newark Rehabilitation Project (Project) in Newark. The recommended tax credit award is 60% of actual eligible costs with a maximum tax credit amount \$12,000,000. The final award amount will be based on the Project's actual eligible costs.

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

Historic Property Reinvestment Program Background

The Historic Property Reinvestment Program (HPRP or Program) is a tax credit program designed to complement the Federal Historic Tax Credit Program to encourage and bolster smart growth investments focused on the rehabilitation of existing identified historic structures throughout New Jersey. The HPRP focuses on historic preservation as a component of community development, encouraging long-term private investment in the State while preserving properties that are of historic significance.

The HPRP is a competitive program, under which projects must apply within a defined application window, with all applications to be considered following the closure of the application period. The Authority has established scoring criteria for the evaluation of proposed rehabilitation projects. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100 maximum total score. Additionally, if on any given year the Program is oversubscribed, then applications will be ranked based on score and awards will be based on ranking.

To be awarded tax credits under the HPRP, the applicant must be in good standing with the NJ Department of Labor and Workforce Development, NJ Department of Treasury, and the NJ Department of Environmental Protection (as determined by each Department). The HPRP rules also require that the rehabilitation project pay prevailing wages for construction work during the duration of the project, which starts at execution of the rehabilitation agreement, and to building service workers for a period of 10 years following project completion for single phase project, or 10 years following the completion of the first phase for multiphase rehabilitation projects.

Projects under the HPRP are subject to an annual program cap of \$50 million. Annual unused amounts may be included in the amounts available for approval in the subsequent fiscal year.

The last application round, which was the fifth round under the Program, closed on December 5, 2024. Ten (10) applications representing a combined total project cost of just under \$430 million, and a maximum tax credit request of just over \$88 million, were received under the round. Out of the applications received, one (1) was withdrawn by the applicant, three (3) have been approved by the Board earlier this year for a combined maximum tax credit amount of just over \$29 million, two (2) are being presented to the Board at the July 2025 (including the subject of this authorization request), and four (4) remain under review. Duration of review times for applications received under the Program varies based on clarity and completeness of documentation submitted at time application and responsiveness at the request for clarifying information during application review.

As part of the prior four (4) application rounds, one (1) project was awarded in the first round (which was a transformative project round), and one (1) was awarded in the fourth round. After the fourth application round closed, legislative changes to improve the Program were made and signed into law by Governor Murphy in September of 2024. The new legislation increased potential award percentages and caps and reduced some requirements, such as the need to demonstrate a funding gap, for projects under \$5 million or located in a Government Restricted Municipality. Some of the changes contained within the new bill, such as the increase in tax credit award percentages and caps, were enacted upon signing of the bill and therefore were in effect during the last application round. The remaining changes will become effective upon adoption of revised Program rules.

Project Information

Applicant

10 Park Place Newark LLC

10 Park Place Newark LLC is a limited liability company established in 2021 as a single purpose entity to develop the proposed project property. The applicant has assembled a multi-disciplinary team of professionals in the fields of historic preservation, architecture, and engineering. The lead development entity for the project is The Berger Organization, a privately owned real estate company, based in Newark, with extensive experience in the development and management of residential, commercial and hospitality properties throughout Northern New Jersey and New York City. The Berger Organization's development portfolio includes more than 2 million square feet of space including: the Best Western Robert Treat Hotel, the Military Park Building, and the TRYP by Wyndham Hotel, all in Newark, NJ.

Co-Applicant

HOM NJ Park Place LLC

HOM NJ Park Place LLC is wholly owned and managed by Housing On Merit (“HOM”). HOM is a Los Angeles based, mission-driven 501(c)(3) nonprofit organization that co-develops bond-financed and government-supported permanent affordable housing projects utilizing Low-Income Housing Tax Credits. HOM has managed the closing of \$1.3 billion in debt financing with institutional lenders for affordable housing acquisitions and has overseen the construction, preservation, and renovation of 9,060 units of affordable housing in fifty senior and multifamily housing communities nationwide. HOM also provides support services and enrichment programs to over 6,078 residents based on individual resident and community needs.

The Applicant and Co-Applicant have entered into a participation agreement that specifies the Co-Applicant's participation in the Rehabilitation Project and will provide support services associated with the 100% affordable housing project. Additionally, the co-applicant will receive both the HPRP and Aspire credits and will enter into agreements for the sale of the credits.

Project Location

10 Park Place, Newark, New Jersey 07102

Project Name

10 Park Place Newark

Project Description

The Project consists of the complete rehabilitation of the 10-story historic Fireman’s Fund Building, located immediately adjacent to the New Jersey Performing Arts Center (NJPAC) into a mixed used building with 196 affordable residential rental units and commercial retail space on the first floor. Work on the property, which has been vacant for over three (3) years, will include cleaning and repair of all exterior masonry, as well as new electrical, plumbing and HVAC systems. The Project is scheduled to be completed in a single phase.

Selected Rehabilitation Period and Project Schedule

Documentation submitted as part of the HPRP application for the 10 Park Place Newark Rehabilitation Project indicates that the Project will be conducted in one (1) phase. Therefore, as per Program rules, the Applicant will have a selected rehabilitation period of up to twenty-four (24) months to complete the Project. Specifically, the schedule submitted with the application shows a Project duration of four hundred and ninety (490) workdays. Based on this schedule, if the Rehabilitation Agreement were executed in the first quarter of 2026, the projected project completion date would be during the first quarter of 2028.

Evaluation of the Application**Scoring Criteria**

The HPRP application submitted for the Project was reviewed and scored based on the Program’s pre-established scoring criteria. The criteria focus on five (5) main themes: Historic Significance, Imminent Threat to Historic Resource, Project Concept and Team, Status of Site Control, and Impact on the Surrounding Neighborhood. To receive a tax credit award, a business entity’s application must receive a minimum score of 50 out of 100.

As part of the Project Concept and Team review, the scoring committee scored the Applicant based on

information submitted regarding the Project team’s demonstrated experience. Documentation reviewed included information on the experience and qualification of the applicant entity as well as individual team members, professional resumes and prior projects completed of similar size and complexity. Based on the information reviewed, the Applicant demonstrated that the Project team is comprised of individuals within the appropriate disciplines with suitable levels of experience to complete the proposed Project scope and no concerns were identified.

The 10 Park Place Newark application was reviewed and scored by a committee comprised of a multidisciplinary team of professionals with experience in the fields of historic preservation, construction, and project management. The three (3) members of the committee included NJEDA staff, as well as professional staff from DEP’s Historic Preservation Office, and DCA’s NJ Historic Trust.

Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 65.17 out of a possible 100, therefore surpassing the required minimum score of 50. Seven (7) out of the nine (9) active applications under the round have been scored to date, and all have surpassed the minimum score requirement.

The Fall 2024 HPRP Project Application Round was undersubscribed (total amount of tax credits requested by all applicants was less than the total amount of funding available for the round) therefore the Project’s overall ranking against all other projects was not considered as a factor for this award recommendation.

Underwriting Review

Based on our financial review, Underwriting concludes that the Applicant has adequate and bona fide sources of funding to cover all project costs and there is a reasonable expectation these sources of funding will be available to complete the Project. The Applicant has also illustrated the wherewithal to meet the Program’s minimum 20% equity contribution requirement (which as defined by Program rules may include Federal or local grants and expected proceeds from the sale of Federal or local tax credits, including the Federal Historic Tax Credit) and has demonstrated a financing gap. Additionally, the Applicant has provided documentation showing proposed terms for the sale of HPRP credits at a price of 87 cents on the dollar, which exceeds the Program minimum price requirements for the sale or transfer of HPRP credits.

Uses	Total Project Costs	Eligible Costs
Acquisition of Property	25,850,574.00	-
Property Improvements	82,464,203.00	65,649,677.40
Professional Services	3,907,840.00	2,744,253.00
Financing and Other Costs	22,392,949.00	14,563,385.65
Contingency	-	-
Development Fee	13,745,960.00	-
Total	\$148,361,525	\$82,957,316.05

Sources	Amount
Construction Loan	72,700,000.00
Aspire Bridge Loan	44,270,927.00
LIHTC Proceeds	9,962,584.00
Federal Historic Tax Credits	4,782,084.00
Cash	10,288,090.00
Developer Fee	6,357,841.00

Total	\$148,361,526.00
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Secretary of the Interior's Standards for Rehabilitation Review

The DEP's Historic Preservation Office (HPO) has finalized its review of the Project for compliance with the Secretary of the Interior's Standards for Rehabilitation (Standards) as part of a submission under the Federal Historic Preservation Tax Incentives program. This review determined the proposed rehabilitation work meets the Standards and aligns with the property's historic character, as approved with conditions.

NJEDA's Historic Preservation Team assessed the documentation submitted under the federal program to ensure it aligns with the applicant's HPRP application and Project. The team confirmed concurrence with HPO's findings and Standards' compliance determination.

The Standards provide direction in making appropriate choices in planning the repairs, alterations, and additions that may be a part of a rehabilitation project. They are the standard most often used by historic preservation entities and organizations nationwide. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. They cover the treatment of all materials on the exterior and the interior of historic buildings along with related landscape features and the building's site and environment, and attached, adjacent, or related new construction. The Standards are a statutory requirement under the HPRP and a regulatory requirement for the Federal historic tax credit program.

Project Costs Review

Authority staff completed a detailed review of Project cost breakdowns that included total Project costs, and eligible Project costs, which typically include soft costs incurred within a year from the application submission date and most permanent construction costs within the building or attached to the building's exterior. The evaluation consisted of a review of the Project's construction cost estimate, drawings and specifications to determine general appropriateness of total Project costs submitted for the purpose of assess Project viability as well as a detailed review of all identified eligible costs to ensure adherence with the Program's eligible costs definition. The review found that all costs seemed appropriate, however it identified that some demolition activities and cabinetry work, as well as property acquisition costs, which do not meet the Program's definition of eligible costs, had been included as eligible cost, therefore, an adjustment to the Project's eligible cost was requested by the Authority and made by the Applicant. Ineligible construction costs under the Program include all costs associated with Project site work, furniture, cabinetry not inherently part of the building structure or any improvement not permanently attached to the interior or exterior of the structure, as well as all costs associated with an increase in total building volume. Ineligible soft costs include early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing and advertising, temporary signage, incentive consultant fees, Authority fees, loan interest payments on permanent financing, escrows, reserves, pre-opening costs, commissions and fees to the developer, project management, or other similar costs. Since there is a number of potential large cost items, such as site work and costs associated with an increase in total building volume (addition to existing buildings), are not considered eligible costs under the program, there may be a significant delta between total project costs and eligible costs for some projects. Adjustments made to the eligible costs did not have an impact on the Project's overall cost. Authority staff has confirmed that only verified eligible costs are being used to calculate the applicant's maximum tax credit amount award.

Additionally, the review confirmed that eligible costs for the proposed Project will be greater than the Program's minimum cost requirement for the Project, which must exceed the greater of the adjusted basis of the structure or \$5,000. The adjusted basis for the structure for the existing building is \$15,240,344.

Other Reviews

In addition to the review of scoring criteria items and underwriting review of financial documents, NJEDA staff conducted other reviews to confirm eligibility and compliance with Program requirements including application completeness review, sister agency review and legal review in accordance with the Authority's debarment and qualification rules. The submitted proposed Project schedule was also reviewed and NJEDA staff confirmed that the selected rehabilitation period of 24-months was a reasonable timeframe for the proposed work.

Award Calculation

10 Park Place Newark Rehabilitation Project includes the rehabilitation of a qualified property that is located within a qualified incentive track; therefore, it qualifies to receive tax credits worth up to 60% of eligible project costs up to a project cap of \$12 million. Once the Applicant successfully completes the Project, the Authority will issue a certificate of compliance allowing the Applicant to use the tax credit during the accounting or privilege period in which the project is completed. The project will be considered complete when the Applicant receives a temporary certificate of occupancy for the project, or upon any other event evidencing project completion that is set forth in the rehabilitation agreement.

With an understanding of the numerous unknowns inherent with rehabilitation work in historic structures, the Program application process allows for an applicant's estimate for eligible construction costs to include a construction contingency. All cost estimates submitted, including construction contingency, are thoroughly reviewed, and validated by the Authority staff as part of the application review process.

Based on validated project eligible costs of \$82,957,316.05, the maximum award for the project will not exceed \$12,000,000. The Applicant may utilize the tax credit in the accounting or privilege period in which the project is completed.

Conditions of Approval

Staff recommends an award contingent upon the Applicant satisfying certain conditions within one year of approval. These conditions include, but are not limited to:

1. Drawings and specifications showing modifications as needed to ensure substantial compliance with the Secretary of the Interior's Standards for Rehabilitation.
2. Copy of site plan approval from permitting entity authorizing the development of the Project, and a copy of all required planning and zoning approvals and permits, and any other required permits.
3. Copy of executed financing commitments for the Project, if the terms of the financial commitments are materially different from the projected terms provided in the application.
4. A certification that no construction will commence at the Property prior to execution of the Rehabilitation Agreement unless it meets one of the allowable exemptions under the Program.

Program Funding

The HPRP is capped at \$50 Million per year with the option to roll-over unused funding in any given year to the following year. The first round of funding for the Program (\$50 Million) became available as part of the 2021 State Fiscal Year; therefore, to date, a total of \$300 Million has become available for the Program. After accounting for previously awarded credits, open applications still under review as well as the recommended award covered in this memorandum, a total of \$151,846,421.14 remains available.

Recommendation

Authority staff has reviewed the application for 10 Park Place Newark LLC and finds that it satisfies the eligibility requirement of the Historic Property Reinvestment Program's statute and rules. It is recommended that the Members approve a Historic Property Reinvestment tax credit award to 10 Park Place Newark LLC for the 10 Park Place Newark Rehabilitation Project. The tax credit award is 60% of actual eligible costs with a maximum tax credit amount of \$12,000,000. The final award amount will be based on the Project's actual eligible costs.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: September 10, 2025

RE: Aspire Program- Product #315926
**10 Park Place Newark LLC (“Applicant”) and HOM NJ Park Place LLC,
 (“Co-Applicant”)**

Request

Issuance of tax credits from the Aspire program (“the Program”) for a residential project located in Newark, New Jersey, Essex County up to 60% of the total project cost (“eligible costs”), not to exceed \$81,051,155.

Aspire Program Background

The New Jersey Economic Recovery Act of 2020, N.J.S.A. 34:1B-322, et seq., provides that the “authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs.” N.J.S.A. 34:1B-324. As authorized by P.L. 2023, c. 98 (“Chapter 98”), this application is proceeding under the act and rules in effect immediately prior to Chapter 98 (respectively, “Former Act” and “Former Rules.”) However, Chapter 98 also allows for projects to proceed under the Former Act and Former Rules while benefitting from increases to project award caps contained in Chapter 98. Such projects would also be reviewed using the Chapter 98 definition of “reasonable and appropriate return on investment,” which requires both a deferred developer fee and a cash flow internal return on investment analysis for residential projects with Low-Income Housing Tax Credits and returns on equity other than federal or local grants. To do so, an applicant would need to provide a complete application to the Authority, a statement in writing electing to proceed under this option, and obtain all applicable approvals under the Municipal Land Use Law prior to November 4th, 2023. This Applicant has provided a complete application and received Final Site Plan Approval from the City of Jersey City on September 5, 2023. In addition, section 10 of P.L. 2025 c. 2 (effective January 23, 2025) includes certain provisions that apply retroactively to all Aspire approvals.

Accordingly, this application was evaluated to determine eligibility in accordance with the Former Act and the Former Rules (with the exception of the new project award cap and “reasonable and appropriate return on investment” definition) and Section 10 of P.L. 2025 c. 2. To meet basic eligibility requirements, developers of residential projects must demonstrate (1) that without the incentive award, the Redevelopment Project is not economically feasible, (2) that a project financing gap exists after the developer has contributed an equity participation of at least 20 percent of the total development cost, and (3) the project meets specific cost thresholds, depending on where the project is located.

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

To date, the Board has approved 30 projects under the Aspire Program, representing just over \$2.8 billion in tax credit allocations. The approved applications consist of 5 commercial, 9 mixed-income residential, 12 fully affordable residential, and 4 mixed-use residential projects. Of these approvals, one application was subsequently withdrawn by the applicant.

Project Description

The proposed Project, known as 10 Park Place Newark, involves the adaptive reuse of the historic Fireman’s Fund Building, an office-to-residential conversion development. Located in the downtown neighborhood of Newark, NJ, the building is positioned directly across from historic Military Park and is situated within walking distance of the New Jersey Performing Arts Center (NJPAC)/Center Street Light Rail Station.

The 10-story building will have a gross building area of 194,917 square feet and will feature 188,270 square feet of loft-style residential units, all of which will be designated as 100% affordable housing. The Project will also include 6,647 square feet of ground floor retail space.

Project Ownership

The Applicant, 10 Park Place Newark LLC, executed a Purchase Sale Agreement with 2 Park Place Associates LLC and Firemen’s Building, LLC for the acquisition of the Project site at 10 Park Place. Closing of the site is expected to take place in the first quarter of 2026.

10 Park Place Newark LLC is a single purpose entity formed to undertake this Project. As a convention to the Low-Income Housing Tax Credits used to finance the affordable component of the Project, during and post-construction the Applicant will be owned by a Low-Income Housing Tax Credit investor member (99.99%), currently anticipated to be PNC Bank. The remaining 0.01% ownership is split between Fireman Park, LLC (50%) and 10 PP Development Member LLC (50%). 10 PP Development LLC will be the managing member that will assume management of the post-construction operations. Once construction is complete, both Fireman Park, LLC and 10 PP Development Member LLC partners will assume a shared responsibility in the asset management and operations of the Project.

Lead Development Entity

Based in Newark, NJ, The Berger Organization is a privately owned real estate company involved in the development and management of residential, commercial and hospitality properties throughout Northern New Jersey and New York City.

The Berger Organization manages a portfolio of over 2 million square feet, featuring properties such as the Best Western Robert Treat Hotel, the Military Park Building, the TRYP by Wyndham Hotel, and 22 Fulton Street – a formerly Board-approved Aspire project – all located in Newark, NJ.

Key personnel from the Berger Organization assigned to the Project include Miles Berger, Chairman and Chief Operating Officer, and Brendan Berger, Vice President.

This is the Authority's second time evaluating an Aspire award application for this developer.

Co-Applicant

HOM NJ Park Place LLC is wholly owned and managed by Housing On Merit ("HOM"). HOM is a Los Angeles based, mission-driven 501(c)(3) nonprofit organization that co-develops bond-financed and government-supported permanent affordable housing projects utilizing Low-Income Housing Tax Credits. HOM has managed the closing of \$1.3 billion in debt financing with institutional lenders for affordable housing acquisitions and has overseen the construction, preservation, and renovation of 9,060 units of affordable housing in fifty senior and multifamily housing communities nationwide. HOM also provides support services and enrichment programs to over 6,078 residents based on individual resident and community needs.

The Applicant and Co-Applicant will enter into a participation agreement that specifies the Co-Applicant's participation in the Redevelopment Project and evidences a commitment to providing the services described below. Since the services will be provided by the parent company, a specific condition has been added to ensure its continued participation. The commitment encompasses the duration of the Aspire Eligibility Period.

Per Aspire Rules, in the application the Co-Applicant must also demonstrate the following:

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

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

The Co-Applicant's organizational purpose encompasses the proposed participation.

The Co-Applicant will play an active role in the Project by delivering and managing services that include coordinating supportive social services for residents, with a focus on case management. This individualized support will involve connecting residents to local resources, offering personalized coaching to address areas for improvement, and serving as an advocate on their behalf with property management and other key stakeholders.

HOM will hire a resident services coordinator (RSC) to work on site 20 hours per week providing onsite programming. Most of their time would be spent running an after-school program for youth in the community, so that school-aged residents can have a safe space where they can receive tutoring and engage in enriching activities. As for the remainder of the onsite time, HOM will provide various types of programming, including ESL, financial literacy workshops, and community social events based on community needs. HOM will seek partnerships with local service providers to offer on-site services.

The Co-Applicant has the financial and operational capability to provide the proposed contribution or services.

Authority staff has reviewed financial statements and operational capability provided by Housing On Merit substantially evidencing the ability to provide the proposed services.

The Co-Applicant's receipt and sale of the tax credits is necessary to finance the Redevelopment Project.

The Co-Applicant serves both a resident services function and as the entity that will provide the financing with regard to the Aspire tax credits. The tax credit certificates will be allocated to the non-profit which will sell the credits annually to a tax credit investor and provide those sales proceeds back into the partnership. This allows the project to obtain the Aspire credit sales proceeds without tax consequences and to pay annual debt service on an Aspire bridge loan, putting critically important capital into the project.

Legal Review and Sister Agency Check

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

Construction Timeline:

Construction is expected to commence in March 2026, and the Project will take approximately 26 months to complete.

Architect

Design for the Project has been undertaken by Rawlings Architecture. The firm was founded in 1998 and provides architectural design services, preliminary zoning and code analysis, space and site planning, full construction document drawings and specifications, bid review and analysis, construction administration, and interior design. The firm specializes in a range of projects including primary and higher education, hospitality, mixed-use, multifamily residential, and

adaptive reuse.

Rawlings Architecture Design has a wide range of completed work including: 1] The Umbrella Factory – Williamsburg Brooklyn; Residential 2] Massachusetts General Hospital – Boston, MA; Institutional 3] Carnegie Hotel – New York, NY; Commercial 4] The Dance Building – New York, NY; Mixed-Use.

General Contractor

CM & Associates is a full-service, New York City based construction management and general contracting firm. CMA provides services to the commercial, residential, institutional, educational, and hospitality market sectors.

The firm was founded in 2005 by owner and president, Christopher Mesbah, along with a core management team that specialize in architecture, engineering, construction management, and landscape architecture.

Project Details

As noted previously, the adaptive reuse Project includes the conversion of an office-to-residential development located at 10 Park Place in downtown Newark. The existing structure will be completely renovated and transformed into a fully affordable housing development with ground-floor retail space. The residential space will include 196 residential units, comprised of 54 studios, 116 one-bedrooms, 16 two-bedrooms, and 10 three-bedroom units. New utility systems will be installed, and each floor will be reconstructed to accommodate the new residential layout. The building will also feature new elevator cabs, as well as upgrades to the basement and roof to support resident amenities. The front portion of the ground floor will include commercial space, contributing to the revitalization of Park Place and the surrounding Military Park area.

Amenities at the building will include onsite maintenance and building management, laundry room and gym.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Eligible Project Costs
Acquisition	\$25,850,574	\$22,324,815
Hard Construction Costs	\$82,464,203	\$81,093,703
Professional Services	\$3,907,840	\$3,607,840
Financing and Other Soft Costs	\$22,392,949	\$14,312,941
Developer Fee	\$13,745,960	\$13,745,960
Total	\$148,361,526	\$135,085,259

The total eligible project cost is the cost included in total development costs that is used for sizing the tax credit. The total eligible project cost excludes land acquisition, as well as other expenses incurred prior to application.

The Applicant proposes the following sources for the Project:

Sources	Type	Amount
Citizen's Bank Construction Loan	Construction Loan	\$72,700,000
Aspire Bridge Loan	Aspire Proceeds	\$44,270,927
LIHTC Proceeds	Tax Credit Equity	\$9,962,584
Federal Historic Tax Credits	Tax Credit Equity	\$4,782,084
Cash	Equity	\$10,288,090
Deferred Developer Fee	Equity	\$6,357,841
	Total	\$148,361,526

The Applicant is subject to the Board's approval for State Historic Tax Credits under the Historic Property Reinvestment Program (HPRP) in the amount of \$12 million. The tax credits will be used during the construction period to fund qualified rehabilitation expenditures and will be bridged as part of the construction loan.

Developer Contributed Equity

Based on the equity requirement of at least 20% of total development costs for a residential project not in a Government Restricted Municipality, the required equity in this project is \$29,672,305. Equity consists of the deferred developer fee in the amount of \$6,357,841, LIHTC proceeds in the amount of \$9,962,584, Federal Historic Tax Credits in the amount of \$4,782,084, and cash in the amount of \$10,288,090, which satisfies this requirement.

Statutory Aspire Award Cap

Pursuant to Chapter 98, this Project is a residential project utilizing Low-Income Housing Tax Credits in a qualified incentive tract and thus is eligible for an Aspire tax credit equal to the lesser of 60 percent of the total project cost or \$90 million. The total eligible project cost is estimated to be \$135,085,259. As such, the Project is eligible for an Aspire tax credit not to exceed \$81,051,155 which is the lesser of \$90 million and 60 percent of the total project cost.

Financing Gap Analysis

NJEDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this Project.

Because the Project is receiving Low-Income Housing Tax Credits for all residential units, NJHMFA's deferred fee model was used to measure the appropriate and reasonable rate of return. The total developer fee is \$13,745,960 with \$6,357,841 deferred. This conforms to the Agency's policy as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

Aspire Tax Credit Sale Price

For projects that represent the new construction of residential units and including a Low-Income Housing Tax Credit Allocation the consideration for the sale or assignment of the Aspire tax credits can be no less than 65 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 87 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a bridge loan will be secured by the future sale proceeds from the tax credits, and when accounting for these loan proceeds received during construction, it represents a discount rate of 5.79% from the 87 percent consideration of the transferred credit amount. The sources identified above in the Sources table as “Aspire Bridge Loan” reflect the value of this bridge loan. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

Net Positive Benefit Analysis

The NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. However, exceptions to the requirement are capital investment for a residential project, a capital investment for a food delivery source, or a health care or health services center with a minimum of 10,000 square feet of space devoted to health care or health services that is located in a municipality with a Municipal Revitalization Index distress score of at least 50 lacking adequate access, as determined by the Commissioner of the Department of Health. The Project is a residential project and, therefore, the entire award and capital investment are not subject to the net positive economic benefit analysis.

Other Statutory Criteria

Affordability Controls

For any residential project, at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as required under the Fair Housing Act, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.). The Applicant has indicated an intent to comply with the above requirements.

Scoring

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

Community Benefits Agreement

For a Redevelopment Project whose total project cost equals or exceeds \$10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a

community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the developer and will execute the community benefits agreement within the time required.

Labor Harmony Agreement

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. This project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations

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

Substantial Good Standing/Subcontractor and Contractor Requirements

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

Availability of Emerge/Aspire Resources

At the time of this recommendation, there are \$1,702,735,828 in unallocated tax credit resources available to Aspire projects for the fiscal year.

Recommendation

Authority staff has reviewed the application for 10 Park Place Newark LLC and finds that it satisfies the eligibility requirements of the Former Act and Former Rules. It is recommended that the Members approve and authorize the Authority to execute an incentive award agreement. The tax credit award would be credited against the total available award authority.

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

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

Applicant must also provide a certification that Housing On Merit, which is providing the services on behalf of the Co-Applicant, will remain the sole member of the Co-Applicant for the duration of the Eligibility Period.

Additionally, Applicant must submit an executed Community Benefits Agreement or redevelopment agreement consistent with all of the requirements included in the Former Rules within the same time as all other conditions subsequent required in the approval letter.

The recommendation is approval of an award of up to 60% of the total project cost, not to exceed \$81,051,155 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.



Tim Sullivan, CEO



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: September 10, 2025

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

Request

Issuance of tax credits from the Aspire program (“the Program”) for a single phased transformative residential project located in East Orange, New Jersey, Essex County, up to 80% of eligible project cost (“eligible costs”), not to exceed \$297,904,437 based on a not to exceed amount for acquisition cost of \$35,680,000 and a not to exceed amount for \$262,224,437 for the rest of the eligible project cost.

Aspire Program Background

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

Project Description

The Project, known as The Crossings at Brick Church Station Phase 1B (Phase 1B), is located at 533 Main Street in East Orange, Essex County. (All references to “Project” refer only to Phase 1B.) The site, currently used as a surface parking lot, abuts the Brick Church Commuter Rail Station on its southern boundary. The station provides direct access to New York Penn Station and Newark Broad Street Station. It is also served by five NJT bus lines, fronts Martin Luther King Jr. Boulevard (aka Main Street) to the north, Harrison Street to the west and Halsted Street to the east. The redevelopment of the property is governed by the city’s Transit Village District Redevelopment Plan.

The Project, Phase 1B, is the second phase of the Redevelopment Plan for The Crossings at Brick Church Station, a multi-phased, transit-oriented project that entails new construction of a mixed-income development on 2.1 acres. The first phase known as Phase 1A, which is nearing completion, consists of 400 multi-family apartment units, 61,000 square feet new ShopRite supermarket, seven-story parking garage with 1,200 spaces, along with significant environmental remediation, infrastructure, and community improvements. Phase 1A was undertaken without an Aspire award and is not part of this application.

Phase 1B will be a 9-story building with 420 multifamily rental units, including 84 affordable units and 63 workforce housing units. The total square foot is 431,365 square feet inclusive of common areas, including 86,161 square feet of retail and restaurant space, 26,621 square feet of office/medical space. The Project also includes 342 parking spaces. The Project is located within an Urban Enterprise Zone (UEZ) and an Opportunity Zone.

The Project will comply with the Energy Star Homes Program included in the NJHMFA's Green Standard Requirements, which satisfies NJEDA Green Building Standards.

Project Ownership

The Project site is currently owned by Brick Church Urban Renewal VII, LLC ("BCUR VII"), which is wholly owned by the Applicant. As part of the financial close, the Project will be converted into condominiums and the ownership of the condominiums will be sold to the following related entities of the Applicant:

1. Brick Church Urban Renewal IV LLC ("BCUR IV") will own, and operate (i) approximately 50,324 net square feet of Commercial Uses "Phase 1B Anchor Retail Condo"; (ii) approximately 26,621 net square feet of Commercial Uses "Phase 1B Office Space"; and (iii) approximately 19,777 net square feet of "Phase 1B Food Hall" and "Phase 1B Promenade Retail" together with all associated surface parking, infrastructure, and other improvements and will own and operate approximately 336 market rate residential rental units, "Phase 1B Market Rate and Workforce Condo".
2. Brick Church Urban Renewal VI LLC ("BCUR VI") will own and operate approximately 84 residential rental Affordable Units "Phase 1B Affordable Condo" And will own and operate approximately 16,060 net square feet of Anchor and Retail "Phase 1B Main Street Retail" together with all associated surface parking, infrastructure, and other improvements.

The Project site is valued at \$44.6 million, based on an appraisal conducted by Jones Lang Lasalle (JLL) and submitted by the Applicant, dated February 6, 2025. (The JLL group that conducted the appraisal is not the same group that provides consulting services to EDA.) In accordance with program rules, for purposes of equity, the property value is determined as the lesser of (i) the purchase price, provided the acquisition occurred through an arm's length transaction within 12 months prior to the application; or (ii) the current appraised value deemed acceptable by the Authority.

The Applicant, 533 Main Street LLC, is owned by 533 Main Street Sponsor Member LLC ("MM") (15% ownership as Managing Member) and GSG 533 Main Street Investor LLC ("GS") (85% ownership as Investor Member). 533 Main Street Sponsor Member LLC ("MM") owned by Incline Capital (9.999% ownership) and 533 Main Street Managing Member (90.001% ownership as Managing Member), a related entity of Triangle Equities Development Company LLC, owned by Lester Petracca. "GS is an affiliate of Goldman Sachs Urban Investment Group.

Brick Church Developers LLC has been designated as Redeveloper of the Aspire Project by the City of East Orange. In July 2024, there was a second amendment to the Redevelopment Agreement that allows the Redeveloper to assign the redevelopment rights to the entire property to the Applicant's related entities, including BCUR IV, BCUR VI, and BCUR VII. The Project received final site plan approval on August 21, 2019.

Affiliates

BCUR VII, the current Project property owner, is wholly owned by the Applicant. BCUR IV and BCUR VI, the future condominium owners, are currently wholly owned by the Applicant. The Applicant anticipates that at close of financing, BCUR IV and BCUR VI will be owned by a new entity that will be owned in part by the Applicant and an additional investor, with the Applicant being the managing member of the new entity.

The Applicant has acknowledged that it must provide a CPA certification or opinion of counsel to demonstrate that BCUR IV and BCUR VI, and any other entities that have or will have site control of the Project and may expend Project Cost, are “Affiliates” as defined in the Aspire rules.

Lead Development Entity

Triangle Equities Development Company LLC (Triangle Equities) is a real estate development firm involved in public and private partnerships working with government agencies and community groups. Founded in 1986 by Lester Petracca, Triangle Equities is a full-service real estate company that entitles, develops, owns, and operates commercial, residential, and mixed-use properties throughout the New York City metropolitan area. Triangle Equities has successfully developed nearly 2 million square feet of residential and commercial real estate spanning retail, residential, industrial, self-storage and office assets and currently has over 1 million square feet of real estate assets under ownership and management.

Currently Triangle Equities has over \$1 billion dollars’ worth of new construction projects in some stage of predevelopment or construction, including: 1] The Crossings at Brick Church Station Phase 1A in East Orange, NJ, a mixed-use, Transit Oriented, master-planned community with significant local, state, and federal subsidy; 2] Lighthouse Point, Staten Island, NY, a mixed-use, public/private partnership project with New York City Economic Development Corporation and New York State Empire State Development with a variety of local, state and federal subsidy ; 3] 111 Willoughby, Brooklyn, NY, a 40-story high-rise apartment tower with community space for the Roman Catholic Archdiocese, the projects ground lessor; 4] Arverne East, a mixed-use resilient and sustainable community on the Rockaway Peninsula. Overall, Triangle Equities has over 1,000 residential units under construction and over 2,000 residential units in its development pipeline.

Key Staff from Triangle Equities involved in the Project include Lester Petracca- President and Chief Executive Officer; Evan Petracca- Chief Operating Officer; John Mikuljan- Chief Financial Officer; and Edward J. Henderson- General Counsel.

Co-Applicant

The Co-Applicant is NSI Aspire LLC, which is wholly owned and managed by and a disregarded entity of Neighborhood Strategies Inc., which is a 501(c)(3) and will act as the non-profit for the project financing. Authority staff are in receipt of an IRS 501 (c) 3 Determination Letter for Neighborhood Strategies Inc., evidence that it is a non-profit for taxation purposes under the provisions of Section 501 (c)(3) of the Internal Revenue Code.

Neighborhood Strategies Inc. was formed as a non-profit organization to improve economic conditions in blighted and badly deteriorated areas of the greater New York City, New York area through the development of housing and commercial development, and the creation of employment opportunities for low income and unemployed persons in such underutilized areas; to stimulate economic growth in depressed areas and combat underemployment in the greater New York City area; to stabilize such blighted or depressed communities; to combat deterioration in such blighted or depressed communities; and to further the social welfare of such blighted or depressed communities.

The Applicant and the Co-Applicant will be required to enter into a Participation Agreement that requires the Co-Applicant, or in this case the Co-Applicant's parent Neighborhood Services Inc., to contribute to services that will directly affect and serve residents of the Project. The Applicant has stated that these services will include, but are not limited to:

- Financial literacy & building credit programs;
- Health & wellness programs;
- Programs to help residents learn to shop for healthy foods at the adjacent Shop Rite supermarket and eating healthy on a budget.
- Interviewing skills, resume prep, & job readiness programs;
- Preventive health seminars.
- Community events & community programming

'Per the Rules, in the application the Co-applicant must also demonstrate the following:

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

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

The Co-Applicant's organizational purpose encompasses the proposed participation.

Neighborhood Strategies Inc. was formed under the laws of the State of New York for the purpose of promoting economic, civic, and social welfare by providing a comprehensive program of economic development. NSI Aspire LLC was formed under the law of the State of New Jersey to further the exempt purposes of Neighborhood Strategies, Inc.

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

Authority staff have reviewed financial statements and operational capability provided by Neighborhood Strategies Inc. substantially evidencing the ability to provide the proposed services.

The Co-applicant's receipt and sale of the tax credits are necessary to finance the Redevelopment Project.

The tax credit certificates will be allocated to the nonprofit which will sell the credits annually to a tax credit investor and return those sales proceeds into the partnership Applicant. This allows the project to obtain the Aspire credit sales proceeds without tax consequences and to pay annual debt service on an Aspire bridge loan, putting critically important capital into the project.

Because the Co-Applicant relies on its sole member, Neighborhood Strategies Inc., to qualify as a Co-Applicant, staff recommends requiring as a condition of approval that Neighborhood Strategies Inc. must remain the Co-Applicant's sole member for the duration of the Eligibility Period.

Legal Review and Sister Agency Check

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

Architect

Design for the project has been undertaken by Minno and Wasko Architects, a full-service design, planning, interior design, and structural engineering firm for commercial, mixed-use, and residential properties.

The firm was founded in 1995 by partners David Minno and Gary Wasko.

Minno and Wasko Architects have a wide range of completed work including Palmer Hill Townhomes, Stamford Connecticut, residential; 2) Georgetown, Morristown, New Jersey, residential; 3) Harrison Station 30, Harrison, New Jersey, mixed-use, residential; 4) The Brownstones at Englewood, Englewood, New Jersey, mixed-use, residential; and 5) URBYS Staten Island, Staten Island, New York, residential.

Construction Timeline

Construction is expected to commence on October 15, 2025, and the project will take 25 months to be constructed.

As a single-phase transformative project, the Aspire Program Rules require this project to be completed within 5 years of executing an incentive award agreement.

General Contractor

The general contractor for the Project is IMC Construction providing general contracting and construction management services to commercial, corporate, and institutional clients. IMC specializes in the development of healthcare, education, multi-family, retail, hospitality, senior living, and science and technology-driven projects.

Project Details

As noted previously, The Project known as The Crossings at Brick Church Station Phase 1B, is located at 533 Main Street, East Orange, Essex County.

The Project is the second phase of the Redevelopment Plan for The Crossings at Brick Church multi-phased, transit-oriented development. It entails the new construction of a mixed-income development, 9-story building with 420 multifamily rental units. This includes 273 market rate units, 63 workforce housing units, and 84 affordable units, which will be affordable at 50% AMI at 431,365 square feet inclusive of common area which includes 86,161 square feet of retail and restaurant space, and 26,621 square feet of office/medical space.

Market rate including workforce units include 82 studio units, measuring 552 square feet; 154 one-bedroom units, measuring 768 square feet, inclusive of one rent-free super's unit; 100 two-bedroom units, measuring 1,140 square feet. Affordable units include 16 one-bedroom units, measuring 708 square feet; 51 two-bedroom units, measuring 895 square feet; and 17 three-bedroom units, measuring 1,130 square feet. The gross rent will range from \$1,158 to \$3,400.

Apartment amenities include in-unit washer/dryer, dishwasher, stainless steel appliances, keyless entry, quartz countertops, luxury vinyl tile flooring, energy-saving fixtures, and in-unit climate control. Some units will have balconies. Within the building, the following amenities are available: dog washroom, two courtyards with seating and active/passive zones, a club room, fitness area,

sauna, co-working space, speakeasy seating, 24-hour concierge, storage areas for rent, family/community room, onsite management, and maintenance offices. The building will be constructed to EnergyStar Multifamily New Construction and Enterprise Green Communities 40+ standards and achieve Fitwell One Star or better sustainability certification. Additionally, other amenities to be included are landscaped pedestrian promenades connecting Main Street and Brick Church train station, seating and shade, bike racks, raised tabletop pedestrian plaza providing access to the train station.

The Project will be utilizing the parking garage constructed during the completion of Phase 1A which includes a total of 1,200 parking spaces in a structured parking area. A Master Deed is in place providing easement for tenant access for Phase 1B parking. Phase 1B includes 246 surface parking spaces (where the existing Shop Rite is located) and 96 parking spaces located on the ground floor of Phase 1B residential building.

Remediation will include a concrete cap over the site which will create a physical barrier between the Project structures and below-ground contamination.

A pedestrian plaza, which is not part of the Aspire project, is being designed and installed in collaboration with New Jersey Transit, which has dedicated \$35MM to capital improvements at the station and has received an additional \$83MM from the Federal Transit Administration for additional capital improvements.

The proposed Project is located at Block 683 Lots 1, 1.01, 4.01, 4.02 and 5.

Transformative Project

The Aspire statute provides for a category of redevelopment projects that may be either residential or commercial projects, which are referred to as "transformative projects." Such projects must meet certain significant criteria and can receive tax credit awards up to the lesser of \$400 million or a certain percentage of eligible costs. Awards can go up to 85 or 80 percent of eligible costs for projects located in a Government Restricted Municipality (GRM) depending on when the municipality was designated as a GRM and 60 percent of eligible costs for residential projects receiving a four-percent allocation from the Federal Low Income Housing Tax Credit (LIHTC).

To be considered a transformative project, a project must include at least \$150 million in total project cost, demonstrate a project financing gap (as with all Aspire projects), and be at least 500,000 square feet except it may be at least 300,000 square feet in an enhanced area, 200,000 square feet in a GRM, or at least 250,000 square feet for film studio projects (square feet are exclusive of parking). Having total development costs of \$425,002,000 and representing more than 200,000 square feet in a GRM, exclusive of any parking space, the Project satisfies these eligibility criteria.

A transformative project shall not include a Redevelopment Project at which more than 50 percent of the premises is occupied by one or more businesses engaged in the final point of retail sales. This Project conforms to this requirement.

Additionally, residential transformative projects located in a GRM must include the construction of 200 or more newly constructed residential units, which this Project satisfies.

Lastly, all transformative projects must leverage the competitive economic development advantages of the State's mass transit assets, higher education assets, and other economic development assets, in attracting or retaining both employers and skilled workers generally or in targeted industries by providing employment or housing.

The Crossings at Brick Church Station in East Orange, New Jersey exemplifies a transformative project that strategically leverages the State's mass transit and economic development assets to stimulate sustainable growth. Situated adjacent to the NJ Transit Brick Church Station, the development provides public transit connectivity, offering a 25-minute commute to Midtown Manhattan and even shorter access to Newark—two of the region's most significant employment centers. This direct transit access is a benefit for skilled workers who value efficient, car-free connectivity to job opportunities, cultural institutions, and urban amenities. The Project's integration with mass transit infrastructure positions it as a model for transit-oriented development (TOD), aligning with the State's economic development priorities.

East Orange's location and infrastructure also support its emergence as a hub for talent retention and attraction, particularly among workers in finance, healthcare, education, and technology. By capitalizing on the proximity to major higher education institutions such as Rutgers University–Newark, NJIT, and Seton Hall University, The Crossings at Brick Church Station supports synergies between academic innovation and workforce development. For example, the project will feature a 10,000-sf food hall restaurant incubator in partnership with the Rutgers Center for Urban Entrepreneurship and Economic Development: Rutgers will provide the budding culinary talents with business skills like accounting, forming an LLC, and sales/marketing training. These educational institutions contribute to a pipeline of skilled graduates, while the project's mixed-use design—with a robust mix of housing and retail—helps create a vibrant, livable community that meets the lifestyle needs of both emerging professionals and established workers.

These dynamics support not just local economic growth, but regional competitiveness in attracting employers seeking access to a talented labor pool.

The Crossings enhances residential and retail density in East Orange, signaling a commitment to urban revitalization that prioritizes walkability, livability, and economic dynamism. With hundreds of new residential units and substantial new commercial space, the development fosters a live-work-play environment that helps retain local talent while attracting new residents seeking quality housing near transit. These features support long-term economic development goals by creating a resilient local economy that can adapt to industry shifts and labor market needs. In sum, The Crossings at Brick Church Station is a catalytic investment in East Orange's future, one that leverages transit, education, and density to anchor the city's role in New Jersey's broader economic development landscape.

As noted above, the Project satisfies the eligibility criteria to be a single phased transformative residential project.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Project Costs
Acquisition (purchase price)	\$53,455,852	\$48,968,333
Hard construction costs	\$253,454,436	\$253,304,436
Professional Services	\$20,766,490	\$19,642,387
Financing and other soft costs (including soft costs associated with acquisition)	\$72,657,222	\$50,465,390
Developer Fee	\$24,650,000	\$0
Total	\$425,002,000	\$372,380,546

The eligible project cost is the cost included in total development costs that is used for sizing the tax credit. The eligible project cost excludes a portion of hard construction costs for construction monitoring and site cost, various reserves to fund interest, operating expenses during lease-up, and soft costs exceeding the 20% cap on soft costs. The acquisition cost is included as an eligible project cost capped at the appraised value and based on a post-approval condition that the Applicant provides evidence of the third-party investor agreeing to the purchase price. Additionally, as explained below, the tax credit award will be calculated separately for the acquisition cost and the remainder of the eligible project cost. The tax credit amount will be based on actual costs incurred but any amounts of the projected tax credit for the acquisition purchase will not be added to the tax credit amount for the rest of the tax credit.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
JLL FHA Section 220 HUD 1 st Mortgage	Construction/Permanent Loan	\$133,933,010
LIHTC Investor Proceeds	Tax Credit Equity	\$13,373,488
Aspire Bridge Loan	Aspire Loan	\$212,194,145
JLL/HMFA	Construction/Permanent Loan	\$9,876,189
Goldman Sachs and Lester Petracca	Equity	\$46,025,168
Deferred Developer Fee	Equity	\$9,600,000
	Total	\$425,002,000

Developer Contributed Equity

Based on the equity requirement in the Rules of 10% of total development costs for a residential project in a GRM, the required equity in this Project equates to \$42,500,200. Total equity consists of \$ 68,998,656 and includes LIHTC Investor Proceeds in the amount of \$13,373,488, Goldman Sachs and Lester Petracca equity in the amount of \$46,025,168, and Deferred Developer Fee in the amount of \$9,600,000 which satisfies this program requirement.

Statutory Aspire Award Cap

As a project in a municipality that was added as a GRM in the most recent statutory amendments, the project is eligible for an Aspire tax credit equal to the lesser of 80 percent of

the eligible project cost or \$400 million. The eligible project cost is estimated to be \$297,904,437. As stated above, because of the structure of the property purchase, the tax credit award will be calculated separately for the acquisition cost and the remainder of the eligible project cost. The tax credit amount will be based on actual costs incurred but any amounts of the projected tax credit for the acquisition cost will not be added to the tax credit amount for the rest of the tax credit. As such, the Project is eligible for an Aspire tax credit not to exceed \$35,680,000 for the acquisition and \$262,224,437 for the rest of the eligible project cost, which combined total \$297,904,437. That total amount is the lesser of \$400 million and 80 percent of the eligible project cost.

Financing Gap Analysis

Because the Project generates returns on equity and not all units are LIHTC units, NJEDA staff has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 13 years. The investment analysis assumes that the Applicant will utilize a 33-month timeframe to build and stabilize the Project. It also assumes a 12-year cash flow with an exit through the sale of the Project in year 13, as some parts of the project will stabilize and generate cash flow before the end of Project construction.

IRR without Aspire tax credit	-2.71%
IRR with Aspire tax credit	12.71%

Without the benefit of the Aspire tax credit, the Equity IRR is -2.71%, which is below the Maximum Return contained in the hurdle rate model provided by EDA's contracted consultant Jones Lang LaSalle ("JLL") for comparable multi-family residential developments in East Orange, NJ of 15.45%. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. Additionally, the Equity IRR with the Aspire tax credit award is below the maximum Return provided by JLL. Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate.

Because the Project is receiving Low-Income Housing Tax Credits, NJHMFA's deferred fee model was used to measure the appropriate and reasonable rate of return. The total developer fee is \$24,650,000 with \$9,600,000 of the developer fee being deferred. This conforms to the Agency's policy, as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

Aspire Tax Credit Sale Price

The Act dictates that for projects that represent the new construction of residential units and which are receiving tax credits pursuant to the Federal Low-Income Housing Tax Credit Program, the consideration for the sale or assignment of the Aspire tax credits can be no less than 65 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a bridge loan will be secured by the future sale proceeds from the tax credits sales, and when accounting for these loan proceeds received during construction, it represents a discount rate of 6.20% from the 90 percent consideration of the transferred credit amount. The sources identified above in the Sources table as "Aspire Bridge Loan" reflect the value of this bridge loan. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

Net Positive Benefit Analysis

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

Other Statutory Criteria:

Affordability Controls

For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as required under the Rules. The Applicant has indicated an intent to comply with all such aspects of the Rules including requirements concerning the bedroom distributions, affordability averages, affirmative marketing, and the long-term deed restriction of residential units.

Scoring

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

Community Benefits Agreement

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

Labor Harmony Agreement

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations

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

Substantial Good Standing/Subcontractor and Contractor Requirements

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

Availability of Emerge/Aspire Resources

At the time of this recommendation, there are \$1,702,735,828 in unallocated tax credit resources available to Aspire projects for the fiscal year.

Recommendation

Authority staff has reviewed the application for 533 Main Street LLC and finds that it satisfies the eligibility requirements of the Act and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available New Jersey award authority.

The developer has selected a 5-year Eligibility Period.

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

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit.
2. Evidence of site control and site plan approval for the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project; and
4. Evidence of the third-party investor agreeing to the purchase price, which may be the executed operating agreement of the new company that will own BCUR IV and BCUR VI.

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with all of the requirements included in the Rules within one year after approval.

Because the Co-Applicant relies on its sole member, Neighborhood Strategies Inc., to qualify as a Co-Applicant, a condition of approval is that Neighborhood Strategies Inc. must remain the Co-Applicant's sole member for the duration of the Eligibility Period.

The recommendation is approval of an award of up to 80% of the eligible project cost, not to exceed \$297,904,437, based on a not to exceed amount for acquisition cost of \$35,680,000 and a not to exceed amount for \$262,224,437 for the rest of the eligible project cost, in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: September 10, 2025

RE: Aspire Program- Product #00321807
11 Spring Street Urban Renewal LLC (“Applicant”)
Elizabeth Development Company of New Jersey (“Co-Applicant”)

Request

Issuance of tax credits from the Aspire program (“the Program”) for a residential, mixed-use project located in New Brunswick, New Jersey, Middlesex County, up to 80% of project cost (“eligible project costs”), not to exceed \$120,000,000.

Aspire Program Background

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

Project Description

The proposed development, 11 Spring Street, entails the new construction of a mixed-use residential project located on approximately 23,980 acres at 11 Spring Street in New Brunswick, Middlesex County, New Jersey. The Project will deliver 300 units of which 20% will be affordable for low- and moderate-income households. Spanning roughly 378,337 square feet, the community will comprise of a 27-story high rise building with 186 one-bedroom, 102 two-bedroom, and 12 three-bedroom units. The Project site currently contains a four-story parking structure, that will be demolished to allow for the construction of the new Project.

Project Ownership

The Project site was purchased by way of a Deed dated December 16, 2024, between Albany Street Plaza Urban Renewal LLC (Grantor), and 11 Spring Street Urban Renewal LLC (Grantee) for the sum of \$19,500,000.

The Applicant is a single purpose entity 11 Spring Street Urban Renewal LLC, which is solely owned by 11 Spring Street Member LLC, which is solely owned by Spring Street JV LLC, which is jointly owned by Boz IV-D Holdings LLC (70%), Boraie 11 Spring Street LLC (.10%) and NWA LLC (29.9%).

Lead Development Entity

Boraie Development LLC was established in 1972 and specializes in the development of large-scale, public-private, mixed income housing in urban municipalities of New Jersey. The firm develops, leases, and manages its properties.

Key staff involved in the Project include Omar Boraie- Chairman and Founder; Waseem Boraie- Chief Executive Officer and Principal; Sam Boraie - Chief Operating Officer and Principal; each having more than 30 years of experience in real estate.

Boraie Development LLC has undertaken several noteworthy projects including 930 McCarter Urban Renewal LLC residential project which was approved at the Authority's March 7, 2024 board meeting. Additional projects include: 1] 50 Rector Park, Newark, New Jersey, a multifamily development; 2] One Spring Street, New Brunswick, New Jersey, a multifamily development; 3] Albany Street Plaza, New Brunswick, New Jersey, office, and retail space. 4] 777 McCarter Highway, Newark, New Jersey, a multifamily development, 5] 600 Atlantic Avenue, Atlantic City, New Jersey, a multifamily development.

Co-Applicant

The Co-Applicant is Elizabeth Development Company of New Jersey (EDC), which is 501(c)3 and will act as the non-profit for the project financing. Authority staff is in receipt of an IRS 501(c)3 Determination Letter for EDC, evidencing that it is a non-profit for taxation purposes under the provisions of Section 501(c)3 of the Internal Revenue Code.

EDC will provide support and assistance to various aspects of the Project, including, without limitation, advising the Applicant on all aspects of the pre-development and development process through lease up, in addition to tax and financial support related to the monetization of the Aspire tax credits.

The Applicant and the Co-Applicant have a Services Agreement that requires the Co-Applicant to contribute services that will directly affect and serve residents of the Project. EDC will promote economic, civic, and social welfare by providing a comprehensive program of economic development.

Specifically, this will include, but is not limited to:

- Provision of training programs, at no cost, to residents to upskill candidates for employment positions.
- Assisting residents to match permanent jobs on the Project after construction.
- Provide social services and assistance to low- and moderate-income individuals via a part-time licensed social worker on staff to assist as needed. The staff member will be compensated by EDC.

This Services Agreement serves as the participation agreement that specifies the Co-Applicant's participation in the Redevelopment Project and evidences a commitment to providing the support and assistance previously described. The commitment encompasses the duration of the Aspire Eligibility Period.

Per the Rules, in the application the Co-applicant must also demonstrate the following:

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

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

The Co-Applicant's organizational purpose encompasses the proposed participation.

EDC is a not-profit corporation organized under the laws of the State of New Jersey for the purpose of promoting economic, civic, and social welfare by providing a comprehensive program of economic development.

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

Authority staff has reviewed financial statements and operational capability provided by EDC substantially evidencing the ability to provide the proposed services.

The Co-applicant's receipt and sale of the tax credits is necessary to finance the Redevelopment Project.

The tax credit certificates will be allocated to non-profit which will sell the credits annually to a tax credit investor and return those sales proceeds into the partnership Applicant. This allows the

Project to obtain the Aspire credit sales proceeds without tax consequences and to pay annual debt service on an Aspire bridge loan, putting critically important capital into the Project.

Legal Review and Sister Agency Check

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

Architect

MHS Architecture, founded in 1981 by Dean Marchetto and based in Hoboken, New Jersey, is a full-service design firm recognized for its expertise in mixed-use, multifamily, and transit-oriented developments. Their portfolio spans from townhouses to large-scale towers and urban centers.

The firm's services encompass architecture, urban planning and redevelopment, sustainable and green design, interior design, as well as comprehensive project and construction support.

Construction Timeline

Construction is expected to commence in December 2025, and the Project will take 30 months to be constructed.

General Contractor

The general contractor for the Project is AECOM Tishman, a full-service general contracting company specializing in construction management, engineering, architecture and design, environmental services, planning and consulting, IT and cyber security, program management, strategic consulting, and rail simulations. AECOM Tishman was founded in 1898.

Project Details

As noted previously the proposed Project entails the new construction of a residential mixed-use development which will deliver 300 units of which 20% will be affordable for low- and moderate-income households. Spanning roughly 378,337 square feet, the community will comprise a 27-story high rise building with 186 one-bedroom, 102 two-bedroom, and 12 three-bedroom units. The rents will range between \$805 and \$3,800.

The Project will have an amenity package consisting of 24-Hour Concierge, large gymnasium and yoga room, outdoor amenities will be located on the two green roofs on the fifth floor and above the tower, a roof-top pool, and a resident's lounge for teleworking and leisure use.

The Project will be designed to meet LEED and includes several green building features.

Additionally included will be approximately 1,598 square feet of ground floor commercial and retail space. There will also be a 4-story parking structure providing 112 parking spaces.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Project Costs
Acquisition	\$2,500,000	\$2,500,000
Hard construction costs	\$135,655,808	\$135,655,808
Professional Services	\$7,470,000	\$6,530,000
Financing and other soft costs	\$21,158,500	\$16,208,750
Developer Fee	\$5,433,953	
Total	\$172,218,261	\$160,894,558

The eligible Project cost is the cost included in total development costs that is used for sizing the tax credit. The eligible Project cost excludes various soft costs, working capital, and escrows.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
Goldman Sachs 1 st Mortgage	Loan	\$68,700,000
Aspire Bridge Loan	Equity Loan	\$73,000,000
Sponsor Equity	Equity	\$30,518,000
Total		\$172,218,261

Developer Contributed Equity

Based on the equity requirement in the Rules of 10% of total development costs for a residential project in a government-restricted municipality, the required equity in this Project equates to \$17,221,826. Total equity consists of Sponsor Equity in the amount of \$30,518,000.

Statutory Aspire Award Cap

As a project in a municipality that did not qualify as a government-restricted municipality prior to January 23, 2025, the project is eligible for an Aspire tax credit equal to the lesser of 80 percent of the eligible project cost or \$120 million. The Project cost is estimated to be \$160,894,558. As such, the Project is eligible for an Aspire tax credit not to exceed \$120,000,000 which is the lesser of \$120 million and 80 percent of the Project cost.

Financing Gap Analysis

NJEDA staff has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 13 years. The investment analysis assumes that the Applicant will utilize a 33-month timeframe to build and stabilize the Project. It also assumes a 10-year cash flow with an exit through the sale of the Project in year 11.

IRR without Aspire tax credit	-7.66
IRR with Aspire tax credit	7.22%

Without the benefit of the Aspire tax credit, the Equity IRR is -7.66%, which is below the Hurdle Rate contained in the hurdle rate model provided by EDA's contracted consultant Jones Lang LaSalle ("JLL") for comparable multi-family residential developments in East Orange, NJ of 14.11%. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. Additionally, the Equity IRR with the Aspire tax credit award is below the Hurdle Rate provided by EDA's contracted consultant.

Aspire Tax Credit Sale Price

For projects that consist of any "newly constructed residential units," the consideration for the sale or assignment of the Aspire tax credits can be no less than 65 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a bridge loan will be secured by the future sale proceeds from the tax credits sales, and when accounting for these loan proceeds received during construction, it represents a discount rate of 90 cents. The sources identified above in the Sources table as "Aspire Bridge Equity Loan" reflect the value of this bridge loan. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

Net Positive Benefit Analysis

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

Other Statutory Criteria:

Scoring

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

Community Benefits Agreement

For a Redevelopment Project approved on or after January 23, 2025 whose total development cost equals or exceeds \$10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement.

or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the Applicant and will execute the community benefits agreement within the time required.

Labor Harmony Agreement

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. As of the date of this memorandum, this Project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations

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

Substantial Good Standing/Subcontractor and Contractor Requirements

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

Availability of Emerge/Aspire Resources

At the time of this recommendation, there are \$1,702,735,828 in unallocated tax credit resources available to Aspire projects for the fiscal year.

Recommendation

Authority staff has reviewed the application for 11 Spring Street Urban Renewal LLC and finds that it satisfies the eligibility requirements of the new Legislation and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available New Jersey award authority.

The developer has selected a 5-year Eligibility Period.

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

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

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with all of the requirements included in the Rules within one year after approval.

The recommendation is approval of an award of up to 80% of the Project cost, not to exceed \$120,000,000 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.



Tim Sullivan, CEO



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: September 10, 2025

RE: Aspire Program- Product #00316641
Rowan Preservation LLC (“Applicant”)
Community Housing and Opportunity Foundation Inc. (“Co-Applicant”)

Request

Issuance of tax credits from the Aspire program (“the Program”) for a residential project located in Trenton, New Jersey, Mercer County, up to 85% of the project cost (“eligible project costs”), not to exceed \$66,840,943.

Aspire Program Background

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

Project Description

The proposed Project is known as Rowan Towers and entails the rehabilitation of an existing residential project on a 1.31-acre site located at 620 West State Street, Trenton, Mercer County. The Project will include 196 Project Based Section 8 units representing 168,038 square feet within a 15-story building consisting of studios, one and two-bedroom apartment units. The Project will also include various amenities and a 106-space parking garage for residents’ use.

Project Ownership

The Purchase and Sale Agreement for Rowan Towers was executed on July 1, 2024, by and between Rowan Associates (“Seller”) and Rowan Preservation LLC (“Buyer”) for the sum of \$30,500,000.

The Applicant, Rowan Preservation LLC, is a sole-purpose entity owned by Community Housing and Opportunity Foundation Inc. (51%), and SPIF IV Rowan LLC (9%) managing members, and Michael McIlmurray (40%) individual member.

Lead Development Entity

The Projects Lead Development Entity is SP Investment Fund IV LLC an affiliate of SP IV Rowan LLC. For over 25 years, SP Investment IV Fund LLC and its affiliates (SP) have been committed to creatively investing in and preserving thousands of units of affordable housing all over the United States at all stages during their regulatory periods. The SP Investment IV Fund LLC portfolio includes over 100 affordable housing properties owning more than 12,000 units of affordable housing totaling \$1.1MM in development cost.

This is the Authority's first time evaluating an Aspire award application for this developer; however, projects completed include: 1) Amity Heights Apartments, Bridgeton, New Jersey, residential; 2) Raymond Watkin Apartments, Saratoga Springs, New York, residential; 3) John Guy Prindle Apartments, Ilion New York, residential; 4) Cherry Grove Apartments, Altoona Pennsylvania, residential; 5) Bowling Green Towers, Bowling Green, Kentucky, residential; 6) Rugby Plaza, Huntington Park, California, residential.

Key staff involved in the project include Gil Seton Jr., Manager.

Co-Applicant

The Co-Applicant is Community Housing and Opportunity Foundation Inc. (CHOF) which is a 501(c)3 acting as the non-profit for the Project financing. Authority staff is in receipt of an IRS 501(c)3 Determination Letter for CHOF evidence that it is a non-profit for taxation purposes under the provisions of Section 501(c)3 of the Internal Revenue Code.

The Applicant and the Co-Applicant have a Participation Agreement that requires the Co-Applicant to promote the development and operation of affordable housing and provide services such as social activities, case management services, and enrichment programs for children.

CHOF will be contributing services that directly affect and serve residents of the Project. Specifically, these services will include:

- Oversee the general property manager's retention of an on-site Resident Services Coordinator who will interface with residents and on-site property management to create programs and recruit and partner with additional service delivery partners.
- In conjunction with the general property manager and the Resident Services Coordinator, the creation and implementation of Educational Programming to address specific needs of the residents which may include financial literacy, computer classes, job readiness training (such as resume writing workshops), and ESL GED qualification classes.

- In conjunction with the general property manager and the Resident Services Coordinator, the creation and implementation of Health and Wellness Programming which may include exercise classes, self-care workshops, vaccinations, and overall wellness assessments.
- In conjunction with the general property manager and the Resident Services Coordinator, the creation and implementation of Social Programming and activities to promote community engagement which may include events like, holiday celebrations, potluck gatherings and community games.
- Any additional work or services incidental to any of the services outlined herein.

Per the Rules, in the application the Co-applicant must also demonstrate the following:

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

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

The Co-Applicant's organizational purpose encompasses the proposed participation.

CHOF is a nonprofit corporation organized under the laws of the State of New Jersey to support the development and operation of affordable housing and related resident-focused initiatives.

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

Authority staff has reviewed financial statements and operational capability provided by CHOF substantially evidencing the ability to provide the proposed services.

The Co-applicant's receipt and sale of the tax credits is necessary to finance the Redevelopment Project.

The tax credit certificates will be allocated to the nonprofit which will sell the credits annually to a tax credit investor and return those sales proceeds into the partnership Applicant. This allows the project to obtain the Aspire credit sales proceeds without tax consequences and to pay annual debt service on an Aspire bridge loan, putting critically important capital into the project.

Legal Review and Sister Agency Check

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

Architect

DNA Workshop, the architectural firm of Dyke Nelson Architecture, LLC, is a full-service design practice recognized for its work in commercial, retail, and hospitality sectors. With a strong focus on historic renovation and multi-family developments, DNA Workshop brings a comprehensive approach to each project. Their areas of expertise include Programming and Analysis, Schematic and Design Development, Interior Design, LEED Certification, and Historic Adaptive Reuse, among others.

The firm was founded in 2012 by J. Dyke Nelson.

DNA Workshop has a wide range of work including: 1) Holly Square, Hammond, Louisiana, residential; 2) The Heritage Apartments, Shreveport, Bayou Grand, residential; 3) The Loft at Inman Mills, Inman, South Carolina, residential; 4) Harmony Garden Estates, Alexandria, Louisiana, residential; 5) and 440 On Third, mixed-use, Baton Rouge, Louisiana, residential.

Construction Timeline

Construction is expected to commence on November 1, 2025, and the project will take 24 months to be constructed.

General Contractor

Hernandez Construction Services serves as the general contractor for the Project, offering comprehensive general contracting, design-build, and construction management services nationwide. The firm specializes in the rehabilitation and construction of large-scale multifamily affordable housing developments, as well as market-rate, student, and senior housing projects.

Project Details

As noted previously, the Project, Rowan Towers, entails the rehabilitation of an existing residential project on a 1.31-acre site located at 620 West State Street, Trenton, Mercer County.

The Project will include 196 Project Based Section 8 units representing 168,038 square feet within a 15-story building consisting of studios, one and two-bedroom apartment units. The unit mix includes 28 studios, measuring 500 square feet; 112 one-bedroom units, measuring 790 square feet; and 56 two-bedroom units, measuring 810 square feet. The gross rents range from \$1,620 to \$2,185 including one rent free 2-bedroom super's unit.

The building is undergoing extensive renovations, including upgrades such as new plumbing, installation of fire sprinklers and emergency generators, solar panel integration, and updated HVAC systems in each unit. Interior enhancements include new kitchens and bathrooms, luxury vinyl plank (LVP) flooring, modern plumbing and lighting fixtures, fresh paint, and new interior doors. The community areas will also be revitalized with a new drop ceiling, LVP flooring, updated common area bathrooms, energy-efficient fixtures, and new furniture.

Adjacent to the property is a public bus stop, and the renovation plan includes the creation of a public open space with benches to accommodate residents and visitors waiting for transit or rideshare services.

Common area amenities will be upgraded to include a refreshed community room, kitchen space, reading room/library, staff and management offices, restrooms, a laundry facility, fitness center, theater/TV room, and vending area. Outdoor recreational spaces, including the basketball court and playground, will also be improved.

The Project includes a 106-space parking garage for residents' use. The Project will comply with the Energy Star Homes Program included in the NJHMFA's Green Standard Requirements, which satisfies NJEDA Green Building Standards.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Project Costs
Acquisition	\$31,599,581	\$31,599,581
Hard construction costs	\$37,471,477	\$37,471,477
Professional Services	\$2,537,033	\$2,537,033
Financing and other soft costs	\$16,165,243	\$11,590,184
Developer Fee	\$8,050,000	\$8,050,000
Total	\$95,823,334	\$91,248,275

The total eligible project cost is the cost included in total development costs that is used for sizing the tax credit. The total eligible project cost excludes various soft costs, working capital, and escrows.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
FHA Section 220 HUD 1 st Mortgage	Construction and Perm Loan	\$21,590,000
LIHTC Investor Proceeds	Tax Credit Equity	\$33,359,956
HUD Green and Resilient Retrofit Program (GRRP)	Loan	\$10,000,000
Aspire Bridge Loan	Equity Loan	\$26,895,360
Deferred Developer Fee	Equity	\$3,978,018
	Total	\$95,823,334

Developer Contributed Equity

Based on the equity requirement in the Rules of 10% of total development costs for a residential project in a government-restricted municipality, the required equity in this Project equates to \$9,582,333. Total equity consists of \$64,233,334 and includes LIHTC Investor Proceeds in the

amount of \$33,359,956, Equity in the amount of \$26,895,360 and Deferred Developer Fee in the amount of \$3,978,018.

Statutory Aspire Award Cap

As a project in a municipality that qualified as a government-restricted municipality prior to January 23, 2025, the project is eligible for an Aspire tax credit equal to the lesser of 85 percent of the eligible project cost or \$120 million. The project cost is estimated to be \$91,248,275. As such, the Project would be eligible for an Aspire tax credit not to exceed \$77,561,033 which is the lesser of \$120 million and 85 percent of the project cost. However, this award is capped at a lower amount due to the Financing Gap Analysis (below).

Financing Gap Analysis

Because the project has returns on equity, NJEDA staff has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 10 years. The investment analysis assumes that the Applicant will utilize a 27-month timeframe to build and stabilize the Project. It also assumes a 10-year cash flow with an exit through the sale of the Project in year 11.

IRR without Aspire tax credit	-8.66%
IRR with Aspire tax credit	15.01%

Without the benefit of the Aspire tax credit, the Equity IRR is -8.66%, which is below the maximum return contained in the hurdle rate model provided by EDA's contracted consultant Jones Lang LaSalle ("JLL") for comparable multi-family residential developments in Trenton, NJ of 15.01%. The IRR with the maximum calculated Aspire tax credit exceeds the maximum return, so the award amount is capped at \$66,840,943 to ensure that the IRR with the Aspire tax credit is limited to the maximum return. The applicant agrees with the capped award amount. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit.

Because the Project is receiving Low-Income Housing Tax Credits, NJHMFA's deferred fee model was used to measure the appropriate and reasonable rate of return. The total developer fee is \$8,050,000 with \$3,978,018 being deferred. This conforms to the Agency's policy, as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

Aspire Tax Credit Sale Price

For projects that do not represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that the tax credits will be sold as they become available, with the proceeds retained as income on the project proforma. The ultimate

financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

Net Positive Benefit Analysis

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

Other Statutory Criteria:

Scoring

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

Community Benefits Agreement

For a Redevelopment Project approved on or after January 23, 2025 whose total development cost equals or exceeds \$10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the Applicant and will execute the community benefits agreement within the time required.

Labor Harmony Agreement

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations

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

Substantial Good Standing/Subcontractor and Contractor Requirements

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

Availability of Emerge/Aspire Resources

At the time of this recommendation, there are \$1,702,735,828 unallocated tax credit resources available to Aspire projects for the fiscal year.

Recommendation

Authority staff has reviewed the application for Rowan Preservation LLC and finds that it satisfies the eligibility requirements of the new Legislation and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available New Jersey award authority.

The developer has selected a 5-year Eligibility Period.

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

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

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with all of the requirements included in the Rules within one year after approval.

The recommendation is approval of an award of up to 85% of the project cost, not to exceed \$66,840,943 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.

A handwritten signature in blue ink, appearing to read 'T. Sullivan', is positioned above a horizontal line.

Tim Sullivan, CEO



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Technology Business Tax Certificate Transfer (NOL) Program:
2025 Program Approvals

BACKGROUND

The Technology Business Tax Certificate Transfer (NOL) Program allows technology and biotechnology companies with fewer than 225 employees in the U.S. and with a minimum number of full-time employees in the State to sell their net operating losses and/or research and development tax credits to profitable corporate entities. Proceeds from those sales are required to be re-invested in the seller's business.

2025 PROGRAM CYCLE

This is the 26th year of the Technology Business Tax Certificate Transfer (NOL) Program. Since the inception of the NOL Program, 612 companies have been approved and requested a total benefit amount of more than \$2.02 billion. As of 2021, the annual pool of tax benefit available for distribution in the program year is \$75 million. Of this, \$15 million is reserved exclusively for eligible companies operating within the boundaries of the State's three Innovation Zones (Camden, Newark and the Greater New Brunswick Area), companies operating in opportunity zones, as well as companies certified by the State of New Jersey as woman or minority owned at the time of program application. Additionally, the lifetime cap per company is \$20 million. Beginning with the 2025 program year, any unallocated portion of the annual \$75 million tax benefit may be transferred to the Angel Inventor Tax Credit program.

For the 2025 Program Year, the Authority received applications from 28 companies requesting a total benefit amount of \$51,872,395.

Program highlights for this year include:

- 28 application submissions
- 11 technology (39%) and 17 biotechnology (61%) companies
- 7 publicly traded companies (25%) and 21 private companies (75%)
- 4 companies had a base of operations in Innovation or Opportunity Zones
- 19 applicants included DE&I self-disclosed information evidencing applicants' diversity
- 23 returning applicants and 5 new companies applied to the program

Of the twenty-eight (28) submitted company applications for the 2025 Program year, twenty-three (23) applicants are recommended for approval and five (5) companies withdrew their applications. No companies are recommended for declination. Attachment A provides information on the twenty-three (23) applicants that are recommended for approval in September for the 2025 Program. These applicants requested \$47,725,416 total benefits. In 2025, the requested benefit amount for the twenty-three (23) companies recommended for approval does not exceed the annual maximum. Since the program's maximum benefit allocation of tax benefit is \$75,000,000 annually, the allocation of tax benefit to each approved applicant will be apportioned in accordance with the program rules Section 19:31-12.7: Allocation of tax benefits.

The final award amounts are subject to final verification by New Jersey Division of Taxation. The threshold eligibility items for an application are specified in Attachment B.

RECOMMENDATION:

Based on evaluations by Authority staff, approval is recommended for the listed applicants on Attachment A, which have been evaluated according to the criteria established by the legislation.



Tim Sullivan, CEO

Prepared by:
Clark Smith, Sr Director, Technology Innovation Products

Attachments: Attachment A - Recommended Approvals
Attachment B - NOL Threshold Eligibility Requirements

Attachment A

Recommended Approvals			
	Business	Business Description	NJ HQ / Base of Operations
1	Acuitive Technologies, Inc.	Biotech company focused on revolutionizing orthopedic surgery through advanced material science and innovative device engineering.	Allendale Borough
2	Apprentice FS, Inc.	Tech company that helps life science manufacturers get therapeutics to patients faster by providing a manufacturing cloud-based software platform (the "Platform"), which facilitates turning molecules into medicine	Jersey City
3	Avertix Medical, Inc.	Biotech company focused on improving outcomes for patients with cardiovascular disease, particularly those at high risk of acute coronary syndrome (ACS), including heart attacks.	Eatontown Borough
4	Beable Education, Inc.	Tech company focused on improving learning outcomes by publishing educational software aimed at closing the literacy and opportunity gap for students.	Lakewood
5	Celularity Inc	Biotech company focused on harnessing the power of the placenta to develop innovative, off-the-shelf allogeneic cell therapies.	Florham Park
6	Citius Pharmaceuticals, inc.	Biotech company dedicated to the development and commercialization of first-in-class critical care products, with a focus on oncology, anti-infectives in adjunct cancer care, and unique prescription products	Cranford
7	CytoSorbents Medical Inc	Biotech company focused on researching, developing, and commercializing medical devices with the aim of expanding blood purification technology.	Princeton Borough
8	Edible Garden AG Inc.	Biotech company engaged in sustainable indoor farming using safety-in-farming protocols, patented GreenThumb software, and self-watering in-store displays.	Belvidere Town
9	electroCore, Inc	Biotech company that focuses on non-invasive therapies to treat conditions like migraines, cluster headaches, and other neurological and pain issues.	Rockaway

10	FLX Distribution, Inc.	Tech company that provides a centralized destination for shared services, sales infrastructure, technology, and strategic access, ultimately delivering cost savings, simplified implementation, and improved business operations.	Bernardsville Borough
11	Fork & Goode, Inc.	Biotech company focused on producing cultivated meat at sustainable costs through researching and developing cell culturing technology.	Jersey City
12	Genomic Prediction Inc.	Biotech company focused on providing advanced laboratory genetic testing to reduce the risk of diseases.	Hackettstown
13	iCreditWorks Inc	Tech company engaged in point of sale lending and digital payments for consumer and small business customers. The company has developed a native mobile application platform for real-time loan origination and servicing of personal and commercial loans.	Iselin
14	IVIEW Therapeutics, Inc.	Biotech company committed to the treatment of ocular diseases with high unmet medical needs through innovative small molecule drugs and gene therapy approaches.	Cranbury
15	JOGOHEALTH Inc	Biotech company that provides a prescription digital product that can be adapted for muscle relaxation, movement coordination, and neuromuscular re-education.	Bridgewater
16	Lisata Therapeutics, Inc.	Clinical-stage pharmaceutical company that is dedicated to the discovery, development, and commercialization of innovative therapies for the treatment of advanced solid tumors and other major diseases	Basking Ridge
17	Modern Meadow Inc.	Biotech company working on the development of sustainable, bio fabricated material leveraging renewable and bio-based inputs.	Nutley
18	Oishii Farm Corporation	Tech company focused on automating cultivation and agricultural processes through its patented system for indoor vertical farming.	Jersey City
19	Princeton Nuenergy, Inc.	Tech company focused on producing premium-grade cathode and anode materials through their patented low-temperature plasma-based recycling and manufacturing process.	Columbus
20	Ricovr Healthcare Inc	Tech company focused on making medical diagnostics faster through their handheld saliva testing device used to detect recent cannabis use.	Princeton

21	Soligenix, Inc.	Late Stage Biopharmaceutical company focused on creating and commercializing treatments for rare diseases and unmet needs through the use of Bio Therapeutics and Public Health.	Princeton Borough
22	TAXIS Pharmaceuticals, Inc	Biotech company focused on combatting multi-drug resistant bacterial infections through the creation of antimicrobial resistance therapies.	Monmouth Junction
23	Thea Energy, Inc.	Tech company focused on advancing stellarator technology and commercializing fusion technology to create a clean, abundant, and safe energy source.	Kearny

Attachment B - **NOL Threshold Eligibility Requirements**

Each applicant must meet each of the legislative requirements below.

1. "Biotechnology business"
 - a. "headquarters or base of operations located in New Jersey".
 - b. "that owns, has filed for, or has a license to use protected, proprietary intellectual property and whose primary business is the research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes, agricultural purposes, and environmental purposes."
2. "Emerging technology business"
 - a. "headquarters or base of operations located in New Jersey".
 - b. "that owns, has filed for, or has a license to use protected, proprietary intellectual property whose primary business is the provision of a scientific process, product, or service and that employs some combination of the following: highly educated and/or trained managers and workers employed in New Jersey who use sophisticated scientific research, service or production equipment, processes or knowledge to discover, develop, test, transfer or manufacture a product or service."
3. "New or expanding" - "On June 30 of the year in which the company files an application for surrender of unused but otherwise allowable tax benefits under P.L.1997, c.334 (C.34:1B-7.42a et al.) and on the date of the exchange of the corporation business tax benefit certificate," a company must have
 - a. fewer than 225 employees in the United States of America; (In calculating the number of employees under this definition, employees of all affiliates and subsidiaries as shown on its consolidated financial statements, employees of any company that owns or controls at least 50 percent of the applicant, as well as the employees of any consolidated group of affiliated corporations as filed for Federal income tax purposes shall be included.)
 - b. at least one full-time employee working in this State if the company has been incorporated for less than three years
 - c. at least five full-time employees working in this State if the company has been incorporated for more than three years but less than five years
 - d. at least 10 full-time employees working in this State if the company has been incorporated for more than five years

4. "Full-time employee" - means a person employed by a new or expanding emerging technology or biotechnology company
 - a. on a permanent or indefinite basis
 - b. for consideration for at least 35 hours a week
 - c. whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq
 - d. "or who is a partner of a new or expanding emerging technology or biotechnology company who works for the partnership for at least 35 hours a week... and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq"
 - e. A "Full-time employee" must also be considered a "Full-time employee working in this State" which means a full-time employee whose primary office is in New Jersey and who spends at least 80 percent of his or her time in New Jersey. or for the case of this program year, provide evidence that the out of state employees (excluding Pennsylvania residents due to the tax agreement) live within reasonable proximity of New Jersey as defined by a 90-minute commutable distance to their assigned NJ office.
 - f. It shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position.
 - g. To qualify as a "full-time employee," an employee shall also receive from the new or expanding emerging technology or biotechnology company health benefits under a group health plan as defined under section 14 of P.L. 1997, c. 146 (N.J.S.A. 17B:27-54), a health benefits plan as defined under section 1 of P.L. 1992, c. 162 (N.J.S.A. 17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of chapter 27 of Title 17B of the New Jersey Statutes.
5. "Financial statements"
 - a. Application must include a Draft or Final prepared Financial Statement.
 - b. Applicant cannot be approved if it "Has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its financial statements".
 - c. Must meet the definition of a "Financial Statement" which is defined as "a statement prepared by an independent Certified Public Accountant (CPA), which shall include an opinion letter indicating the scope of the services performed (compilation, review, or audit) in accordance with Generally Accepted Accounting Principles (GAAP) as determined by the Financial Standards Accounting Board (FASB) and shall include a balance sheet, statement of income

and expenses, cash flow statement, other statements as determined by the independent CPA, and footnotes where applicable”.

- d. If an applicant submits a draft Financial Statement, the Final Financial Statement must be received no later than September 31st of the program year.
 - e. If an applicant submits a draft Financial Statement, the Final Financial Statement must include no material changes from the Draft submitted at application.
 - f. If an applicant “Is directly or indirectly at least 50 percent owned or controlled by another corporation” then the controller must also follow steps A-E.
6. “Protected Proprietary Intellectual Property” –means intellectual property that is
- a. the technology of the applicant's primary business as a technology or biotechnology business
 - b. protected via a patent pending,
 - c. protected via a patent awaiting approval,
 - d. protected via an approved patent,
 - e. or protected via a registered copyright
7. Applicant must provide all applicable documentation to the NJEDA and any additional supplemental information required by the NJEDA.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: The Atlantic City Sewerage Company.

PROD-00321879

PROJECT USER: Same as applicant

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

APPLICANT BACKGROUND:

The Atlantic City Sewerage Company. ("ACSC"), a wholly owned subsidiary of SR Utility Holding Corp., was founded in 1888 and incorporated in 1890 to lay, operate and improve the sanitary sewerage system for the City of Atlantic City. ACSC is a privately-owned, public utility corporation that owns and operates a wastewater collection system that is comprised of approximately 100 miles of sewers and seven pumping stations with a combined capacity of 50 million gallons a day. This system services approximately 7,600 customers in its franchised area of Atlantic City. The actual sewerage treatment is provided by the Atlantic County Utilities Authority. The Company's rates for its customers are subject to the jurisdiction of the New Jersey Board of Public Utilities.

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

OTHER NJEDA SERVICES:

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

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

No compliance issues have been reported for the bonds.

APPROVAL REQUEST:

This project is being presented for Preliminary Approval.

Authority assistance will enable ACSC to finance the reconstruction, rehabilitation, replacement, upgrade and expansion of various sections and components of the sanitary sewer system located in the City of Atlantic City, Atlantic County, NJ. This project is required to meet the needs and demands of Atlantic City, while maintaining the integrity of the region. Proceeds of the bond will also pay for the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: To Be Determined

AMOUNT OF BOND: Estimated at \$9,000,000 but not to exceed total project costs

TERMS OF BOND: To Be Determined

ENHANCEMENT: To Be Determined

PRODUCT COSTS:

Renovation of Existing Building	\$515,000.00	Upgrade Equipment/Used Equipment	\$180,000.00
New Building Construction	\$2,335,000.00	Environmental Investigation / Remediation	\$2,604,000.00
Construction of Roads, Utilities, Etc.	\$2,805,000.00	New Equipment	\$706,000.00

Financing Fees	\$185,000.00
Legal Fees	\$100,000.00
Engineering/Architectural Fees	\$420,000.00
Interest during Construction	\$250,000.00

TOTAL COSTS: \$10,100,000.00

JOBS:

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

PUBLIC HEARING: September 10, 2025
DEVELOPMENT OFFICER: Brian Timberman

BOND COUNSEL: Eckert Seamans Cherin & Mellott, LLC
UNDERWRITER OFFICER: Angela Kiel



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan, Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Approve a Memorandum of Understanding (MOU) with the Casino Reinvestment Development Authority (CRDA) granting \$8.97 million to rehabilitate Renaissance Plaza (Plaza)
PROD-00318564

SUMMARY

The Members are requested to approve:

1. An MOU approving a grant in the amount of \$8,971,849 from the Property Assemblage Fund to the Casino Reinvestment Development Authority ("CRDA") for capital improvements of Renaissance Plaza, a 76,000 sq ft retail shopping plaza in Atlantic City, which would be deposited into the Economic Recovery Fund before being provided to CRDA,
2. Delegated authority to increase the grant by up to \$4,328,151 resulting in a total maximum not to exceed award of \$13,300,000 using SLFRF, from within the Property Assemblage Fund, which will also be deposited into the Economic Recovery Fund before being provided to CRDA, if such funding is available to the Authority, in the Authority's sole discretion, and if CRDA provides updated final estimates that exceed the current funding amount.

BACKGROUND

In September 2023, the Board approved the creation of the Property Assemblage Fund and the use of \$30 million to pursue projects in two categories: Promote Community Economic Development and Addressing Food Insecurity.

The Property Assemblage Fund was established to facilitate development in communities, and in projects and industries to stimulate economic growth, create jobs and foster healthy, inclusive community development through the Authority's acquisition of real property for a "project" as permitted by the Authority's enabling act at N.J.S.A 34:1B-3.

In June 2025, the Board approved:

- the ability to provide grants to public entities using monies from the Property Assemblage Fund
- an MOU granting up \$11 million to CRDA to acquire the acquisition ground lease interest at the Plaza.

Based the June 2025 Board approval, CRDA and Renaissance Shopping Center LLC (Leaseholder) have executed a Purchase and Sale Agreement (PSA) for the sale of the ground lease interest at the Plaza, in an amount not to exceed \$11 million. CRDA anticipates the closing to acquire the ground lease in September, which will enable them to have site control. The \$8,971,849 capital improvement grant funds will not be transferred to CRDA until the all the conditions of the \$11 million acquisition MOU are satisfied and the closing is fully executed, and the ground lease is acquired.

PLAZA IMROVEMENTS

With the \$8,971,849 grant, CRDA will make improvements to the approximately 30-year-old buildings and site common area of the Plaza. CRDA will design, bid and contract with a CRDA preapproved general contractor. The \$8,971,849 will be used for items including but not limited to the following:

- Building shell reconditioning and repair
- Design and construction administration
- Roof installation and repair
- Heating, air conditioning and ventilation systems installation and repair
- Improvements to landscaping and parking lot
- Demolition and replacing interior demising walls for leased areas
- Grocery store fit out, if needed

If the construction bids exceed the \$8,971,849 grant and additional Property Assemblage funds are available, at NJEDA's sole discretion, NJEDA requests delegated authority to increase the grant amount as needed but shall not exceed \$13,300,000, through an MOU amendment.

Since CRDA will become the landlord of this retail plaza, that currently has a supermarket as their tenant, it is in the best position to attract higher quality tenants to the Plaza by providing newly renovated building and improve the feel and safety of the overall shopping experience, including but not limited to ensuring a grocery store continues as a tenant in the Plaza.

The MOU between the NJEDA and CRDA, attached as Exhibit A. The final documents may be subject to revision, although the material terms and conditions will remain consistent with the attachments. The final terms of the MOU will be subject to the approval of the Chief Executive Officer.

These funds are vital for CRDA to be to help ensure the city can finally offer a full-service supermarket in the near future and that will look to service the community needs. The improvements to this plaza are necessary to ensure tenants can go into space that doesn't need substantial repairs, which will cause the small business owners to have to take on an additional financial burden to repair space they may want to occupy. This grant to CRDA a local authority with deep ties to the community and a history of working within the Plaza, will allow them to have the ability to maintain and improve the existing supermarket, to attract additional quality tenants due to new renovations improving the building and the site's safety and feel. As a local organization CRDA will look to attract tenants and improve the neighborhood this property is in.

MOU AND ERF FUNDS

Staff also request a delegation to the Chief Executive Officer to enter into an MOU with CRDA to accept and use \$8,971,849 in the Property Assemblage Fund and deposit into the Economic Recovery Fund for the grant to CRDA, which can be increased, at the Authority's discretion, if it is determined additional funding is warranted based upon CRDA's construction bid and if additional funds are available, but shall not to exceed \$13.3m, and for CRDA to agree to comply with federal requirements for the use of those funds. Any subsequent increase of the award would be memorialized in a formal amendment of the MOU utilizing delegated authority.

The MOU between the NJEDA and CRDA, attached as Exhibit A. The final documents may be subject to revision, although the basic terms and conditions will remain consistent with the attachments. The final terms of the MOU will be subject to the approval of the Chief Executive Officer. The assignment of the funds to the Economic Recovery Fund will allow the Authority to authorize a grant as listed under N.J.S.A § 34:1B-7.13(a)(5) which is "financial assistance to assist municipalities, municipal entities, counties, county entities, regional entities, State instrumentalities, and not-for-profit local economic and community development entities to execute programs and initiatives to stimulate community and economic development." Any subsequent funds provided that increase the total award will also need to be assigned to the Economic Recovery Fund prior to being provided to CRDA.

RECOMMENDATION

The Members are requested to approve the following:

1. An MOU approving a grant in the amount of \$8,971,849 from the Property Assemblage Fund to the Casino Reinvestment Development Authority ("CRDA") for capital improvements of Renaissance Plaza, a 76,000 sq ft retail shopping plaza in Atlantic City, which would be deposited into the Economic Recovery Fund before being provided to CRDA,
2. Delegated authority to increase the grant by up to \$4,328,151 resulting in a total maximum not to exceed award of \$13,300,000 using SLFRF, from within the Property Assemblage Fund, which will also be deposited into the Economic Recovery Fund before being provided to CRDA, if such funding is available to the Authority, in the Authority's sole discretion, and if CRDA provides updated final estimates that exceed the current funding amount.



Tim Sullivan
Chief Executive Officer

Prepared by: William T. Dixon, Director and Brian Keenan, Senior Project Officer



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Recommendation to Award (RTA) - #2025-RERFP-253 CMAR for Phase 2 of the Liberty State Park Revitalization Program (LSP-RP); Establish LSP-RP Phase 2 Preconstruction Budget
(#PROD-00319178)

Requests

Staff are requesting the Members' approval of:

- i. The Authority's selection and award of a construction management contract for LSP-RP Northern Priority Areas to AECOM Tishman.
- ii. Establishment of a Preconstruction budget in a not-to-exceed (NTE) amount of \$325,264 for Preconstruction activities.

Background

The development of LSP-RP for Phase 2 is being administered and coordinated by two (2) entities, NJDEP and NJEDA. These entities have entered a partnership by way of a Memo of Understanding (MOU), that was approved by this body and fully executed on May 30, 2025. This MOU defines the roles and responsibilities of the partners for the Project and establishes the Authority as the delivery partner for Phase 2 only. This Phase includes four priority areas: Gateway, Terminal Plaza, Marina Green, and Train Shed. As the delivery partner, the Authority is responsible for maintaining the project's development budget and procuring a construction management firm to execute the work, which the Authority will hold the contract for.

The estimated funding available for this project is summarized in Table 1 below, which was included in Attachment A of the MOU. In early July 2025, NJEDA received approximately \$6.7 million in ARPA funds as part of the first tranche disbursement outlined in the MOU. All federal funds associated with this project must be expended by December 31st, 2026. Given the need to expend these funds first, the Preconstruction budget requested herein will be drawn from this source.

Table 1 – LSP-RP Estimated Funding Summary Table

*Estimate reflects available Funds**

Gateway, Marina Green, Terminal Plaza	
Available Funds	\$ 20,000,000.00
Less NJEDA Fee ⁽¹⁾	\$ 600,000.00
Construction Funds	\$ 19,400,000.00
Train Shed	
Available Funds	\$ 35,800,000.00
Less NJEDA Fee ⁽²⁾	\$ 1,546,153.85
Construction Funds	\$ 34,253,846.15

**Due to funding constraints, the Project shall conform to the available Funds.*

(1) \$600,000 of ARPA funds shall be used for the payment of NJEDA's administrative fee.

(2) The balance of NJEDA's administrative fee shall be drawn from available DDPF funds.

On July 30, 2025, NJEDA issued Request for Proposal #2025-RERFP-253 to solicit Construction Management (CM) services for Phase 2 of LSP-RP. This solicitation was directed at prequalified firms previously approved by the Division of Property Management and Construction (DPMC) within the Department of the Treasury. The goal is to engage a CM to provide services covering both Preconstruction and Construction phases. As part of their proposal, the selected CM will be required to develop a Project Labor Agreement. The Authority uses the Construction Manager At-Risk (CMAR) project delivery method, which has been Board approved and requires the CM to commit to completing the project on schedule and within budget, adhering to all contract documents and specifications. The Authority's use of the CMAR delivery method for this project has also been approved by the Governor's Authorities Unit (GAU) and Office of the State Comptroller (OSC). The Construction Management Contract provided in the RFP was reviewed and approved by OSC. A mandatory, virtual Pre-Bid Conference was held on August 4, 2025, in which seventeen (17) eligible Construction Management firms participated. Additionally, an optional site visit for firms who attended the conference was offered on August 6, 2025, which was attended by four (4) firms.

Two (2) RFP Addenda were issued, one on August 5, 2025, and the other on August 14, 2025. Addendum No.1 provided clarification on Construction Manager staff requirements, provided the 60% Plans and Specifications for the Northern Priority Areas, and the presentation given to the Pre-Bid Conference attendees. Addendum No.2 addressed all questions received from interested bidders during the procurement process. On August 27, 2025, the Authority received one (1) proposal, which was evaluated and ranked by an independent Selection Committee, in accordance with the Real Estate Division's (RED) policies and procedures for procurement, comprised of the Authority's RED and NJDEP Staff. The evaluation was based upon a comparative ranking, per price & other factors evaluation criteria set forth in the RFP and as stated in the CM ranking.

AECOM Tishman received a rating of 92 out of a possible 100 points, which exceeds the minimum score of 65 required by the evaluation criteria. This collective score was given based on the firm's ability to demonstrate a comprehensive understanding of the project scope and the requirements set forth in the RFP. This was clearly demonstrated by the key personnel selected by the firm to staff the project that included relevant experience on projects of similar magnitude with historical structures and park features. The recommended CM selection of AECOM Tishman is based upon a Preconstruction services fee of \$298,427, a PLA development fee of \$26,837, and construction fee of 2.65% with a Guaranteed Maximum Price (GMP), or a construction fee of 1.75% without a GMP, for Phase 2. The Authority's Procurement Department issued a Recommendation for Award on August 29, 2025, for the selected vendor. Final approval of AECOM Tishman will be subject to receipt and approval of their compliance documentation. As defined in the RFP, The Authority will have 60 days from award to select from the two fee offerings for the project delivery. Selection will be made in coordination with NJDEP.

Preconstruction Budget

To ensure further progress on the project development, staff need to establish a Preconstruction Budget and issue a Notice to Proceed for Preconstruction activities for Phase 2 of the LSP-RP project immediately. Due to the current level of design of the project and uncertainty of construction costs, RED staff will present a comprehensive construction budget for the project at a future Board meeting. This will allow time for the CM to provide an opinion of probable cost and propose value engineering alternatives that may be incorporated into the budget. The Preconstruction budget shall be a Not-to-Exceed amount derived from the total of the CM's fees to provide Preconstruction services and develop a PLA. This budget will be funded by a portion of the federal funds the Authority currently possesses.

Recommendation

Staff request members to approve:

- i. Entering into a Construction Management Contract with AECOM Tishman.
- ii. Establishment of a Preconstruction budget of \$325,264 from NJDEP-sourced funds to support specific Preconstruction Activities for Phase 2 of the Liberty State Park Revitalization Program in Hudson County.



Tim Sullivan, CEO

Prepared By: John Benigno PE, Assistant Director
Real Estate Development – Infrastructure Division

MEMORANDUM

TO: Members of the Authority

FR: Tim Sullivan
Chief Executive Officer

DA: September 10, 2025

RE: Recommendation for Award 2025-RFP-252
New Jersey International Landing Center

Summary

The members are asked to approve the award of the New Jersey International Landing Center Contract, 2025-RFP-252 to SOSA USA LLC, to serve as the Operator for the New Jersey Business Acceleration and Soft Landing Ecosystem (NJ BASE) for one (1) three (3) year term valued at \$2,352,000.

Background

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

Following a comprehensive site selection process, the Board authorized NJEDA to proceed with lease negotiations at 3 Second Street in Jersey City. This Class A, fully furnished space comprises approximately 7,282 rentable square feet, with amenities including conference facilities, event space, and transit accessibility. The approved lease terms span 41 months (3 years, 5 months), with five months of free rent, a base rate of \$44.75 per square foot escalating at 3% annually, and two optional one-year renewals. Initial Board authorization also included up to \$90,231 for the security deposit, tenant improvements, and utilities, with an estimated total present value of approximately \$902,165 over the initial lease term.

Request for Proposals Process

On June 23, 2025, the NJEDA issued an RFP, 2025-RFP-252 New Jersey International Landing Center to solicit proposals for the purpose of establishing an international landing center designed to attract and support foreign companies that have an interest in locating their business in New Jersey while expanding into the U.S. market.

The RFP language provided for award of a three (3) year contract with the possibility of two (2) extension options of up to one (1) year each, to be exercised at the sole discretion of the Authority, at the same terms and conditions.

The RFP was duly advertised in five (5) newspapers for one (1) day on June 23, 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 918-00 Consulting Services and 958-00 Management and Operation Services. Over one-thousand nine hundred (1,900) total firms were identified by the department, through an NJSTART search, and identified firms were issued notice via e-mail. No Pre-Proposal Conference nor Site Visit was held for this solicitation.

Prior to the receipt of proposals, an Evaluation Committee was established and comprised of three voting individuals, all with relevant professional experience to the scope of the RFP. They included the Authority's Chief of Staff & External Affairs Officer, the Director – International Innovation and Partnerships, and Senior Advisor – Corporate Engagement.

The Questions & Answers period closed on July 7, 2025. Questions were received, and responses were posted to the Authority's website on July 21, 2025, as Addendum #1. Proposals were due at or before 2:00 PM (ET) on July 29, 2025. Ten (10) Proposals were received electronically, prior to the opening date and time. One (1) hard copy Proposal was received, but it was also submitted electronically.

This RFP did not reveal the Weighting Percentages of the Evaluation Criteria for Award in the posted RFP. Therefore, on June 17, 2025, prior to the bid opening date and time, the Evaluation Criteria & Weighting Percentages for the following four (4) categories were formalized:

1. Personnel – 20%
2. Experience of Entity – 35%
3. Technical Proposal – 35%
4. Fee Proposal – 10%

Ten (10) Proposals, shown below in alphabetical order, were received prior to the bid opening date and time:

1. Biz Con Ed LLC, Kearny, NJ (BCE)
2. Facility Management Planners, Inc., Ridgewood, NJ (FMP)
3. Gener8tor Management, LLC, Madison, WI (GM)
4. Infinity Links Management LLC, Union, NJ (ILM)
5. New Jersey Innovation Institute Inc., Newark NJ (NJII)
6. Policy Over Politics Consulting LLC, Trenton, NJ (POP)
7. Shining Light Consulting LLC, Avenel, NJ (SLC)
8. SOSA USA LLC, New York, NY (SOSA)
9. Wingmen Ventures, Tenafly, NJ (WV)
10. WorldUpstart, Philadelphia, PA (WU)

Procurement reviewed all Proposals for procurement responsiveness to verify that all items required with the Proposal submission were submitted. Although WU submitted a timely Proposal, it was deemed non-responsive and rejected due to its failure to submit a signature on its Signatory Page, which was mandatory with the Proposal, as per RFP Section 4.2.4.1. The remaining nine (9) responsive Proposals were reviewed, and it was verified that all required items were submitted by the Proposers prior to the bid opening date and time.

After thorough review, overall scoring results for this RFP's Proposals based upon the above Evaluation Criteria were as follows:

Rank	Proposer	Score
1	SOSA	4.8
2	NJII	3.2
3	FMP	3.2
4	GM	3.1
5	WV	3.0
6	SLC	2.3

7	BCE	1.6
8	ILM	1.4
9	POP	1.4

The RFP required a Proposer to receive a total score of three (3.0) or higher to be eligible for consideration. As SLC, BCE, ILM, and POP received final scores totaling below three (3.0), the Bidders were deemed non-responsive, and removed from consideration, pursuant to Procurement policy.

On August 20, 2025, Best and Final Offer (BAFO) requests were e-mailed to the following Bidders whose total evaluation scores equaled 3.0 or higher, which were SOSA, NJII, FMP, GM and WV. All five (5) Bidders provided BAFO pricing, and a meeting was held with the Evaluation Committee on August 28, 2025 to discuss pricing. An additional meeting was held with the Evaluation Committee on September 2, 2025 to review the pricing submitted from all requested vendors. The decision was made to request a further BAFO from SOSA for the initial term due to their overall score on the technical proposal, as well as a BAFO for the extension options, if the Authority decided to exercise one (1) or both upon expiration of the initial term. The BAFO request was sent on the same day.

In response to the initial BAFO request, SOSA reduced pricing for their three (3) year term from \$2,862,000 to \$2,483,000. In response to the second BAFO request, SOSA further reduced their pricing to \$2,352,000, reflecting a total savings of \$510,000.00, or 17.82%.

Following the committee's review of SOSA's impressive technical proposal, pricing, and all other factors considered, the recommendation is to award the contract to SOSA to serve as the operator of NJ BASE. SOSA is a leading global technology and innovation consulting firm with more than a decade of experience running over 40 international accelerator and landing programs in partnership with governments and corporations worldwide. Their programs have attracted thousands of applicants and have successfully accelerated startups from 12 countries, demonstrating a proven ability to source, recruit, and scale international companies. Uniquely positioned at the intersection of startup acceleration, corporate innovation, and venture capital, SOSA brings deep networks with Fortune 500 companies, top investors, and global trade offices, ensuring that NJ BASE will deliver not only programming but also tangible commercial outcomes, investment opportunities, and lasting economic impact for New Jersey.

Recommendation

The members are asked to approve the award of the New Jersey International Landing Center Contract, 2025-RFP-252 to SOSA USA LLC, to serve as the Operator for NJ BASE for one (1) three (3) year term valued at \$2,352,000.



Tim Sullivan
Chief Executive Officer

Prepared by: E. Corrado, Chief of Staff & Chief External Affairs Officer

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Garden State C-PACE Program Programmatic Adjustment

Request:

The Members are asked to approve a programmatic adjustment for the Garden State Commercial Property Assessed Clean Energy ("C-PACE") Program to:

1. Adjust C-PACE policy for retroactive projects whereby projects are exempted from prevailing wage requirements so long as:
 - a. The project was deemed substantially complete by October 9, 2024;
 - b. The project application for such C-PACE Project is submitted no more than three months following Board approval of this request;
 - c. The project has a minimum construction value of \$25 million; and
 - d. The project applicant certifies that at least 75% 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.

Background

In August 2021, Governor Murphy signed P.L. 2021, c. 201 into law (N.J.S.A. 34:1B-374 -382) ("the Act") authorizing the establishment of the Garden State C-PACE Program ("Program") in New Jersey and directing the New Jersey Economic Development Authority ("NJEDA" or "Authority") to develop guidelines for the Garden State C-PACE Program, which were to include the standard forms of documentation to be used for the administration of the Program, and to implement, administer, and oversee the Program.

The Garden State C-PACE Program provides a new form of financing for renewable energy, energy efficiency, water conservation, and certain types of resiliency-related improvements for New Jersey. The Program works by enabling eligible commercial, industrial, agricultural, and certain multi-family residential real property owners in Participating Municipalities to access financing to undertake these kinds of improvements on their properties and repay the financing through the payment of a special assessment to the Participating Municipality, similar to the owner's real property tax, sewer, or water bill. The Participating Municipality then remits the payment to the capital provider.

As allowed by the Act and the Program Supplemental Guidelines, Retroactive Financing Projects means a previously completed, or partially completed, improvement or project for which the

property owner is seeking C-PACE financing so long as not more than three years has elapsed between application submission to the Authority and project completion.

On October 9th, 2024, the Authority's Board voted to approve the creation of the Program and on July 30th, 2025, the Program fully launched.

Rationale for Programmatic Adjustment

The original C-PACE Act, signed in 2021, P.L. 2021, c. 201, specifically stated that the C-PACE Program would not be subject to EDA's prevailing wage requirements. However, in September 2024, an amendment to the C-PACE Act, P.L. 2024, c. 75, was signed by Governor Murphy to add language to consider C-PACE financing "authority financial assistance" subject to EDA's prevailing wage requirements. The September 2024 C-PACE statutory amendment did not specifically refer to Retroactive Financing Project. At the Authority's October 9th, 2024, Board meeting, the Board approved a policy decision to require that prevailing wage shall apply to work performed prior to application at the proposed Retroactive Financing Project. As a result, any C-PACE project in NJ that wanted to be approved as Retroactive Financing Projects became subject to prevailing wage and the associated labor compliance.

Certain project owners became aware of the C-PACE Program in 2021, when P.L. 2021, c. 201, was enacted. At the time those projects proceeded with construction, they complied with the C-PACE Act. At the time staff proposed the Supplemental Guidelines based on the change in law in 2024 that requires prevailing wage for C-PACE projects, these existing projects were not contemplated. The intent of the 2024 law and the Supplemental Guidelines regarding prevailing wage was not to include projects that had already started construction and otherwise would have been eligible as Retroactive Financing Projects.

Accordingly, staff is proposing a programmatic adjustment exempting Retroactive Financing Projects from the requirement that prevailing wage apply for work performed prior to application, so long as: (1) work for the project was substantially completed by October 9th, 2024; (2) the Project Application for such Retroactive Financing Projects is submitted to the Authority no later than December 9, 2025; (3) the project has a minimum construction value of \$25 million; and (4) the project applicant certifies that at least 75% 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. The Authority will verify substantial completion by requiring project applicants to submit, as part of the project application, a Temporary Certificate of Occupancy ("TCO") or another form of equivalent documentation acceptable to the Authority. Through this programmatic adjustment, projects that are a significant economic investment in the State will be able to maintain continued financial viability while still advancing the State's policy supporting family-sustaining wages.

Under the Program's statutory three-year lookback period, this programmatic adjustment will only enable projects substantially completed between September 2022 (three years prior to this Board memorandum) and October 2024 to apply for C-PACE financing as a Retroactive Financing Project so long as the Project Application is submitted within three months following this Board memorandum and meets the other outlined criteria. The requirement to have a complete Project Application, which includes selecting a Participating Municipality, prior to the Authority's review of said application for C-PACE Project remains in place.

Recommendation:

The Members are asked to approve a programmatic adjustment for the Garden State C-PACE Program:

1. Adjust C-PACE policy for retroactive projects whereby projects are exempted from prevailing wage requirements so long as:
 - a. The project was deemed substantially complete by October 9, 2024;
 - b. The project application for such C-PACE Project is submitted no more than three months following Board approval of this request;
 - c. The project has a minimum construction value of \$25 million; and
 - d. The project applicant certifies that at least 75% 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.



Tim Sullivan, CEO

Prepared by: Max Frank

Attachments:

Appendix A – Revised Garden State C-PACE Supplemental Guidelines

Appendix A - Garden State C-PACE Supplemental Guidelines

ARTICLE I Overview

These Guidelines (the “Supplemental Guidelines”) supplement the Garden State C-PACE Program Guidelines (the “Program Guidelines”) and apply to New Construction Projects, Gut Rehabilitation Projects, Refinancing Projects, and Retroactive Financing Projects. Unless otherwise defined herein, capitalized terms shall have their meanings as set forth in the Program Guidelines.

Except as otherwise specified in these Supplemental Guidelines, all provisions of the Program Guidelines apply to New Construction Projects, Refinancing Projects, and Retroactive Financing Projects.

ARTICLE II NEW CONSTRUCTION PROJECTS

Section 2.01 Scope

Section 2.02 Projects with Energy Efficiency Improvements

The following modifications to the Program Guidelines apply to New Construction Projects that include any Energy Efficiency Improvement:

- A. “C-PACE Project” shall mean the acquisition and all construction, installation, or modification of the Eligible Property. “Direct Costs” shall mean any and all direct costs of the acquisition, construction, installation, or modification of the Eligible Property, including Ancillary Costs incurred as a result of the C-PACE Project Costs. “Indirect Costs” shall mean any and all indirect costs related to the Direct Costs.
- B. The required technical evaluation shall be the Whole Building Model Approach. Using such approach, the technical evaluation will determine the degree to which a proposed C-PACE Project exceeds the State Energy Subcode by calculating the delta between the model representing meeting the State Energy Subcode and the second model representing the as-designed proposed C-PACE Project.
- C. The maximum percentage in the underwriting requirements in Section 2.05(A) of the Program Guidelines, which is a percentage of the appraised value of the Eligible Property after including the anticipated value created by the C-PACE Project as of the date of stabilization of operations at the Eligible Property amount of the C-PACE Assessment, shall be determined as follows:
 1. The percentage amount of Direct Financing applicable to Project Costs excluding any Water Conservation Improvement or Resiliency Improvement shall be the sum of the base percentage as set forth in Section 2.03 below and the possible bonus set forth in Section 2.04 below and as shown on Table 1, not to exceed 35 percent, and
 2. If the C-PACE Project includes any Water Conservation Improvement or Resiliency Improvement, then:
 - a. The Whole Building Model approach must exclude any Water Conservation Improvement or Resiliency Improvement.

- b. The Project Costs for all Water Conservation Improvements and Resiliency Improvements must be accounted for separate from all other Project Costs.
 - c. The total Project Costs attributable to such improvement shall be added to the eligible Project Costs described in 1 of the section above.
 - d. The resulting sum from c. above shall not exceed 90 percent.
3. If the proposed C-PACE Project consists solely of one or a combination of Renewable Energy System Improvements, Energy Storage, or Electric Vehicle Charging Infrastructure but not Energy Efficiency Improvements and the degree to which the proposed C-PACE Project exceeds the State Energy Subcode cannot be determined, then the Project Costs shall be considered as a Retrofit Project for purposes of the Program Guidelines and these Supplemental Guidelines.

Section 2.03 Base Percentage for Projects with Energy Efficiency Improvements

- A. The percentage set forth in this Section and Table 1 of these Supplemental Guidelines are valid only for the 2021 International Energy Conservation Code (IECC 2021) with amendments as the residential code and the American Society of Heating, Refrigerating, and Air-Conditioning Engineers Standard 90.01-2019 (ASHRAE 90.1-2019) without amendments as the commercial code (collectively, the “State Energy Subcodes”), and the prior State energy subcodes, which were the 2018 IECC as the residential code and ASHRAE 90.1-2016 as the commercial code (collectively, the “Prior State Energy Subcodes”).
- B. For projects proceeding with building permits subject to the State Energy Subcodes:
 1. A New Construction Project that demonstrates modelled energy performance that exceeds but is less than a 2.5% improvement over the applicable State Energy Subcode minimum shall have a base maximum percentage of 20 percent.
 2. A New Construction Project that demonstrates at least a 2.5% improvement but less than a 5% improvement over the applicable State Energy Subcode minimum shall have a base maximum percentage of 25 percent.
 3. A New Construction Project that demonstrates a greater than 5% improvement over the applicable State Energy Subcode minimum shall have a base maximum percentage of 30 percent.
- C. For projects proceeding with building permits subject to the Prior State Energy Subcodes:
 1. A New Construction Project that demonstrates energy performance that exceeds but is less than a 7.5% improvement over the applicable State Energy Subcode minimum shall have a base maximum percentage of 20 percent.
 2. A New Construction Project that demonstrates a greater than 7.5% improvement over the applicable State Energy Code shall have a base maximum percentage of 30 percent.

Section 2.04 Bonus Percentage for Projects with Energy Efficiency Improvements

A New Construction Project that contains any of the technologies (“Bonus Technologies”) listed below shall add an additional bonus percentage of 2.5 percent for each Bonus Technology included, subject to the maximum percentage set forth in Section 2.03 above.

Bonus Technologies
Electric Vehicle Charging Infrastructure
Energy Storage systems behind the meter
High-efficiency heat pumps (air, ground, or water source & facility-wide)
Heat pump water heaters (facility-wide)
*Hydrogen systems
*Solar energy system, sized sufficiently for the project (photovoltaic and/or thermal)
*Geothermal energy systems
*Wind energy system
*Biomass system
*Other fuels and energy sources that the Authority, in consultation with NJ Board of Public Utilities (“NJBPU”), determines are renewable energy fuels or sources

*Improvements by which electrical, mechanical, or thermal energy is produced from a method that uses the noted energy fuel source.

Table 1. New Construction Projects				
IECC/ASHRAE Code Year	Minimum Energy Performance Above Code	Maximum Base Underwriting Percentage	Additional Underwriting Percentage with Bonus Technologies	Maximum Underwriting Percentage
2021	Exceeds code but less than 2.5%	20%	+2.5% per bonus technology	35%
2021	2.5% but less than 5%	25%	+2.5% per bonus technology	35%
2021	Greater than 5%	30%	+2.5% per bonus technology	35%
2018 or Prior	Exceeds code but less than 7.5%	20%	+2.5% per bonus technology	35%
2018 or Prior	Greater than 7.5%	30%	+2.5% per bonus technology	35%

ARTICLE III GUT REHABILITATION PROJECTS

- A. “Gut Rehabilitation Projects” or “Gut Rehab Project” shall mean a project that involve the removal and replacement of all interior (nonstructural) systems, equipment, components or features of a structure, whereby the existing structure will be reduced down to the basic structure or exterior shell (e.g., the foundation system; exterior walls, roofs; and interior structural components such as columns, beams, floors, and structural bearing walls). A Gut Rehab Project may also include structural or nonstructural modifications to the exterior of the structure.
- B. If a Gut Rehab Project consists solely of Eligible Improvements, then the Eligible Owner shall choose for the Gut Rehab Project to be reviewed and approved in the same way as

a New Construction Project or as a Retrofit Project and shall make that choice as part of the Project Application. If a Gut Rehab Project contains improvements that are not Eligible Improvements or costs that are not Project Costs, then the Gut Rehab Project shall be reviewed and approved in the same way as a New Construction Project.

ARTICLE IV REFINANCING PROJECTS

- A. “Refinancing Projects” means C-PACE Projects for which the outstanding Direct Financing and the associated C-PACE Assessment is refinanced with a new Direct Financing. Refinancing of Eligible Improvements not financed with Direct Financing or Eligible Improvements that have been subsequently modified or altered shall be subject to the Retroactive Financing Project provisions in Article V.
- B. Eligible Owners shall apply to the Authority prior to a Refinancing Project for determination by the Authority that the Refinancing Project is eligible. An Eligible Owner proposing a Refinancing Project to refinance a C-PACE Project approved under the Program shall not be required to submit in the Project Application information pertaining to the technical evaluation and technical review of the C-PACE Project. If the proposed Refinancing Project would refinance a C-PACE Project approved under a Local C-PACE Program, the Eligible Owner shall submit evidence of the Local C-PACE Program approval of the C-PACE Project. For all Refinancing Projects, the Project Application shall require a certification from the Qualified Capital Provider that the C-PACE Project continues to meet all requirements under the Program Guidelines and these Supplemental Guidelines.
- C. Refinancing Projects shall be reviewed and approved subject to the Program Guidelines except that:
 - 1. The municipality in which the C-PACE Project is located must still be a Participating Municipality at the time of the Project Application and Authority approval of the Refinancing Project;
 - 2. The Weighted Average Useful Life calculated as set forth in Section 5.04 of the Program Guidelines shall be reduced by the number of years since the commencement of the Direct Financing of the existing C-PACE Project. Accordingly, the example in Section 5.04 of the Program Guidelines has the following additional step, assuming the illustrative Refinancing Project occurs two years after the commencement of the existing Direct Financing:

Step 4

20.74 years WAUL for the new C-PACE Project – 2 years = 18.74 WAUL

- 3. The Eligible Owner shall not have to demonstrate that the C-PACE Project satisfies the technical criteria in Article V of the Program Guidelines.
- D. If the Direct Financing for the Refinancing Project is provided by the existing Qualified Capital Provider, the Qualified Capital Provider shall amend the existing Assessment Agreement and Assessment Assignment Agreement, as necessary, and provide a Notice of Amended Assessment. If the refinancing is with a new Qualified Capital Provider, the Qualified Capital Provider shall replace or cause to replace the existing agreements and assessment with a new Assessment Agreement, Assessment Assignment Agreement, and Notice of Assessment. To the extent that the existing recorded documents are amended or the Direct Financing is paid

in full with a new Refinancing Project, the Qualified Capital Provider shall cancel or cause to cancel the existing recorded documents. All newly generated documents that are required to be recorded in the County Recording Office pursuant to the Program Guidelines shall be recorded accordingly. The Qualified Capital Provider shall provide to the Authority a copy of the fully executed and recorded documents, all new documents referenced in this section, including any documents recorded to cancel existing documents, or all amended documents referenced in this section within fifteen (15) days of receipt by the Qualified Capital Provider of the recorded documents.

ARTICLE V RETROACTIVE FINANCING PROJECTS

- A. “Retroactive Financing Projects” means a previously completed improvement or project for which the Eligible Owner is seeking Direct Financing, including, but not limited to, for the purpose of refinancing prior financing that was not Direct Financing.
- B. Except as stated in E below, Retroactive Financing Projects that consisted of a New Construction Project shall comply with the requirements for a New Construction Project.
- C. Except as stated in E below, Retroactive Financing Projects that consisted of a Gut Rehab Project shall comply with the requirements for a Gut Rehab Project.
- D. Except as stated in E below, Retroactive Financing Projects that consisted of a Retrofit Project shall comply with all the requirements for a Retrofit Project.
- E. Retroactive Financing Projects are subject to the additional requirements:
 - 1. The proposed Retroactive Financing Project must be located within a Participating Municipality at the time of the Project Application and Authority approval for the proposed Retroactive Financing Project.
 - 2. Construction of the improvements included in the proposed Retroactive Financing Project must not be completed or must have been completed within the three-year (36 month) period immediately preceding the date of submission of the Project Application for the proposed Retroactive Financing Project.
 - 3. The Weighted Average Useful Life shall be calculated as set forth in Article 4.C2 above.
 - 4. The Authority’s prevailing wage requirements at N.J.S.A. 34:1B-5.1 and N.J.A.C. 19:30-4 shall apply to work performed at the proposed Retroactive Financing Project that comprise the C-PACE Project for which the Eligible Owner is seeking Direct Financing. This requirement shall not apply to a proposed Retroactive Financing Project that was substantially completed on or before October 9, 2024, so long as a Project Application for such C-PACE Project is submitted no later than December 9, 2025, the project has a minimum construction value of \$25 million, and the project applicant certifies that at least 75% 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. Substantial completion of the project shall be evidenced by a Temporary Certificate of Occupancy for the project or form of equivalent documentation acceptable to the Authority dated on or before October 9, 2024.

ARTICLE VI Glossary

“Bonus Technologies” shall have the meaning ascribed it in Section 2.04 of these Supplemental Guidelines.

“C-PACE Project,” for New Construction Projects that include any Energy Efficiency Improvement, shall have the meaning ascribed it in Section 2.01A of these Supplemental Guidelines.

“Direct Costs,” for New Construction Projects that include any Energy Efficiency Improvement, shall have the meaning ascribed it in Section 2.02A of these Supplemental Guidelines.

“Gut Rehabilitation Projects” or “Gut Rehab Project” shall have the meaning ascribed it in Paragraph A of Article III of these Supplemental Guidelines.

“Indirect Costs,” for New Construction Projects that include any Energy Efficiency Improvement, shall have the meaning ascribed it in Section 2.02A of these Supplemental Guidelines.

“Prior State Energy Subcodes” shall have the meaning ascribed it in Section 2.03 of these Supplemental Guidelines.

“Refinancing Projects” shall have the meaning ascribed it in Paragraph A in Article IV of these Supplemental Guidelines.

“Retroactive Financing Projects” shall have the meaning ascribed it in Paragraph A in Article V of these Supplemental Guidelines.

“State Energy Subcode” shall have the meaning ascribed it in Section 2.03A of these Supplemental Guidelines.

“Supplemental Guidelines” shall have the meaning ascribed it in Article I of these Supplemental Guidelines.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

RE: Monmouth County Office Space

DATE: September, 10, 2025

Summary

I request the Members approve:

- Delegating authority to the CEO to execute a lease, consistent with the terms of the letter of intent, Bell Works Tinton Falls Urban Renewal LLC, for approximately 10,998 rentable square feet (RSF) of office space located at BellWorks at Fort Monmouth (BellWorks), 1 Commvault Way, Tinton Falls, NJ.
- Expending up to \$760,000 for tenant improvements, fixtures, furniture and equipment, and moving expenses.
- Delegating authority to the CEO to execute a reimbursement agreement, consistent with the terms of the attached reimbursement agreement, which is in substantially final form, with Landlord for the proposed leased space. The Members must approve this lease and related costs because it exceeds the CEO's delegated authority for leases to support EDA's operations.

Background

In June 2025, the Members approved a 8,878 RSF lease with the owner of 12 Christopher Way. The present value of the lease (using a 4.6% discount rate) for the initial 5-year term, including Authority paid tenant improvements and fixtures furniture and equipment (FFE) was estimated at \$1,597,328 (\$818,728 in rent, \$204,600 in Authority paid tenant improvements, and \$555,400 for FFE and moving expenses).

EDA included the prevailing wage requirements in the lease solicitation, the letter of intent, and the lease. In an August 2025 meeting with EDA, the landlord of 12 Christopher Way represented to the Wage Compliance and Real Estate staff that it did not want to comply with the prevailing wage requirements when constructing the tenant improvements.

On August 27, 2025, Real Estate staff sent a letter to the Landlord requesting it to return the lease – including the prevailing wage requirement – to be executed, on or before September 4, 2025. If the lease was not returned in that time frame, the Authority advised it would move to the next ranked landlord on the shortlist. No response was received from the landlord.

Fort Monmouth Economic Revitalization Authority (FMERA) will need new office space to operate as it will sell its current office space to Netflix to support the development of the film studio campus and related offices. Under a memorandum of understanding (MOU) with FMERA, Authority staff currently occupies space at 502 Brewer Drive, Oceanport. FMERA staff will join Authority staff in the new Monmouth County office at under a new MOU.

As noted in the scoring attached as Exhibit A, BellWorks was the second highest ranked property for the new Monmouth County office. The terms for BellWorks lease are as follows:

- 10,874 RSF (to at least between 10-15 office/huddle rooms, 30 cubicles, 1-2 conference rooms)
- No more than 61-month (5 years, 1 months) term, with the initial 1 month at free rent
- Initial modified gross rent not exceeding \$39.75 per RSF in year 1 (or \$443,115 in the first year including the free rent) increasing annually at 3%
- \$1.75 RSF for electric, subject to utility rate increases plus 4% of building operations and taxes
- Six month rent abatement
- Landlord will deliver the Premises Turnkey per a mutually agreed upon plan,
- First choice of furniture within the leased premises with any changes or modifications at EDA's expense
- Two (2) five (5) year options at 95% of fair market rent with 100% market concession.

Using a discount rate of 4.46%, the present value of the 61-month term is approximately \$2,404,106, which includes EDA's estimated tenant improvement cost of approximately \$316,250.00. In addition, new fixtures, furniture, equipment and moving expenses are estimated at \$442,499.76. The estimated total cost of the lease, in today's dollars, is \$2,848,514. The letter of intent to lease is attached as Exhibit B to this memo. The Landlord has agreed to these terms as provided for in the Letter of Intent. The lease is anticipated to commence in November 2025.

Delegated Authority to Enter into Reimbursement Agreement

The Members are also requested to approve the CEO entering into a reimbursement agreement in an amount not to exceed \$35,000 for costs incurred by the Landlord related to NJEDA's requested alternations to the leased space prior to lease execution. This request is being made to meet NJEDA's exceptionally short time frame for occupancy due to Netflix's acquisition of the Fort Monmouth Property. The Authority will use a portion of the \$760,000 for tenant improvements for payment of these costs.

Delegated Authority to Enter into the Lease

Staff requests the Members authorize the CEO to enter into the Lease pursuant to terms that are as good or better than those outlined in the Letter of Intent.

This approval is subject to receipt of acceptable compliance and Legal Review clearance.

Recommendation

In summary, I request the Members approve:

- Delegating authority to the CEO to execute a lease, consistent with the terms of the letter of intent, Bell Works Tinton Falls Urban Renewal LLC, , for approximately 10,998 rentable square feet (RSF) of office space located at BellWorks at Fort Monmouth (BellWorks), 1 Commvault Way, Tinton Falls, NJ.
- Expending up to \$760,000 for tenant improvements, fixture, furniture and equipment, and moving expenses pursuant to the terms of the Letter of Intent.
- Delegated authority to the CEO to execute a reimbursement agreement, consistent with the terms of the attached reimbursement agreement, which is in substantially final form, with Landlord for the proposed leased space.



Tim Sullivan, CEO

Prepared by: Brian Keenan, Senior Project Manager, Real Estate

Atts: Exhibits A and B



EXHIBIT A

8 Campus Drive
Suite 305
Parsippany, New Jersey 07054
tel +1 973 829 4800 fax +1 973 829 4801

www.jll.com/new-jersey

September 5, 2025

Ms. Lindsey Florio
Lease Administrator
Inspired by Somerset Development
101 Crawfords Corner Road
Holmdel, NJ 07733

RE: Bell Works @ Fort Monmouth
1 Comm Vault Way, Tinton Falls, NJ

Dear Lindsey,

This document is a non-binding Proposal that provides the principal terms of a lease agreement between Landlord and the New Jersey Economic Development Authority.

Tenant:	New Jersey Economic Development Authority (NJEDA)
Landlord:	Bell Works Tinton Falls Urban Renewal, LLC
Non-Disturbance:	Landlord will use commercially reasonable efforts to obtain an SNDA from the lender and future lenders.
Premises:	Approx. 8,798 USF / 10,998-RSF Add-On Factor = 25% Rooms will be part of Tenants Premises for Tenants exclusive use.
Use:	Executive and General administrative office use.
Lease Commencement Date:	Upon substantial completion of Landlord Improvement Work and upon receipt of a Certificate of Occupancy from the appropriate governing entity. Tenant shall have at least seven (7) business days early access for the installation of its Furniture, Fixtures, Equipment, Telephone/Data Wiring. Tenant shall work with Landlord to coordinate this work with Landlord's Contractors, as applicable.
Initial Lease Term:	Sixty-one (61) months
Base Rent Abatement:	Six (6) Months Base Rent, specifically Months 2, 3, 4, 5, 6 & 7 Tenant will be responsible for payment of Tenant Electric and Additional Rent, if any during Base Rent Abatement. First Month's Rent due within 7 business days of full Lease Execution.

Annual Rental Rate/SF:

\$39.75 per RSF + Tenant Electric with 3.0% annual increases.

Tenant Electricity & Generator:

Electric Rate = \$1.75 per square foot of Rentable Area of the Premises, provided, however, such Electricity Rate is subject to reasonable change from time to time as a result of increases to utility rates charged directly to Landlord with advance written notice to Tenant.

- 5.5 watts per usable square foot will be available in the Premises for Tenant's use (excluding Building standard HVAC and lighting service).
- There are two (2) 13.8KV feeders to the building which terminate at a double ended switchgear lineup consisting of a 13.8KV service switch, 2,500/3,333kVA step down transformer, 4,000A secondary main c/b, 480V distribution sections with draw out type power circuit breakers and a 4,000A circuit breaker connected to the generator. The two sections of the switchgear line are connected by a 4,000A tie c/b and 4,000A bus duct. The secondary 4,000A main c/b and generator 4,000A are electrically interlocked so that only one source is connected to the 480V bus at a time.
- Current existing generator provides for Life Safety.

Landlord Improvement Work:

A preliminary plan dated August 28, 2025 (Preliminary Plan) was previously provided to Landlord. Tenant will make minor revisions to the Preliminary Plan and provide to Landlord by September 8, 2025. Both parties agree that Landlord will construct the Premises at its sole cost and expense.

Any construction in the Premises will be performed by a Public Works Contractor with a Contractor Registration Certificated (CRC) and construction will be performed at prevailing wage.

Landlord to provide a project schedule (commencement of construction drawing to certificate of occupancy) based on Tenant and Landlord agreeing to a Letter of Intent and space plan by September 11, 2025 and a Reimbursement Agreement by September 15, 2025.

The Reimbursement Agreement shall be Landlord's actual and reasonable expense to develop construction drawings and make application for building permits (not pull the permit once approved) in the event Tenant does not execute a lease. Landlord to provide estimated construction drawings expense and permit application fee with its proposal response.

Additional information is available at:

[Wage & Hour and Contract Compliance | Prevailing Wage Rates on Construction-Related Public Works Projects](#)

Existing Furniture:

Tenant shall have use of existing furniture during the Initial Lease Term and any renewal or extension term. Existing furniture is 95% complete; miscellaneous furniture components are missing, Landlord shall replace/install missing components.

Base Building Work/Deliver of Space:

As applicable:

1. Landlord will deliver the Premises demised in broom-clean condition and in first-class working order, free of Hazardous Materials;
2. Delivery of the Premises in compliance with local laws and with a Certificate of Occupancy;
3. Landlord will warrant for a period of 12 months after the Commencement Date that all systems are in good working condition, including HVAC, mechanical, electrical and plumbing. Landlord, at its sole cost, will repair or replace such building systems if problems occur. Any work associated with correcting any non-compliance with the foregoing will not be passed through to Tenant as a component of Operating Expenses or otherwise. Landlord, at its sole cost, will: (a) correct defects in the design and construction of the building shell, (b) remove or otherwise remediate any Hazardous Materials not caused by Tenant, and (c) repair and maintain Building structural components and building systems (e.g., roof, foundation, external walls, interior structural walls, utility lines, and all building systems, equipment, and facilities). Landlord will ensure that the Premises and the Building comply with all applicable laws, including without limitation the Americans with Disabilities Act and any environmental or other regulations. Any work associated with compliance for conditions not in compliance with any applicable laws as of the Commencement Date or Substantial Completion of the Tenant Improvements, whichever is later, will not be included in Operating Expenses. Landlord will represent and warrant to Tenant that the Property is free from Hazardous Materials (including mold and ACM). Landlord will indemnify Tenant with respect to any Hazardous Materials not present on the Property due to Tenant's acts. Agree to warrant all systems are in good working condition, including HVAC, mechanical, and plumbing for a period of 12 months from Commencement Date.

If applicable Landlord shall perform the following work within the Premises at its sole cost and expense:

1. All permits associated with Landlord's Work outlined herein.
2. Premises will be provided with 5.5 watts per usable square foot will be available in the Premises for Tenant's use (excluding Building standard HVAC and lighting service).

Submeters to be installed and maintained at Tenant's sole cost and expense. Submeters must be tied into the building Schnieder Energy Monitoring system for billing purposes.

3. Both the vertical and horizontal main HVAC trunk ducts shall be delivered clean with smoke and fire dampers tied into the Building's life safety systems.
4. Perimeter heating units/ convectors shall be delivered in good working order including any convectors, valves, thermostats, and controls.
5. There shall be fire stopping and fireproofing at all locations required by local law. All demising walls shall be built to the deck

6. All Building Systems shall be fully operational and delivered in good working order.
7. Provide equipment and access for Tenant to tie into Building's BMS system.

Operating Expenses/Taxes:

- Base Year = 2026. Tenants Proportionate Share = 4.52%;
Calculation = 10,998 RSF/243,085 RSF
- If applicable, all pass throughs will be grossed up to 95% occupancy
- Landlord agrees that Tenant will have the right to audit Landlord expenses related to any OPEX Taxes of the Building charged by Landlord. Tenant may also audit the base year with any escalations within one year of the base year. Audit will be performed by Tenant or Tenant's agent of choice, however, Tenant's agent of choice shall not be an agent engaged on a contingency basis.
- **Property Management:** There will be a property management presence available 24/7/365. During normal business hours, the management office will open to handle tenant service requests, emergencies and typical tenant inquiries. After hours, Saturdays and Sundays engineering will be available 24/7 to respond to tenant service requests, emergencies and other inquiries. There will be a 24/7/365 security presence on site. Management and engineering staff are available 24/7/365 via cell phones and email in the event of emergencies.

Building Amenities:

The following amenities will be located in the Building. The creation or modifications to Building for Amenities development shall not be passed through as an operating expense.

Food Service

Landlord is in discussion with operators to provide various food options in the existing cafeteria, which will serve hot and cold meals. Food Services will be operational by February 1, 2026.

Gym

Landlord is negotiating with a third-party fitness company to operate gym at a discounted rate to tenants. Rate TBD.

Primary Renewal Options:

Two (2), five (5) year options at 95% of Fair Market Rental Value economics to include 100% of market concessions (new tenants). Fair market value shall be based on comparable Class A Office Building's in Monmouth County. Nine month notice required.

Security:

- S2 Security System – Card Access System and Building Security Cameras
- At Tenant's sole cost and expense, and with Landlord's prior written consent, Tenant has the right to install and maintain its own independent security/controlled access system for its Premises only. Such system must be approved by Building Management and must be compatible with the S2 system.
- Landlord will at all times provide adequate and commercially reasonable security to the Building, the elevators and stairs which will permit twenty-four (24) hours access 365 days a year.

- Tenant will pay to Landlord for the card key access system to the Premises; however, if directed by Landlord, Tenant will pay the monthly amount directly to Landlord's security vendor.
- Landlord, at Tenant's expense, shall supply cards and/or keys for the above in a quantity as required by Tenant, one (1) card per Tenant employee.

Interruption of Service:

- Tenant agrees that neither Landlord, nor any of Landlord's constituent members, shareholders, officers, or directors, nor any of their respective agents, partners or employees (including, without limitation, Landlord's property manager), shall be liable for damage or injury to person, property or business or for loss or interruption of business, or for any other matter, in the event there is any failure, delay, interruption or diminution in furnishing any service, or in the event there is any other interruption or interference with the Tenant's ability to conduct business in the Premises on account of Landlord entry to the Premises to perform any work as permitted. No such failure, delay, interruption or diminution shall be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises, in whole or in part, actual or constructive, nor entitle Tenant to any claim for set-off, abatement or reduction of Rent, nor render Landlord or Landlord's property manager liable for damages, nor relieve Tenant from the performance of or affect any of Tenant's obligations under this Lease. However, Landlord shall use commercially reasonable efforts to minimize any such failure, delay, interruption or diminution.

Move-In, Move-Out:

For the seven (7) day period prior to Tenant's relocation to the Premises and relocation from the Premises, Tenant shall not be obligated to pay any charges for the use of Building services (including, but not limited to, loading dock, parking, freight elevators, electricity, etc.) either during or after Building Hours during construction of the Tenant Improvements and/or during Tenant's move into the Premises.

Restoration:

On or before the Expiration Date, Tenant will deliver to Landlord all keycards to the Premises and will surrender possession of the Premises to Landlord in the

same condition as existing on the Rent Commencement Date, reasonable wear and tear excepted, broom clean, with all of Tenant's Equipment and Alterations, if requested by Landlord, removed. Tenant will repair any damage resulting from such removal at Tenant's sole cost and expense, prior to the Expiration Date. Landlord to advise, in writing, of any alterations that must be removed at expiration at the time Tenant requests approval of said alteration.

Signage:

Landlord will include, at Landlord's cost and expense, the name of Tenant on the indoor signage provided. Tenant may, at Tenant's cost and expense, install suite signage at some or all of the entrance(s) to the Premises in locations reasonably acceptable to Landlord, subject to Landlord's prior written approval.

Communications:

- Landlord will facilitate carrier services in the building so that tenants have options to choose from. Landlord does not provide any telecom, voice, data or video services directly to tenants.

- Currently the building's providers are: 1) Verizon (Fios fiber optics available), 2) Cablevision (now owned by Altice-LightPath under the "Optimum branding") and 3) Level-3
- All providers have a Point of Entry from Hope Road
- Landlord is still working on the details for telecommunications for the Building.

Building Hours/HVAC:

The normal operating hours of the Building's HVAC system services shall be provided without additional charge between the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday and between 8:00 a.m. to 1:00 p.m. Saturdays, throughout the year, except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.

\$100 per hour for overtime HVAC (subject to adjustment for any increases in utility rates that may occur from time to time.)

Parking & Miscellaneous:

Landlord shall provide to Tenant four (4) spaces per 1,000 rentable square feet on an unreserved basis. There are four (4) EVcharging stations with two (2) lines on each.

Storage:

There are multiple storage rooms within the building to be available to Tenants. Rent is \$20.00 per RSF.

Sublease / Assignment:

Tenant may not assign/sublease all or a portion to an affiliate, subsidiary, parent, successor organization/legal entity, or any subtenant suitable for office space, without Landlord's permission or consent which shall not be unreasonably withheld, conditioned or delayed.

No Relocation Right:

Landlord shall have no right to relocate Tenant.

Government Regulations:

Building is ADA Compliant

Security Deposit:

None

Janitorial:

Landlord will provide janitorial services as normally provided in Class A office buildings. Cleaning Specifications and Frequencies will be provided in a lease document.

Structural/Latent Defects:

Landlord, at its sole cost and expense, shall be 100% responsible for the repair of any structural and latent defects, inclusive of defective fireproofing, in the Building, Premises and common areas during the Lease term, including any lease extensions, unless caused by Tenant.

Tenant's Agents:

Landlord shall pay to the Jones Lang LaSalle Brokerage, Inc. broker representing the Tenant a full market commission equal to five (5%) percent in accordance with a separate commission agreement, which is 50% payable at lease execution and 50% at Lease Commencement.

Business Registration Form:

Landlord will review Business Registration Certificate once provided.

Governing Law:

This Letter of Terms shall be governed by the laws of the State of New Jersey.

Prevailing Wage: All Tenant Improvements and alterations \$2,000 or more shall be subject to the Landlord's approval, and the Landlord's prevailing wage and affirmative action requirements.

Political Campaign Contributions: EO 134 requirements to be provided upon execution of Letter of Intent.

NJEDALegal Review: The transaction is subject to NJEDA's legal review, which includes, but is not limited to, compliance with any New Jersey state or federal laws, and review for debarment and/or suspension from doing business with the federal government and/or any state of New Jersey governmental agencies or departments.

Electronic Signatures: Pursuant to written policy, the New Jersey Economic Development Authority allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. Please confirm that you, as a signatory to this document, also agree to be bound by electronic signatures.

Financial Underwriting: Tenant authorizes the EDA and/or New Jersey Department of Law and Public Safety to verify information provided by the Tenant through a search of its records, or records to which it has access, and to release the results of said research to the EDA. Tenant authorizes the EDA to obtain such information including, but not limited to, a credit bureau check as it may require, covering the Tenant, its principals, stockholders and/or investors.

Disclaimer: This letter is not a proposal to lease, does not give rise to an obligation to good faith bargaining, and does not constitute a binding contract. This letter does not reflect or address all business points or legal matters upon which agreement must be reached in order for the parties to agree to enter into the Lease described herein, and it is not intended to constitute, or form the basis for, a contract. This letter is non-binding and subject to withdrawal by Tenant or Landlord at any time. Lease shall not exist unless and until authorized representatives from both the Tenant and Landlord execute and deliver a final written Lease. The execution and delivery of a Lease shall be subject to approval of terms by Landlord's Board of Members.

We look forward to your response.

Sincerely,



James Medenbach
Executive Managing Director

EXHIBIT B

REIMBURSEMENT AGREEMENT

(Reimbursement for Pre-Lease Design and Engineering Work)

THIS REIMBURSEMENT AGREEMENT (this “**Agreement**”) is entered into this _____ day of _____, 2025 (the “**Effective Date**”), by and between Bell Works Tinton Falls Urban Renewal LLC (“**Landlord**”), and New Jersey Economic Development Authority (NJEDA), (“**Tenant**”) (collectively, “Parties”).

New Jersey Economic Development Authority (NJEDA) (Tenant) has been provided with proposed lease terms from Bell Works Tinton Falls Urban Renewal LLC (Landlord) for the occupancy of 10,998 rentable square feet (“RSF”) of office space designated as Suite TBD (“Premises”) that is located on the 3rd floor of Bell Works Fort Monmouth, 1 CommVualt Way, Tinton Falls, NJ.

Landlord has been advised that New Jersey Economic Development Authority (NJEDA) desires to occupy the Premises on or before December, 1, 2025. In order to increase the likelihood of accommodating NJEDA’s proposed occupancy date, Landlord is willing to authorize its architect and engineer to commence the preparation of working drawings pertaining to the leasehold improvement work to be performed in the Premises (the “Work”) prior to the execution of a lease between the parties on the condition that if a lease for the Premises containing terms and conditions substantially similar to the terms and conditions set forth in this Letter of Intent is not executed by NJEDA by October 31, 2025, time being of the essence, NJEDA will reimburse Landlord for Landlord’s actual and reasonable costs incurred with the Work, not to exceed \$35,000 (the “Costs”); provided, however, that Landlord will discontinue the Work immediately upon receipt of NJEDA’s written request and in such event will be liable only for the Costs (not to exceed \$35,000) incurred by Landlord prior to the date Landlord receives such request. Landlord will submit an invoice and evidence of all third party costs incurred including evidence of payment at the time of lease execution for reimbursement or upon termination of this Agreement. In the event NJEDA reimburses Landlord Costs incurred and the Parties enter into a lease by February 11, 2026, Landlord will reimburse Tenant for Costs previously paid.

Additionally, if NJEDA fails to reimburse Landlord for the costs within 10 days from the date of Landlord’s written demand notice (which notice will be accompanied by invoices or other documentation evidencing the Costs), NJEDA will also be responsible for all reasonable costs and expenses, including attorneys’ fees, incurred by Landlord in obtaining payment of the amount owed by NJEDA pursuant to the terms of this letter, which shall be included in the cap of \$35,000 for Costs.

If a lease is entered into between the parties by October, 31, 2025, NJEDA will have no liability for the Costs other than as set forth in the Lease regarding Tenant's contribution towards the leasehold improvement work to be performed in the Premises.

If the above is acceptable to NJEDA, kindly sign and date this letter where provided below.

Choice of Law. This Agreement shall be governed by the laws of the State of New Jersey. All tort claims against NJEDA shall be governed by the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., and all contract claims against NJEDA shall be governed by the New Jersey Contractual Liability Act,

N.J.S.A. 59:13-1. The courts of the State of New Jersey shall have exclusive jurisdiction.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be duly executed as of the date and year first set forth above.

LANDLORD

*Bell Works Tinton Falls
Urban Renewal, LLC*

By: _____

Name: Ralph Zucker
Title: Authorized Signatory

TENANT:

*New Jersey Economic Development
Authority (NJEDA)*

By: _____

Name:
Title:



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: September 10, 2025

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

The following projects were approved under Delegated Authority in July and August 2025:

Premier Lender Program:

- 1) Harrison Holdings Urban Renewal, LLC (PROD-00319049), located in Mullica City, Gloucester County, is a real estate holding company formed in 2019, seeking to refinance an existing mortgage on a restaurant located at the project site. The operating company, Blueplate, LLC, was established in 2005 as an American eatery, serving farm-to-table fare for breakfast, lunch, and dinner. Century Savings Bank approved a \$950,000 bank loan, contingent upon a 50% (\$475,000) Authority participation. Proceeds will be used to refinance an existing mortgage. Currently, the Company has 30 employees and plans to create 5 new positions over the next two years.
- 2) Shrijee Krupa Realty LLC (PROD-00319324), located in South Orange Village, Essex County, is a real estate holding company formed in 2021 to purchase the project property. The operating company, Shrijee International USA Inc. DBA BuyRite Wine & Liquor, commenced operations in 2022 as a liquor store. Columbia Bank approved a \$3,750,000 bank loan contingent upon a 20% (\$750,000) Authority participation. Proceeds will be used to purchase the project property and refinance an existing mortgage. The Company currently has 2 employees and plans to create 5 additional jobs within the next two years.

Direct Loan Program:

- 1) Christina Duncan Limited Liability Company DBA Diamond Key Team (PROD-00320612) is located in Somerville Borough, Somerset County. Diamond Key Team is a women-owned real estate business formed in 2013 as a full-service real estate office that serves the communities in central New Jersey with buying and selling real estate. The NJEDA approved a \$130,000 loan to be used for working capital, to cover payroll and marketing expenses. The Company currently has 2 employees.

Small Business Fund Program:

- 1) Christina Duncan Limited Liability Company DBA Diamond Key Team (PROD-00320613) is located in Somerville Borough, Somerset County. Diamond Key Team is a women-owned real estate business formed in 2013 as a full-service real estate office that serves the communities in central New Jersey with buying and selling real estate. The NJEDA approved a \$500,000 loan to be used to refinance an existing mortgage and assist in reimbursement for renovations made to the real estate. The Company currently has 2 employees.



Tim Sullivan, CEO

Prepared by: G. Robins



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Economic Transformation Products
Delegated Authority Approvals, Declinations, & Other Actions Q2 2025
For Informational Purposes Only

Technology Innovation Products

Technology Innovation Products creates and manages products targeting emerging and early-stage technology companies to provide various type of investment and financial assistance.

Angel Investor Tax Credit Program

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax. When the program was originally approved, the amount of the tax credit was 10%. In 2019, Governor Murphy approved an increase to the amount of the tax credit from 10% to 20%, with a 5% bonus for investors in either NJ certified women- or minority-owned businesses, or businesses located in a state-designated Opportunity Zone or New Markets Tax Credit census tract. Starting with the 2021 program year, the Angel Tax Credit program cap increased from \$25 million to \$35 million.

Angel Investor Tax Credit Program – Q2 2025 Review

In the second quarter of 2025, the Authority approved eighty-eight (88) ATC investor applications with twenty (20) emerging technology businesses benefiting from the ATC Program. Of the companies receiving investments, three (3) were new companies to the program. Investors in four (4) companies qualified to receive an additional 5% bonus, approximately 20% of companies this quarter. Staff also received one (1) application withdrawal and declined one (1) application.

For the second quarter of 2025, there were eight (8) life science companies, eleven (11) technology companies and one (1) clean energy company with investors approved for the credit. Three (3) were state-certified Minority/Women Business Enterprises, and one (1) business based its

operations in an Opportunity Zone or New Market Tax Credit census tract. The average investment amount per application in the life sciences sector was \$150,156.06, and the average investment per application in the technology sector was \$57,805.69. There was one investment of \$205,217.00 in clean technology.

In total, \$1,697,071 in Angel Investor Tax Credits were awarded, incentivizing \$8,189,524 in private equity investments in NJ emerging technology businesses.

Sector	Investment Amount	Tax Credit Amount	Applications	# of Companies	% of Total Invested	% of Total Applications
Life Sciences	\$4,804,994	\$964,249	32	8	59%	36%
Technology	\$3,179,313	\$681,518	55	11	39%	63%
Clean Technology	\$205,217	\$51,304	1	1	2%	1%
Total	\$8,189,524	\$1,697,071	88	20		

Investors for the following twenty (20) companies were awarded tax credits in Q2 2025:

Acuitive Technologies, Inc., based in Allendale, pursues the development of novel biomaterial technologies to improve the repair and regeneration of musculoskeletal tissue.

Balcony Technology Group, Inc., based in Hoboken, aims to enhance the security, transparency, and efficiency of real estate transactions. The company has secured contracts and letters of intent with several New Jersey municipalities to automate settlement and recordation processes, aiming to eliminate deed fraud. Their technological innovations include real estate tokenization and on-chain title transfers, utilizing their specialized subnet on the Avalanche Network. Balcony's work integrates blockchain with advanced computing, IoT, and information technology to enhance data security and processing in real estate transactions, protecting against hacks, connecting departments, & turning data analytics into insights. This company is pioneering the use of blockchain for secure Real Estate tokenization.

Couple.com, Inc. based in Basking Ridge, is a tech company that focuses on improving the performance of online dating services using artificial intelligence. They are changing how people meet online with a smart AI learning-matchmaker that improves matches by understanding and adapting to user preferences. Their patented interactive video technology offers a unique way of hosting online speed dating events with real-time video interactions, themed chat rooms, virtual gifts, and AI-created summaries of dating events.

Endomedix, Inc., based in Montclair, is a manufacturing company that has developed a unique polysaccharide chemistry platform used to create a series of biosurgical devices. Endomedix's patented technology is intended for use in brain and spinal surgery. Endomedix's first device, "PlexiClot" Absorbable Hemistate, will help surgeons control bleeding during surgeries.

Evergreen Theragnostics, Inc., based in Springfield, is a Contract Development and Manufacturing Organization (CDMO) servicing the radiopharmaceutical industry in developing early-stage molecules. Evergreen is also engaged in research and development of new diagnostic and therapeutic radiopharmaceutical products that it intends to market to US hospitals.

Halcyon Still Water LLC, based in Red Bank, has developed a platform that leverages unique technology to aggregate a taxpayer's complete financial landscape to prepare tax returns and provide tax expertise by crowdsourcing CPA services.

ImageProVision, Inc., based in Franklin Township, focuses on the automation of microscope image data analysis for the pharmaceutical industry (**investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise**).

Mortgage Automation Technologies, Inc., based in Fairfield, is a fintech and information technology company developing a completely automated mortgage experience. They provide point-of-sale software and integrated system hardware. They are customizing and streamlining the borrower mortgage experience with a simple web-based portal and digital kiosk terminals. Their software, "The BIG Point of Sale", simplifies workflows for loan originators and consumers, and "The BIG Agent" connects brokers and real estate agents in a collaborative portal.

Nevakar Injectables, based in Bridgewater, is a commercial-stage biopharmaceutical company focused on developing injectable products for acute pain management and hospital infections, aiming to enhance hospital product offerings, improve patient outcomes, and reduce healthcare costs (**new company in Q2 2025**).

Nevakar, Inc., based in Bridgewater, is a specialty pharmaceutical company focused on developing innovative products in the injectable and ophthalmic space.

Princeton Nuenergy, Inc., based in Princeton, is an innovative clean-tech startup company (spun out from Princeton University in 2019) focused on the direct recycling of lithium-ion batteries from electric vehicles and consumer electronics. The Company has experience handling and recycling aged rechargeable EV batteries, namely those from Tesla vehicles (**investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise**).

Real Estate Innovators, Inc. (DBA Nearsite), based in Princeton, is an in-house platform tech company designed to provide professionals with temporary furnished housing. The business model relies heavily on AI technology, from unit listings, searches, online applications, background checks, lease signing and customer support. They are currently working on developing a proprietary B2B marketplace which will be a 100% technology/software platform.

RICOVR Healthcare, Inc., based in Princeton, is the creator of the XALIVA rapid diagnostics platform which provides high-quality, rapid diagnostic results using nanoparticle detection technology, allowing for fast, non-invasive specimen collection and analytics.

Silver Spring Research, Inc. (DBA NestBucks), based in Short Hills, is a fintech company specializing in home equity investment solutions with a data-driven approach and customer-centric technology. The company leverages data analytics, advanced computing, and financial engineering

to develop and deliver tech-forward investment products for homeowners. Through R&D in algorithm design, product innovation, and platform enhancement, NestBucks is actively commercializing its services in an effort to disrupt traditional home equity financing (**new company in Q2 2025**).

SunRay Scientific, Inc., based in Eatontown, is a global technology company providing novel adhesive conductive solutions for advanced electronic packaging, including semiconductors packaging (**investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise**).

Truefort, Inc., based in Weehawken, develops cybersecurity software products used by enterprises globally to protect their critical business applications on site and in the cloud. TrueFort provides a last line of defense against insider and/or advanced persistent threats for core business applications. The Company uses advanced analytics and machine learning to monitor over 100 end-to-end interdependencies, baseline application behavior and detect malicious activity in real time.

Vaneltix Pharma, Inc., based in Bound Brook, biopharmaceutical company that is developing treatments for Urological disorders. Vaneltix qualifies as a life sciences company because we are developing products to treat disorders of the lower urinary tract, in particular bladder epithelial dysfunction. Vaneltix has one product in mid phase clinical development to alleviate symptoms associated with the disease Interstitial Cystitis that employs a topical anesthetic and along with a mucus component to help protect the bladder surface from irritation. This same product is also being investigated as a potential diagnostic of the disease. Vaneltix is also conducting research on the regeneration of bladder epithelial tissue in response to injury from disease or by chemical/mechanical means (**investors qualify for a bonus as the business operates in an Opportunity Zone or New Markets Tax Credit census tract**).

vipHomeLink Holdings, Inc., based in Morristown, has developed a digital home management software solution in the form of an interactive mobile app. It employs AI, behavioral science, and 4 data analytics to deliver curated content and relevant guidance to homeowners with the objectives of making homes safer, more valuable, and more energy efficient while tracking progress toward those goals. The app is marketed to insurance companies, home warranty companies, new home builders, and lenders. By providing tailored content, personalized reminders, and expert recommendations, vipHomeLink's goals are to improve safety and reduce the costs of home ownership for home buyers, while preventing expensive insurance claims and improving loss ratios and profitability for corporate partners.

Vyluma Inc., based in Bridgewater, is a biopharmaceutical company dedicated to developing innovative eye drop treatments to meet the global demand for effective solutions to common eye diseases. Vyluma is advancing through the final stages of development for its leading candidate, NVK002, a treatment aimed at slowing the progression of myopia in children (**new company in Q2 2025**).

Xlink, LLC, based in Morris Plains, is a technology company that is researching, developing, testing, and building computer controlled automated machines and systems to be used in the

warehouse, distribution, e-commerce, and retail industries.

Please find a detailed list of all ATC applications that were approved and declined under delegated authority during the second quarter of 2025 in Exhibit A.

Angel Investor Tax Credit Program - Summary

Since program inception, NJEDA has approved 3,835 applications and awarded \$145,164,858.52 in Angel Investor Tax Credits incentivizing \$1,162,520,375.15 in private sector investments in 185 NJ emerging technology businesses. Of note, date of application approval does not necessarily align to program year. Approvals in each quarter may be reflected in the awarded tax credit amounts for prior or current program years.

A summary of prior year tax credits and unallocated balances is provided in Exhibit B.

NJ Ignite Program

A2365/S3189 Sections 92-97 “The New Jersey Ignite Act” (P.L. 2020, C.156, Sections 20 through 34) repealed the NJ Ignite program on June 30, 2025. As such, the program discontinued accepting applications on that date. One application received in Q1 2025, was approved and closed in Q3 2025. There are no other applications in process. The remaining portfolio will be managed until all Ignite awards have reached their maturity date.

NJ Accelerate Program

Through NJ Accelerate, NJEDA provides early-stage businesses with access to best-in-class Accelerator programs, enabling the tools and support to grow their businesses in the Garden State. The Program’s initial pilot period began in the fourth quarter 2020 and expired on September 21, 2024. On September 11, 2024, the NJEDA Board approved a new two-year pilot period for NJ Accelerate which will conclude on September 21, 2026. The Board also authorized the continued utilization of NJ Accelerate’s original funding of \$2,500,000 plus an additional \$5,000,000.

To become an approved Accelerator for NJ Accelerate, programs must be “best-in-class” as demonstrated by a set of criteria, including but not limited to a well-codified and rigorous screening process, a structured curriculum, a proven track record of success of prior graduates and at least 50 actively engaged subject matter expert/mentors. In addition, the Accelerator must provide financial investment in at least one company per cohort. The Program provides up to \$250,000 to Approved Accelerator Graduates located in New Jersey in the form of a 10-year convertible note, with a 3% fixed interest rate and no payments for seven years. NJEDA receives warrants in consideration for the financing; the amount of warrant coverage is 50% of NJEDA’s note amount. Additionally, Graduates located in New Jersey can receive up to six months of free rent in NJ-based co-working spaces. Graduates certified as women- or minority-owned, can receive an additional 5% bonus to the direct loan amount, as well as one additional month of rent. Approved Accelerators may also receive sponsorship to hold events in NJ. The amount is up to \$20,000 in

total for each Accelerator at \$2,000 sponsorship per event with a bonus of 5% for Approved Accelerators approved for having policies supporting businesses owned by women and minority persons.

NJ Accelerate Program – Q2 2025 Review

As of Q2 2025, NJEDA Staff approved one new Accelerator application for gener8tor Management LLC.

List of Approved Accelerators

Accelerator Name	Accelerator Location
Morgan Stanley Inclusive Ventures Lab	New York City, NY
Cleantech Open Northeast	Boston, MA
VentureWell - Aspire Program	Hadley, MA
University City Science Center - Launch Lane (Inactive)	Philadelphia, PA
HAX LLC	Newark, NJ
XRC Ventures	Brooklyn, NY
Merck Digital Sciences Studio	Newark, NJ and Cambridge, MA
Lair East Labs	New York City, NY
LearnLaunch Fund + Accelerator	Boston, MA
Entrepreneurs Roundtable Accelerator	New York City, NY
MetaProp Accelerator	New York City, NY
Plug and Play	Hoboken, NJ and other locations
gener8tor Management LLC	Milwaukee, WI and other locations

In terms of benefits for Approved Accelerator Graduates, in Q2 2025, two applications for the Investment Loan Benefit were approved and two were closed and disbursed.

Applicant Name	Approved Accelerator	Approved Amount	Disbursed Amount	Approval Date	Closing Date
Amatec Inc	HAX	\$150,000	\$150,000	05/19/2025	06/25/2025
Bckers	Plug and Play	\$100,000	\$100,000	05/28/2025	07/23/2025
TOTAL		\$250,000	\$250,000		

For the Rent Benefit, one application was approved and is in closing.

Collaborative Workspace	Company Name	Accelerator	Approved Amount	Approval Date	Closing Date
Equal Space	Bckers	Plug and Play	\$25,000	06/13/2025	TBD
TOTAL			\$25,000		

NJ Accelerate Program - Summary

Since program inception, NJ Accelerate supported 18 companies with 16 Investment Loan Benefits and 4 Rent Benefit grants, as well as 4 event sponsorship benefits to Accelerators, for a

total amount approved of \$2,562,043.78.

Angel Match Program

The Angel Match Program was designed to disburse \$255,197,631 in funding from the Small State Business Intuitive (SSBCI), a federal program administered by the US Department of Treasury. New Jersey's share. On September 14, 2022, the NJEDA Board approved the Angel Match Program. The total Angel Match Program allocation is \$20,197,631.

The Angel Match Program provides funding to approved companies in the form of a convertible promissory note. Each note will be from \$100,000 up to \$500,000. The funding amount is determined by matching the NJEDA's funds with investments provided to the company by outside investors on a 1 to 1 basis. The matching investments must be in the form of preferred equity with a defined price per share. The NJEDA's note is unsecured and has no payments for the first seven years. The note has a 3% fixed interest rate and a 10-year maturity. NJEDA receives warrants in consideration for the financing; the amount of warrant coverage is 50% of NJEDA's note amount.

On June 11, 2025 the NJEDA Board approved changes to the Angel Match Program. The changes are noted below:

1. Increase the maximum convertible loan amount from \$500,000 to \$1,000,000;
2. Reduce the minimum number of outside, independent investors required from two investors to one investor
3. Expand the types of revenue considered for the minimum revenue requirements

These were accepted by the US Treasury and went into effect for application approvals starting on June 17, 2025.

Angel Match Program – Q2 2025 Review

In the second quarter of 2025, market interest in the Program continued and demand is high. Three applications for the Angel Match Program were approved in the second quarter of 2025 and two closed in third quarter of 2025.

Applicant Name	Approved Amount	Disbursed Amount	Match Investment	Approval Date	Closing Date
Osteogene Tech Corp.	\$500,000	\$400,006	\$400,006	04/30/2025	07/31/2025
Mamasuncut Inc.	\$500,000	\$494,993.40	\$494,993.40	04/30/2025	07/07/2025
Protiv, Inc.	\$1,000,000	TBD	TBD	06/27/2025	TBD
Total	\$1,000,000	\$894,939.40	\$894,939.40		

Osteogene, Tech Corp., based in Norwood, specializes in the development and manufacturing of innovative solutions aimed at bone regeneration challenges within the medical field. The company focuses on creating products that facilitate bone growth and healing, catering to the needs of patients suffering from bone-related conditions.

Mamasuncut Inc., based in Hoboken, is an online community platform for mothers that offers

parenting news, advice, content, community support, and product reviews.

Protiv, Inc., based in Jersey City, provides a workforce performance platform, primarily for the construction and service industries, designed to motivate hourly workers and improve productivity through a performance-based incentive program.

Angel Match Program - Summary

Since program inception, Angel Match has supported 12 companies accounting for a total of \$5,507,499.40 closed matching funds. The approval of the applicants spurred the closing of external investments in the amount of \$7,164,049.03.

NJ Entrepreneur Support Program (NJESP)

On March 26, 2020, the NJEDA Board approved the NJ Entrepreneur Support Program (NJESP) in response to the limited available funding generated by the COVID-19 pandemic. Through NJESP, investors in NJ entrepreneurial businesses could receive a guarantee (up to 80%, not to exceed \$200,000 per company) for new, qualified bridge loans/convertible notes. The guarantee matures in one year, having an expiration date one year from the underlying note's issue date. If certain financial conditions are met by the company within this one-year term, the note investor could submit a claim to the NJEDA for payment of the guarantee. If the investor converts the note to equity, the Authority will be provided with a warrant for 20% of the guarantee amount, under the same pricing as the investor's conversion pricing on the Authority's standard warrant form. The program was sunsetted in February of 2021.

In 2023, the effects stemming from the pandemic continued to impact the financial system, and a financial crisis made headlines on March 8, 2023, after the collapse of regional banks focusing on emerging startups. In response, the NJEDA reopened the NJ Entrepreneur Support Program in April of 2023. Program updates included allowing new company investors to participate, increasing the total guarantee amount per company to \$400,000 (\$500,000 in total loans), raising the company's maximum number of total employees to fewer than 225 total employees, removing the trailing twelve-month revenue requirement, and updating the eligible company industries to the NJEDA's list of established "targeted industries".

NJ Entrepreneur Support Program – Q2 2025 Review

In Q2 of 2025, two applications were approved and later closed in Q3 2025. Details on the company and investor can be found below.

Investor	Company	Amount of Guarantee	Amount of Note/Loan	Approval Date	Closing Date	Guarantee Maturity Date
Niranjan M. Deo	Hopewell Pharma Ventures, Inc.	\$400,000	\$500,000	06/03/2025	07/11/2025	09/10/2026

Allison Friedler	Mamasuncut Inc.	\$380,000	\$475,000	05/27/2025	07/08/2025	07/29/2026
TOTAL		\$780,000	\$975,000			

Hopewell Pharma Ventures, Inc., based in Princeton, is a pharmaceutical company focused on developing and commercializing generic drugs, particularly first-time generic drugs and those with complex formulation or delivery technologies. They prioritize making lower-cost generic alternatives accessible to patients.

Mamasuncut Inc., based in Hoboken, is an online community platform for mothers that offers parenting news, advice, content, community support, and product reviews.

NJ Entrepreneur Support Program – Summary

Since program inception, NJEDA has supported 6 companies and closed 18 applications for a total of \$1,464,000 in guarantees. The approval of the applicants incentivized \$1,830,000 in external investments for the companies.

Venture Products

Venture Products focuses on engagement with angel and venture capital investors to deliver products that catalyze investment that create and sustain job growth in businesses within each of the key sectors.

New Jersey Innovation Fellows

The New Jersey Innovation Fellows program, approved by the Authority’s Board in November 2022, was established following the legislature’s finding that “one of the most difficult challenges for upstart entrepreneurs is forgoing employment to launch their business” and that “for diverse entrepreneurs, this challenge is often exacerbated” and directed the NJEDA “to invest in diverse talent critical to New Jersey having a vibrant ecosystem” through the New Jersey Innovation Fellows program (N.J.S.A. 34: 1B-371).

The program supports first-time entrepreneurs, with “income replacement” grants. This resource creates an opportunity to pursue unique startup business ventures with the security of initial income-replacement funding in the two-year ideation and formation period of their business. Per program policy and in accordance with the legislation, approved teams will be qualified to receive \$200,000 as a base award, and up to \$200,000 in bonuses. Teams may access an additional \$50,000 award on top of the \$200,000 base award if one Entrepreneur verifies residency in a designated Opportunity Zone in New Jersey.

New Jersey Innovation Fellows – Q2 2025 Review

In Q2 2025, the NJIF Program faced challenges due to procedural oversights during the awarding process of Cohort II applications. Specifically, On February 24, 2025, a decision was made to award the top eight scoring applications, with discretionary declines issued to five lower-scoring

applications. Appeals were subsequently received on March 6 and March 7, 2025, from Flo Good Technologies and Uplift Media, contesting their exclusion from the top eight.

A thorough review of the scoring process revealed deviations from the approved NJIF Scoring Process. It was determined that, per the board-approved process, the appellants should have been included in the cohort. Therefore, on May 13, 2025, staff recommended increasing the number of awards from eight to ten to accommodate these appellants without penalizing other applicants.

In Q2 2025, Stack Wallet, Inc. submitted additional information addressing the staff inquiry related to their appeal regarding the application denial. The appeal was initially filed on November 3, 2023, challenging the denial based on "First Time Entrepreneur" criteria. The updated information is currently under review.

Appellant Details:

Appellant	Industry	Initial Outcome	Overtured
Flo Good Technologies	Non-retail food and beverage (including food innovation)	Initially excluded from top eight due to scoring error.	Yes
Uplift Media	Film and Digital Media	Initially excluded from top eight due to scoring error.	Yes
Stack Wallet, Inc.	Advanced Manufacturing	Denied due to not meeting "First Time Entrepreneur" criteria; appeal under review.	Resolution expected in Q3 2025

New Jersey Innovation Evergreen Fund

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 et seq.). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 et seq.), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NIEF”, or “Evergreen Fund”) and the New Jersey Innovation Evergreen Program, which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed.

The Act authorizes the NJEDA to sell up to \$300 million of Corporation Business Tax (CBT) credits through a series of competitive auctions, proceeds of which are to be deposited in the Evergreen Fund to be used for Program investments. The Board approved the sale of \$50 million in tax credits through the inaugural Program auction in December 2022. Based on the outcome of

the inaugural auction, participants were approved to purchase the \$50 million of tax credits for an aggregate amount of \$41.1 million. The proceeds of the auction are added to the \$5 million of Program funds received through a FY2023 State budget appropriation to fund initial Evergreen Fund investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a Qualified Venture Firm. Venture firms may apply for designations on a rolling basis, and applications are reviewed in order of submission. Applications for Qualified Venture Firms opened on December 16, 2022, and the Authority has approved 25 Qualified Venture Firms to-date.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Each request for a Qualified Investment may be as much as the Program investment limit of \$10 million, or up to \$12.5 million for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university. The terms of each eligible Qualified Investment will be presented to the Board of the Authority, along with the recommendation for approval of each Qualified Investment. As of June 30, 2025, the Board of the Authority has approved six initial Evergreen Fund Qualified Investments, of which six initial Qualified Investment transaction has been closed and funded.

New Jersey Innovation Evergreen Fund - Qualified Venture Firms Q2 2025 Review

In the second Quarter of 2025, NJIEF has approved one Qualified Venture Firm (“QVF”) by Staff under delegated authority, as shown below.

Applicant Name	Approval Date
FYRFLY Venture Partners, LLC (“FYRFLY Venture Partners” or “FYRFLY”)	5/14/25

FYRFLY Venture Partners, LLC, founded in 2012, is a seed-stage venture capital firm with offices in San Francisco, California, and Zurich, Switzerland. FYRFLY sees New Jersey as a promising area for expanding deal sourcing and is interested in facilitating the relocation of companies from abroad to New Jersey. The General Partners, Julie Maples and Philipp Stauffer, manage assets totaling \$96.6 million, raised through three main funds and several opportunity funds. The firm's focus is on enterprise information technology and deep technology. FYRFLY's third fund, FYRFLY Venture Partners Fund III, L.P., a 2022 vintage fund, raised \$43 million in committed capital and has invested \$20 million. They have made a co-investment with the Evergreen Fund into PolyGone, a startup at the Princeton Innovation Center BioLabs.

New Jersey Founders & Funders

New Jersey Founders & Funders (“F&F”) is an ecosystem-building semi-annual event organized by the Authority to facilitate collaborative discussions between sophisticated angel or venture

capital investors and eligible high-growth, New Jersey-based businesses. Since its inception in June 2014, more than 400 companies and 262 investors have participated in the F&F events across 16 events. Events feature up to twelve 10-minute one-on-one matched pitch meetings between attending companies and investors.

On July 17, 2024, the Authority’s Board approved the NJ Founders and Funders All-Stars Event and Pilot Grant Program. The program follows the traditional format of previous F&F events with the addition of a pitch competition, where one eligible startup could earn the opportunity to apply for a \$100,000 grant. Furthermore, the event features a resource fair with opportunities for engagement with additional innovation ecosystem stakeholders. The All-Stars event took place on March 20, 2025, where one pitch competition winner was announced and given the opportunity to apply for the grant.

New Jersey Founders & Funders – Q2 2025 Review

In the second quarter of 2025, NJ F&F approved one eligible applicant by Staff under delegated authority, as shown below.

Applicant Name	Founder	Grant Award	Approval Date
Boxcar, Inc.	Joe Colangelo	\$100,000	5/27/25

Boxcar, Inc., based in Chatham, is a transportation technology company. Through the Boxcar mobile app, commuters can reserve a seat on a luxury motor coach, find parking spots, and book on-demand parking as well as other services provided by third parties.

Clean Energy Products

Clean Energy Products supports businesses and organizations across a wide range of technology areas including energy efficiency, solar, battery storage, offshore wind, zero emission vehicles, hydrogen, geothermal, and others with products aimed to reduce greenhouse gas and pollutant emissions.

New Jersey Zero-emission Incentive Program (NJ ZIP)

Launched in April 2021, the Phase 1 NJ ZIP pilot established a first-come, first-serve voucher-style program to reduce the upfront cost to purchase zero-emission vehicles for eligible applicants, with a focus on the adoption and use of zero-emission medium-duty vehicles in the four pilot communities of greater Newark, greater New Brunswick, greater Camden, and the Greater Shore Area.

New Jersey Zero-emission Incentive Program Phase 2 – Q2 2025 Review

In July 2022, the Board approved a second phase of the NJ ZIP pilot, with a voucher pool of \$45 million. While the overarching structure of the pilot remained unchanged, the second phase of this

pilot included two major eligibility changes from the first phase – to expand eligibility to include heavy-duty vehicle classes to Purchaser Applicants statewide – and provide updated support structures for pilot participants, including the development of a technical assistance mechanism.

NJ ZIP Phase 2 implemented a phased launch approach for Vendor and Purchaser applications. First, a zero-emission vehicle Vendor must apply to become an approved Vendor. Vendors applied for Phase 2, from October 18, 2022, through November 22, 2022, and the Program received 32 Vendor applications that were reviewed and approved, with vehicles approved on a rolling basis. In Q1 2025, no new vehicle applications were reviewed or approved.

Applications for Purchasers opened April 18, 2023, and closed on July 13, 2023, and were fully subscribed with \$13,500,000 in applications on a waitlist.

Since its launch through the second quarter of 2025, NJ ZIP Phase 2 has approved a total of 146 applications, amounting to \$53,233,600 in vouchers, facilitating the addition of 426 new zero-emission vehicles to New Jersey's roads. Of note, 49 applications were withdrawn post-approval, amounting to net award of \$36,252,800 in vouchers for 96 applications. In Q2 2025, the Program approved 1 application for a total of \$87,750 in vouchers. This voucher will support the adoption of 1 new, zero-emission vehicle operating in the State of New Jersey.

New Jersey Zero-emission Incentive Program Phase 2 – Q2 2025 Approvals

Please find a detailed list of all Purchaser applications that were approved for NJ ZIP Phase 2 under delegated authority during the second quarter of 2025, in Exhibit C.

New Jersey Clean Energy Loans (NJ CELs)

The New Jersey Clean Energy Loans (NJ CELs) program was designed to disburse funding from the State Small Business Credit Initiative (SSBCI), a federal program administered by the US Department of Treasury. New Jersey's share of the SSBCI program is \$255,197,631. SSBCI is designed to cause and result in lending and investment of private capital into small businesses. On November 16, 2022, the NJEDA Board approved the creation of the Clean Energy Business Financing Program ("New Jersey Clean Energy Loans" or "NJ CELs"), one of six programs in NJ under SSBCI. The total NJ CELs allocation is \$80,000,000.

Following the initial NJEDA Board approval in November 2022 for the Program's creation, an amendment was approved by the NJEDA Board on February 8, 2023, to broaden the eligibility criteria for private lenders, in order to facilitate the deployment of SSBCI funds within the required timeline for NJ CELs. The Authority launched the NJ CELs application on April 19, 2023. On March 7, 2024, another amendment was approved by the NJEDA Board pertaining to transaction size, collateral, reporting requirements, delegated authority, and loan forgiveness.

NJ CELs is a co-lending program that offers loans to eligible small businesses seeking to finance eligible clean energy projects, or the expansion of eligible clean energy businesses. NJEDA loans must be matched at least 1:1 with a loan from a private lender. NJEDA loans under NJ CELs can

range between \$250,000 and \$10,000,000, with terms between one and 25 years, and an interest rate that is 4-6% below the private lender's interest rate. Applicants who are Minority-, Women-, or Veteran-owned businesses and/or are located in an Overburdened Community in NJ are eligible for special terms. Applicants must meet the eligibility criteria and score a minimum of 50 points out of 100 points in order to receive financing. Complete applications are reviewed on a rolling basis to verify basic eligibility criteria and evaluated based on the standardized scoring criteria. NJEDA also conducts an underwriting of all applications. All loans must meet a minimum Global Debt Service Coverage Ratio (GDSCR) of 1.00x. Since the Program's inception, strategic efforts have been undertaken to market NJ CELs extensively, both to prospective borrowers and prospective co-lenders. NJ CELs has been featured in numerous newsletters and presentations, including being showcased by U.S. Treasury at an SSBCI regional convening to highlight how states are using SSBCI funds to support clean energy goals.

New Jersey Clean Energy Loans (NJ CELs) – Q2 2025 Review

In Q2 2025, there was a concerted effort to market the NJ CELs program to both targeted and broad audiences, including through cross-pollination across internal NJEDA teams and targeted outreach to key industry groups and stakeholders.

There are three application submissions for NJ CELs , one submitted in Q1 2025 and the other two submitted in Q2 2025. The total number of NJ CELs applications received to date is 17. The three applications, submitted in Q1 2025 and Q2 2025, are currently under review. Of the total applications received, twelve were withdrawn prior to this quarter. Two of the applications will require Board approval due to the size of the loans and are expected to be taken to October Board for approval.

NJ Cool

The NJ Cool program is a \$15 million pilot program launched by NJEDA to provide financial assistance to commercial, industrial, and institutional building owners and tenants undertaking retrofit construction projects that reduce operating greenhouse gas emissions from existing buildings in State-designated Overburdened Community and Adjacent Community census blocks or the municipalities of Newark, Edison, and Atlantic City.

The NJEDA will provide grant awards ranging from \$50,000 to \$1 million to reimburse applicants at a 50% rate for eligible hard construction costs from projects that upgrade building heating and cooling systems to less polluting alternatives, as well as implement other energy efficiency measures or on-site renewables. This pilot is funded by the Regional Greenhouse Gas Initiative (RGGI) proceeds allocated to NJEDA and will accelerate the adoption of more environmentally friendly building systems, technologies, and construction practices within New Jersey.

The program was approved by the NJEDA Board at the November 2023 board meeting, with applications opening on April 22, 2024. The program was originally only eligible for existing commercial buildings within the three pilot communities but expanded eligibility per Board approval in October 2024 to also include existing industrial and institutional buildings within these

municipalities. Additionally, in May 2025, the program expanded its geographic eligibility into all Overburdened Communities (OBCs) and formally designated Adjacent communities census blocks recognized per New Jersey Environmental Justice Law.

The NJ Cool team continues to conduct outreach for the program. A targeted mail campaign was distributed to approximately 360 commercial properties in Newark, Edison, and Atlantic City listed on the Board of Public Utilities Commercial Building Mandatory Benchmarking list. Other outreach efforts include presenting at a mix of in-person and virtual events, networking at other industry conferences, issuing social media posts and press releases, and sending targeted emails to relevant stakeholders (contractors, community/industry groups, real estate owners, and municipal government officials). The team has also held 1-on-1 meetings with interested applicants to outline the program requirements and discuss potential projects. In addition to the applications received thus far, the program has developed a strong pipeline of applicants who expressed interest in submitting projects to the program in the near term.

NJ Cool – Q2 2025 Review

In Q2 2025, two new NJ Cool applications were approved, see table below:

NJ Cool Application Approvals in Q2 2025			
PROD #	Applicant Entity	Grant Award	Approval Date
PROD-00320593	Yamna LLC	\$78,000	6/23/2025
PROD-00320731	Nilkanth99 Food LLC	\$276,500	6/30/2025
Total		\$354,500	

In Q2 2025, one NJ Cool project was fully completed and fully disbursed, see table below:

NJ Cool Completed Projects in Q2 2025			
PROD #	Applicant Entity	Grant Award	Completion Date
PROD-00317009	Samarpan at Edison LLC	\$135,220	6/3/2025
Total		\$135,220	

Garden State C-PACE

In August 2021, Governor Murphy signed P.L. 2021, c. 201 into law (N.J.S.A. 34:1B-374 -382) authorizing the establishment of the Garden State C-PACE Program in New Jersey and directing the New Jersey Economic Development Authority (“NJEDA” or “Authority”) to develop guidelines for the Garden State C-PACE Program, which are to include the standard forms of documentation to be used for the administration of the Program, and to implement, administer, and oversee the Program. Projects financed through the Program are secured by a special assessment lien on the improved real property, which is repaid in installments over time. Like other special assessments, a C-PACE Assessment is a non-accelerating, senior lien secured by the property. The repayment obligation transfers automatically to the next owner if the property is sold and, in the event of default, only the payments in arrears are due, i.e., the underlying loan cannot be accelerated. There is no minimum or maximum dollar amount for C-PACE transactions. Rather, there are percentage caps of 100% of eligible improvements for Retrofit projects and 35% LTV

for new construction.

As there are no public dollars involved in this program, there is delegated authority to the Director of Clean Energy and above to approve of all applicants and to enter into agreements accordingly.

The Program was approved by the NJEDA Board at the October 2024 meeting, with applications for Participating Municipalities opening in December 2024, the application for Qualified Capital Providers and Qualified Technical Reviewers opening in June 2025, and the project application opening on July 30, 2025.

In Q2 2025, the only applications submitted were for Participating Municipalities. Five municipalities were approved via delegated authority. See table below:

Garden State C-PACE – Q2 2025 Review

Garden State C-PACE Application Approvals in Q2 2025		
PROJ #	Applicant Entity	Approval Date
PROJ-0232996	City of Hackensack	6/25/2025
PROJ-0232506	City of Plainfield	6/6/2025
PROJ-0231690	Oldmans Township	6/6/2025
PROJ-0231243	Township of Woodbridge	5/14/2025
PROJ-0231225	City of New Brunswick	5/2/2025

Manufacturing, Incentives & Tax Credits (MIT)

Manufacturing, Incentives & Tax Credits manages a suite of products designed to support the growth of the State's economy with a focus on strategic sectors.

New Jersey Film and Digital Media Tax Credit Program

Originally created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 35% of qualified film production expenses, or 30% of qualified film production expenses incurred for services performed and tangible personal property purchased for at a sound stage or other 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New, York. Under the Digital Media Tax Credit Program, applicants are eligible for 30% of qualified digital media production expenses and 35% for qualified digital media production expenses purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County.

On April 13, 2022, the Board approved the delegations of authority for the New Jersey Film and Digital Media Tax Credit Program. Film Tax Credit applications seeking \$10 million or less, and Digital Media Tax Credit applications seeking \$3 million or less in tax credits can be approved under the updated delegations of authority.

On November 18, 2024, the Board approved an update to the delegation of authority for the Film and Digital Media Tax Credit Program to allow the Chief Executive Officer or his or her delegate to reallocate up to \$100,000,000 of the available film tax credit allocation to the digital media tax credit allocation as needed for each digital media project approval.

New Jersey Film and Digital Media Tax Credit Program – Q2 2025 Review

In the second quarter of 2025, there were 11 film tax credit applications approved under delegated authority for a total of \$28,157,997.

Film Tax Credit – Q2 2025 Approvals				
	Applicant Name	PROD #	Award Amount	Approval Date
1	Family McMullen, Inc.	PROD-00318229	\$3,048,892	4/9/2025
2	American Summer Movie LLC	PROD-00316348	\$218,607	4/21/2025
3	White Room Productions, LLC	PROD-00317780	\$4,170,557	4/24/2025
4	Banchan LLC	PROD-00318844	\$1,549,577	4/30/2025
5	Sisterhood Productions LLC	PROD-00318755	\$114,700	5/28/2025
6	Speak Your Vegetables LLC	PROD-00317234	\$376,975	5/28/2025
7	D&R Films LLC	PROD-00318277	\$6,063,779	6/5/2025
8	Half Moon Pictures LLC	PROD-00318393	\$2,482,810	6/25/2025
9	Universal Television LLC	PROD-00318843	\$1,366,188	6/25/2025
10	Coin Toss, LLC	PROD-00319321	\$8,650,565	6/27/2025
11	Megan is a Good Girl Film LLC	PROD-00319624	\$115,347	6/27/2025
	FILM TOTAL		\$28,157,997	

In the second quarter of 2025, there was one digital media application approved under delegated authority.

Digital Media Tax Credit – Q2 2025 Approvals				
	Applicant Name	PROD #	Award Amount	Approval Date
1	FY2020 Melen LLC	PROD-00314957	\$579,055	5/14/2025
	DIGITAL MEDIA TOTAL		\$579,055	

In the second quarter of 2025, there was one delegated approval to reallocate allocation amounts from the legacy film allocation category to increase the amount available in the digital media allocation category. On May 28, 2025, the authority approved the request to transfer \$26,302,508. The amount transferred was required to make approvals under the digital media program. Following this approval, there is a balance of \$73,697,492 remaining for future transfers as needed.

New Jersey RISE Program

On July 21, 2023, the New Jersey State Legislature passed and Governor Phil Murphy approved P.L.2023, c.125 (“Chapter 125”), which included a pilot grant program, to be administered by the New Jersey Economic Development Authority (EDA), to provide grants to businesses principally located outside of New Jersey that re-assign New Jersey residents that are currently assigned to work in a state with “convenience of the employer” income taxation to work in New Jersey locations.

On March 7, 2024, the Board approved the pilot program, policies and specs. NJ RISE provides grants to businesses principally located in another state to re-assign employees who are New Jersey residents assigned to work at locations in a state that uses the “convenience of the employer” income taxation to work at New Jersey locations. The grant is equal to the amount of New Jersey Gross Income Tax withholdings of the re-assigned resident employees during one tax year of the business, not to exceed \$500,000 in the aggregate per business.

The sum of all grants approved will not exceed \$10 million until the program end date on July 1, 2028. Detailed program specifications, including definitions for capitalized terms, are attached.

New Jersey RISE Program- Q2 2025 Review

Since the launch of the program in 2024, we have received a total of 4 submitted applications. From those received applications, one application was approved, while another one was closed for the second quarter of 2025.

Application Organization	Tax Year Applied	NJRISE Award	Application Status
ITI, Inc	2025	\$500,000.00	2025 Q2 Closed
SDG Mgmt Company, LLC	2026	\$307,470.00	2024 Q4
Moody's Analytics, Inc	2025	\$500,000.00	2025 Q2 Approval
	Total:	\$1,307,470.00	
L.J. Altfest & Company, Inc	2025	\$51,428.00	2025 Q1 Withdrawn

New Jersey Manufacturing Voucher Program (NJ MVP)

On October 12, 2022, the NJEDA Board approved the New Jersey Manufacturing Voucher Program (NJ MVP). The New Jersey Manufacturing Voucher Program will provide equipment grants sized at 30% – 50% of the cost of the eligible equipment (including installation) up to a maximum award amount of \$250,000. The Program will target the State’s manufacturers within targeted industries that will purchase equipment that integrate advanced or innovative

technologies, processes, and materials to improve the manufacturing of products. The Program will offer bonuses focused on certified women, minority, veteran owned businesses (W/M/V/BE), opportunity zones, purchasing manufacturing equipment in New Jersey as well as bonuses for companies that have a collective bargaining agreement in place. NJ MVP is also committed to supporting small businesses by awarding manufacturers with under 100 Full Time Equivalent employees (FTE), higher award percentages. In addition, applications will be accepted on a rolling basis and remain open until all funds are committed.

On March 8, 2023, the Board approved to increase the available funding from \$20,000,000 to \$33,750,00 less \$1 million for administrative expenses available to support New Jersey manufacturers' access to manufacturing equipment needed to become more efficient, productive, and profitable.

New Jersey Manufacturing Voucher Program Phase 1 (NJ MVP) – Q2 2025 Review

The NJ MVP application launched on March 8, 2023, and the Authority received 267 applications as of May 1, 2023, totaling \$37,625,049.28. Applications received beyond the available funding (\$33.75M) that were placed on a waitlist, were reviewed, processed, and if needed, are eligible to be funded with the utilization of up to \$4,000,000 of the \$20,000,000 from funds from the Fiscal Year 2024 (FY2024) budget to capitalize NJ MVP, New Jersey Manufacturing Voucher Program Phase 2.

Below is a list of all NJ MVP Phase 1 applications that were terminated or disbursed under delegated authority during the second quarter of 2025.

NJMVP Phase 1 - Q2 2025 Terminations		
Applicant Name	Amount	Termination Date
Geller Brewing LLC	\$ 250,000.00	4/10/2025
Total	\$250,000.00	

NJMVP Phase 1 - Q2 2025 Disbursements		
Applicant Name	Amount	Disbursement Date
THE BONACORDA GROUP, INC.	\$138,544.42	4/10/2025
SS White Burs, Inc.	\$179,179.70	4/10/2025
RAW GENERATION INC	\$250,000.00	4/15/2025
PLAST-O-MATIC VALVES INCORPORATED	\$178,932.00	4/22/2025
Biogenesis, Inc.	\$86,411.50	4/22/2025
Gourmet Nut Inc.	\$175,000.00	4/30/2025
Antonio Mozzarella Factory, Inc	\$201,250.00	4/30/2025
Werko Machine Co, Inc.	\$84,420.00	5/9/2025
Allied Food Products Inc	\$51,949.80	5/21/2025
ROBERT T. WINZINGER, INC.	\$146,000.00	5/21/2025
Magnify Brewing, LLC	\$220,165.19	5/29/2025
TreadStone Technologies, Inc.	\$114,107.12	6/2/2025

Martin Corporation	\$250,000.00	6/26/2025
Total	\$2,075,959.73	

New Jersey Manufacturing Voucher Program Phase 2 (NJ MVP)

On June 30, 2023, Governor Phil Murphy allocated \$20 million from the Fiscal Year 2024 budget to continue to boost the New Jersey Economic Development Authority's (NJEDA) New Jersey Manufacturing Voucher Program (MVP).

The New Jersey Manufacturing Voucher Program (NJ MVP) Phase 2 will provide a reimbursement of equipment costs sized at 30% – 50% of the cost of the eligible equipment (including installation) up to a maximum award amount of \$250,000. The Program will target the State's priority sectors and manufacturers that will purchase equipment that integrate advanced or innovative technologies, processes, and materials to improve the manufacturing of products. The Program will also offer bonuses for eligible applicants that are New Jersey certified women, minority, or veteran owned businesses (W/M/V/BE), that are located in opportunity zone eligible census tracts, that are purchasing manufacturing equipment manufactured or assembled in New Jersey, have a collective bargaining agreement in place, and for manufacturers with fifty (50) or less FTEs. NJ MVP is also committed to supporting small businesses by awarding manufacturers with 100 or less Full Time Equivalent (FTE) employees higher award percentages. Companies with 100 FTEs or less are capped at 50% of the award. Companies with employees over 100 FTE are capped at 40% of the award. The maximum award amount is \$250,000.

New Jersey Manufacturing Voucher Program Phase 2 (NJ MVP) – Q2 2025 Review

The NJ MVP Phase 2 application launched on February 12, 2024, and the Authority received 142 applications totaling \$24,437,271.47. Applications received beyond the available funding were placed on a waitlist and will be reviewed and processed as funding becomes available.

Below is a list of all NJ MVP Phase 2 applications that were approved, withdrawn, or disbursed under delegated authority during the second quarter of 2025.

NJMVP Phase 2 - Q2 2025 Approvals		
Applicant Name	Amount	Approval Date
Parayil Foods USA LLC	\$250,000.00	4/25/2025
The Snackatere NJ Incorporated	\$53,830.00	5/2/2025
Central Metal Fabricators Inc	\$101,465.00	5/7/2025
WORLD OF COFFEE, INC.	\$89,435.43	5/14/2025
SENAT POULTRY, L.L.C.	\$175,388.72	5/16/2025
DiveDesign	\$78,750.00	5/27/2025
Organic Food Incubator INC	\$122,572.00	5/28/2025
Cosmetics & Perfume Filling & Packaging, Inc.	\$250,000.00	5/29/2025
Thomas Company, Inc.	\$250,000.00	6/13/2025

The Inventors Shop LLC	\$250,000.00	6/25/2025
Total	\$1,621,441.15	

NJMVP Phase 2 - Q2 2025 Withdrawals		
Applicant Name	Amount	Withdrawal Date
Medline Industries, LP	\$250,000.00	4/17/2025
Hikma Pharmaceuticals USA Inc	\$95,177.51	6/19/2025
Total	\$345,177.51	

NJMVP Phase 2 - Q2 2025 Disbursements		
Applicant Name	Amount	Disbursement Date
Unicorn Biotechnologies Inc.	\$162,000.00	4/4/2025
SOLATO USA CORPORATION	\$28,049.70	4/10/2025
BENDHEIM LLC	\$65,993.77	4/10/2025
F & S PRODUCE CO., INC.	\$250,000.00	4/17/2025
MAGLIONES ITALIAN ICES, L.L.C.	\$42,736.40	4/29/2025
TRUCCO, INC.	\$20,259.00	4/29/2025
Ce De Candy, Inc.	\$50,845.24	4/30/2025
ABELES & HEYMANN, LLC.	\$78,550.80	5/2/2025
POLYMER DYNAMIX, LLC	\$91,522.55	5/6/2025
Entourage Imaging Inc	\$250,000.00	5/6/2025
Rex Lumber Company	\$182,917.75	5/7/2025
UNEX MANUFACTURING INC.	\$167,481.13	5/22/2025
Nutra-Med Packaging, LLC	\$25,000.00	5/29/2025
Generant Company, Inc.	\$201,280.52	6/5/2025
Artistic Tile Inc	\$211,455.00	6/12/2025
Pallet Brewing Company LLC	\$149,635.18	6/13/2025
Herbalist & Alchemist, Inc.	\$10,444.56	6/17/2025
Universal Technical Resource Services, Inc.	\$92,432.85	6/17/2025
Total	\$2,080,604.45	

New Jersey Manufacturing Voucher Program Phase 3 (NJ MVP)

On June 30, 2024, Governor Phil Murphy allocated \$10 million from the Fiscal Year 2025 budget to continue to boost the New Jersey Economic Development Authority's (NJEDA) New Jersey Manufacturing Voucher Program (MVP).

The New Jersey Manufacturing Voucher Program (NJ MVP) Phase 3 will provide a reimbursement of equipment costs sized at 30% – 50% of the cost of the eligible equipment (including installation) up to a maximum award amount of \$250,000. The Program will target the State's priority sectors and manufacturers that will purchase equipment that integrate advanced or innovative technologies, processes, and materials to improve the manufacturing of products. The

Program will also offer bonuses for eligible applicants that are New Jersey certified women, minority, or veteran owned businesses (W/M/V/BE), that are located in opportunity zone eligible census tracts, that are purchasing manufacturing equipment manufactured or assembled in New Jersey, have a collective bargaining agreement in place, and for manufacturers with fifty (50) or less FTEs. NJ MVP is also committed to supporting small businesses by awarding manufacturers with 100 or less Full Time Equivalent (FTE) employees higher award percentages. Companies with 100 FTEs or less are capped at 50% of the award. Companies with employees over 100 FTE are capped at 40% of the award. The maximum award amount is \$250,000.

New to NJ MVP 3; to ensure equitable access to funding, Phase 3 applications were prioritized for new applicants who have not previously or will not be awarded grants under Phase 1 or Phase 2 (based on EIN) during the initial two-week application period. Following that period, all eligible businesses would have had the opportunity to apply for funding, subject to available resources.

New Jersey Manufacturing Voucher Program Phase 3 (NJ MVP) – Q2 2025 Review

The NJ MVP Phase 3 application launched on February 19, 2025, and the Authority received 66 applications totaling \$9,255,571.44. Applications received beyond the available funding were placed on a waitlist and will be reviewed and processed as funding becomes available.

Below is a list of all NJ MVP Phase 3 applications that were approved, declined, withdrawn, or disbursed; under delegated authority during the second quarter of 2025.

NJMVP Phase 3 - Q2 2025 Approvals		
Applicant Name	Amount	Approval Date
In Print LLC	\$37,372.50	4/1/2025
Aerospace Manufacturing Corporation	\$214,224.99	4/1/2025
Korber Pharma Packaging Materials LLC	\$250,000.00	4/1/2025
Berje, Incorporated	\$70,934.17	4/1/2025
UTRS Advanced Manufacturing LLC	\$109,837.00	4/3/2025
Bierig Brothers, Inc.	\$19,600.70	4/3/2025
Century Service Affiliates, Inc.	\$202,150.40	4/3/2025
Allstate Paper Box Company, LLC	\$127,750.00	4/3/2025
Elidan Corp	\$45,094.41	4/4/2025
Intelligent Material Solutions, Inc.	\$36,507.81	4/4/2025
CP Biotoools LLC	\$25,560.00	4/7/2025
EXPACKUSA, INC.	\$250,000.00	4/7/2025
Lazy Man Manufacturing, Inc.	\$234,389.20	4/7/2025
Ariel Laboratories, L.P.	\$42,975.00	4/11/2025
BM Solutions LLC	\$12,094.95	4/11/2025
Prima Spice Inc	\$223,686.00	4/11/2025
Interstate Caterers Inc	\$250,000.00	4/14/2025
Industrial Rivet & Fastener Co.	\$107,891.10	4/17/2025
Aurora Multimedia Corporation	\$183,769.25	4/17/2025

Diversified Foam Products, Inc.	\$145,209.00	4/17/2025
HighLine Polycarbonate LLC	\$250,000.00	4/17/2025
Core Sensors LLC	\$74,858.26	4/21/2025
Miller Fabricators Inc	\$37,275.75	4/22/2025
Excellence in Baking Inc	\$57,516.60	4/30/2025
FLOWS TASTY TREATS LIMITED LIABILITY COMPANY	\$22,530.00	4/30/2025
Initech Inc	\$85,291.77	4/30/2025
Food Fusion NJ LLC	\$135,250.00	5/2/2025
Productive Plastics, Inc.	\$250,000.00	5/6/2025
GSD Coatings, L.L.C.	\$45,719.98	5/6/2025
Astor Chocolate Corp	\$250,000.00	5/14/2025
Parts Life, Inc.	\$14,904.00	5/14/2025
NEXT Medical Products Company, LLC	\$68,940.00	5/14/2025
LD Gelato LLC	\$59,083.20	5/20/2025
Vivaria Ecologies LLC	\$250,000.00	5/20/2025
Yala Print LLC	\$250,000.00	5/20/2025
Roller Bearing Company of America, Inc.	\$50,913.81	6/4/2025
Quantaflex Printed Electronics Inc.	\$150,174.72	6/4/2025
Accurate Box Co., Inc.	\$250,000.00	6/4/2025
E.N.A. Meat Packing Corp.	\$250,000.00	6/27/2025
Total	\$5,141,504.57	

NJMVP Phase 3 - Q2 2025 Declined		
Applicant Name	Amount	Declination Date
BIHLER OF AMERICA INC	\$80,345.65	6/17/2025
Total	\$80,345.65	

NJMVP Phase 3 - Q2 2025 Withdrawals		
Applicant Name	Amount	Withdrawal Date
Altruvate LLC	\$250,000.00	5/2/2025
The Inventors Shop LLC	\$250,000.00	5/7/2025
Total	\$500,000.00	

NJMVP Phase 3 - Q2 2025 Disbursements		
Applicant Name	Amount	Disbursement Date
VFI Fabrication LLC	\$41,440.00	6/17/2025
Allstate Paper Box Company, LLC	\$127,750.00	6/17/2025
Total	\$169,190.00	



Tim Sullivan, CEO

Technology Innovation Products

Angel Investor Tax Credit Prepared by:

Abdelrhman Seliman

NJ Ignite Prepared by:

Sara Caddedu

NJ Accelerate Prepared by:

Sara Caddedu

Angel Match Program Prepared by:

Monika Athwal

NJ Entrepreneur Support Program Prepared by:

Monika Athwal

Venture Products

NJ Innovation Fellows Prepared by:

Michelle Martinez

New Jersey Innovation Evergreen Fund Prepared by:

Deven Patel

New Jersey Founders & Funders Prepared by:

Milton Urgiles

Clean Energy Products

New Jersey Zero-emission Incentive Program Prepared by:

Lina Rivetti

Commuter and Transit Bus Private Carrier Relief and Jobs Program Prepared by:

John Wisniewski

New Jersey Clean Energy Loans Prepared by:

Sebastian Gunbeyi

NJ Cool Prepared By:

Lloyd Lomelino

Garden State C-PACE Prepared By:

Max Frank

Manufacturing, Incentives & Tax Credits (MIT)

New Jersey Film and Digital Media Tax Credit Program Prepared by:

Matthew Sestrich

New Jersey Manufacturing Voucher Program Prepared by:

Gene Palermo

Memo Prepared by:

Abdelrhman Seliman

Monika Athwal

Clark Smith

EXHIBIT A
Q2 2025 Delegated Approvals - Angel Investor Tax Credit

Product	Applicant	Employees in NJ	Company	Investment	Tax Credit Amount
PROD-00315253	Jefferson DeAngelis		Acuitive Technologies, Inc.	\$50,000	\$10,000
PROD-00318192	David S. Washburn		Acuitive Technologies, Inc.	\$620,000	\$124,000
PROD-00315736	Stallone Family Trust		Acuitive Technologies, Inc.	\$50,000	\$10,000
PROD-00315867	Green Pelican, LLC		Acuitive Technologies, Inc.	\$100,000	\$20,000
PROD-00315866	Green Pelican, LLC		Acuitive Technologies, Inc.	\$50,000	\$10,000
PROD-00316979	Robert Gottlieb		Acuitive Technologies, Inc.	\$50,000	\$10,000
PROD-00316757	Wayne Sarkis Berberian		Acuitive Technologies, Inc.	\$500,000	\$100,000
	7	NJ: 26 Total: 27	Acuitive Technologies, Inc.	\$1,420,000	\$284,000
PROD-00316569	Hoboken Improvement Co., LP		Balcony Technology Group, Inc.	\$200,000	\$40,000
PROD-00316578	Bruce Fischer		Balcony Technology Group, Inc.	\$200,000	\$40,000
PROD-00316797	Athas Dounelis		Balcony Technology Group, Inc.	\$100,000	\$20,000
PROD-00316511	Edward E. Ayuso II		Balcony Technology Group, Inc.	\$150,000	\$30,000
	4	NJ: 1 Total: 1	Balcony Technology Group, Inc.	\$650,000	\$130,000
PROD-00316579	Richard Finkel		Couple.com, Inc.	\$25,000	\$5,000
PROD-00316702	Valmar & Associates, LLC		Couple.com, Inc.	\$15,000	\$3,000
	2	NJ: 5 Total: 6	Couple.com, Inc.	\$40,000	\$8,000
PROD-00316805	Surya Gutta Revocable Trust		Endomedix, Inc.	\$10,000	\$2,000
PROD-00316633	Merlin Revocable Trust		Endomedix, Inc.	\$25,000	\$5,000
PROD-00316506	Vivek Sarda		Endomedix, Inc.	\$10,000	\$2,000
PROD-00316801	Delaware Crossing-Endomedix LLC		Endomedix, Inc.	\$70,000	\$14,000
PROD-00316725	Steven and Cathryn Pollinger JT		Endomedix, Inc.	\$25,000	\$5,000
	5	NJ: 3 Total: 3	Endomedix, Inc.	\$140,000	\$28,000

PROD-00315842	Reis BG LLC		Evergreen Theragnostics, Inc.	\$169,994	\$33,999
	1	NJ: 60 Total: 66	Evergreen Theragnostics, Inc.	\$169,994	\$33,999
PROD-00318063	James Joseph Maguire		Halcyon Still Water, LLC	\$10,000	\$2,000
PROD-00317100	Michael Gerard Maguire		Halcyon Still Water, LLC	\$14,995	\$2,999
PROD-00316996	Mark Beaudoin		Halcyon Still Water, LLC	\$300,000	\$60,000
PROD-00316895	James Joseph Maguire		Halcyon Still Water, LLC	\$14,995	\$2,999
	4	NJ: 11 Total: 14	Halcyon Still Water, LLC	\$339,990	\$67,998
PROD-00317032	Geetha G. Perumal Roth IRA Account No. 1185454		ImageProVision, Inc	\$50,000	\$12,500
PROD-00316883	Chinmay S. Borkar		ImageProVision, Inc	\$25,000	\$6,250
PROD-00317982	Veerag Mehta		ImageProVision, Inc	\$25,000	\$6,250
PROD-00318255	Murali Krishnamurthy and Shobana Murali		ImageProVision, Inc	\$100,000	\$25,000
	4	NJ: 1 Total: 1	ImageProVision, Inc	\$200,000	\$50,000
PROD-00315522	MD-NSA Irrevocable Trust		MORTGAGE AUTOMATION TECHNOLOGIES INC	\$200,000	\$40,000
PROD-00315441	Gerard Melia		Mortgage Automation Technologies Inc	\$50,000	\$10,000
PROD-00316764	Christopher M Frost Revocable Trust		MORTGAGE AUTOMATION TECHNOLOGIES INC	\$100,000	\$20,000
	3	NJ: 13 Total: 17	MORTGAGE AUTOMATION TECHNOLOGIES INC	\$350,000	\$70,000
PROD-00314127	George Zorich		Nevakar Injectables Inc.	\$215,000	\$43,000
	1	NJ: 19 Total: 24	Nevakar Injectables Inc.	\$215,000	\$43,000
PROD-00316705	Bindu Reddy		Nevakar, Inc.	\$300,000	\$60,000
PROD-00317928	JEENARINE NARINE & YEARANI D. NARINE		Nevakar, Inc.	\$200,000	\$40,000
PROD-00316700	B. Lance Sauerteig		Nevakar, Inc.	\$100,000	\$20,000

PROD-00316807	Vinayak G. Potti		Nevakar, Inc.	\$50,000	\$10,000
PROD-00316701	PFVI, LLC		Nevakar, Inc.	\$200,000	\$40,000
PROD-00316697	Ram Potti		Nevakar, Inc.	\$500,000	\$100,000
PROD-00316854	BHDH LLC		Nevakar, Inc.	\$600,000	\$120,000
PROD-00316857	Kota L. Chandrasekhara		Nevakar, Inc.	\$100,000	\$20,000
PROD-00317003	Mukund Chari		Nevakar, Inc.	\$50,000	\$10,000
PROD-00316703	Ankur Kapoor		Nevakar, Inc.	\$45,000	\$9,000
PROD-00315461	Rajiv Sharma		Nevakar, Inc.	\$200,000	\$40,000
	11	NJ: 23 Total: 28	Nevakar, Inc.	\$2,345,000	\$469,000
PROD-00317920	Aidan C Sagar and Sebastian C Sagar LLC		Princeton NuEnergy, Inc.	\$205,217	\$51,304
	1	NJ: 21 Total: 27	Princeton NuEnergy, Inc.	\$205,217	\$51,304
PROD-00314437	Bhavani Harimohan and Safal Naik		Real Estate Innovators, Inc.	\$25,000	\$5,000
	1	NJ: 1 Total: 1	Real Estate Innovators, Inc.	\$25,000	\$5,000
PROD-00315852	JerryJeff, LLC		RICOVR Healthcare, Inc.	\$50,000	\$10,000
PROD-00316501	Kulbhushen Chopra & Seema Chopra		RICOVR Healthcare, Inc.	\$100,000	\$20,000
PROD-00316568	Rajnikant C Patel		RICOVR Healthcare, Inc.	\$50,000	\$10,000
	3	NJ: 6 Total: 7	RICOVR Healthcare, Inc.	\$200,000	\$40,000
PROD-00317464	Kiran Bathula		Silver Spring Research Inc	\$100,000	\$20,000
	1	NJ: 2 Total: 2	Silver Spring Research Inc	\$100,000	\$20,000
PROD-00317491	Aaron Scott Daniel		SunRay Scientific Inc.	\$50,000	\$12,500
PROD-00317405	Seth Brodsky		SunRay Scientific Inc.	\$20,000	\$5,000
PROD-00317605	Anil Sachdeva		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317979	Irma Magadan		SunRay Scientific Inc.	\$12,500	\$3,125
PROD-00317604	Scott J. Schwartz		SunRay Scientific Inc.	\$50,000	\$12,500
PROD-00317397	EAK CAPITAL PARTNERS LLC		SunRay Scientific Inc.	\$10,000	\$2,500
PROD-00318099	Alexander Pavliv		SunRay Scientific Inc.	\$20,000	\$5,000
PROD-00317391	Chase Angel LLC		SunRay Scientific Inc.	\$50,000	\$12,500
PROD-00318032	Patrick and Mercedes Riley		SunRay Scientific Inc.	\$20,000	\$5,000
PROD-00318112	Novem Select Holdings LLC		SunRay Scientific Inc.	\$20,000	\$5,000

PROD-00318215	Mary Ann Elliott		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317607	Mark L Baum		SunRay Scientific Inc.	\$20,000	\$5,000
PROD-00317617	Mahesh R Muchhala		SunRay Scientific Inc.	\$50,000	\$12,500
PROD-00317876	Jeffrey Dvoretz		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317667	Claus P Kinder		SunRay Scientific Inc.	\$10,000	\$2,500
PROD-00317915	XIP, LLC		SunRay Scientific Inc.	\$50,000	\$12,500
PROD-00317623	E. Alexander Goldstein Living Trust		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317395	Kalliam Capital, LLC		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317611	Mohan NextGen Ventures, LLC		SunRay Scientific Inc.	\$10,000	\$2,500
PROD-00317700	Joseph X Palermo		SunRay Scientific Inc.	\$12,500	\$3,125
PROD-00317393	Harry C Sangree		SunRay Scientific Inc.	\$20,000	\$5,000
PROD-00317409	Alexander Tze Fung Lee		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00318014	Mario M. Casabona		SunRay Scientific Inc.	\$40,000	\$10,000
PROD-00318015	Eric Buckman		SunRay Scientific Inc.	\$8,000	\$2,000
PROD-00317525	Klaus Walter Roeller		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317930	Donald R. Samuels		SunRay Scientific Inc.	\$5,000	\$1,250
PROD-00317981	Christina Cheng		SunRay Scientific Inc.	\$25,100	\$6,275
PROD-00318028	Jon C Hughes		SunRay Scientific Inc.	\$25,000	\$6,250
PROD-00317609	Fabrizio Franco		SunRay Scientific Inc.	\$10,000	\$2,500
	29	NJ: 16 Total: 17	SunRay Scientific Inc.	\$713,100	\$178,275
PROD-00318247	Ted Chan		Truefort Inc	\$300,000	\$60,000
PROD-00318058	Chuck Roberts		Truefort Inc	\$100,003	\$20,001
	2	NJ: 25 Total: 32	Truefort Inc	\$400,003	\$80,001
PROD-00316848	Jeffrey Proctor		Vaneltix Pharma Inc.	\$25,000	\$6,250
PROD-00317919	Rita Gayman		Vaneltix Pharma Inc.	\$15,000	\$3,750
PROD-00316795	Pamela Marrs		Vaneltix Pharma Inc.	\$25,000	\$6,250

	3	NJ: 2 Total: 2	Vaneltix Pharma Inc.	\$65,000	\$16,250
PROD-00314871	Manifest Capital Group, Inc.		vipHomeLink Holdings, Inc.	\$162,500	\$32,500
	1	NJ: 6 Total: 8	vipHomeLink Holdings, Inc.	\$162,500	\$32,500
PROD-00314128	George Zorich		Vyluma Inc.	\$250,000	\$50,000
	1	NJ: 7 Total: 7	Vyluma Inc.	\$250,000	\$50,000
PROD-00316105	Sean T Rice and Kathryn M. Rice		Xlink, LLC	\$49,680	\$9,936
PROD-00316548	Nicholas Jay Cohen		Xlink, LLC	\$49,680	\$9,936
PROD-00316768	Nicholas Jay Cohen		Xlink, LLC	\$49,680	\$9,936
PROD-00316543	Sean T Rice and Kathryn M. Rice		Xlink, LLC	\$49,680	\$9,936
	4	NJ: 3 Total: 3	Xlink, LLC	\$198,720	\$39,744
Grand Total	88			\$8,189,524.00	\$1,697,071.00

Q2 2025 Delegated Declinations - Angel Investor Tax Credit

Product	Applicant	Decline Date	Company	Investment	Tax Credit Amount Requested
PROD-00314022	TANUJ K MADHELA	4/1/25	SMALL JOYS INC	\$25,000	\$2,500
Grand Total	1			\$25,000	\$2,500

EXHIBIT B

Q2 2025 Program Summary - Angel Investor Tax Credit

Program Year	# of Declined Applications	# of Approved Applications	# of Approved Companies	Annual Tax Credit Allocation	Approved Tax Credits	Allocated Amount Remaining	Program Open/Closed
2013	0	28	5	\$25,000,000.00	\$1,407,315	\$23,592,684.80	Closed
2014	7 withdrawn/5 declined	174	20	\$25,000,000.00	\$5,363,927	\$19,636,073.00	Closed
2015	3 withdrawn/32 declined	212	27	\$25,000,000.00	\$5,008,169	\$19,991,830.75	Closed
2016	12 declined	247	31	\$25,000,000.00	\$8,357,418	\$16,642,582.00	Closed
2017	3 declined	256	39	\$25,000,000.00	\$11,177,610	\$13,822,390.00	Closed
2018	14 withdrawn	244	45	\$25,000,000.00	\$10,650,387	\$14,349,613.00	Closed
2019	7 withdrawn/4 declined	161	32	\$25,000,000.00	\$3,310,934	\$21,689,066.00	Closed
2020	17 withdrawn/1 declined	667	52	\$25,000,000.00	\$22,324,094	\$2,675,906.00	Closed
2021	24 withdrawn/3 declined	613	61	\$35,000,000.00	\$21,782,624	\$13,217,376.00	Closed
2022	35 withdrawn/5 declined	496	34	\$35,000,000.00	\$19,837,718	\$15,162,282.00	Closed
2023	18 withdrawn/2 declined	444	34	\$35,000,000.00	\$19,893,005	\$15,106,995.00	Closed
2024	15 withdrawn/4 declined	284	37	\$35,000,000.00	\$15,263,229	\$19,736,771.00	Open
2025	0	2	2	\$35,000,000.00	\$85,000	\$34,915,000.00	Open

EXHIBIT C

New Jersey Zero-emission Incentive Program Phase 2 – Q2 2025 Approvals/Disbursements

NJ ZIP Phase 2 Approvals - Q2 2025										
Name of Applicant	Vendor	Purchaser Location	SBE	MBE	WBE	VOB	Driving in EJ community?	# of Vehicles Intended to be Purchased	Approved Voucher Amount	Approval Date
EXPRESS DELI FOOD MARKET	Envirotech Vehicles Inc	Essex	Yes	Yes	No	No	Yes	1	\$87,750.00	6/30/2025
NJ ZIP Phase 1 & 2 Disbursements - Q2 2025										
Phase	Name of Applicant	Vendor	Purchaser Location	SBE	MBE	WBE	VOB	Driving in EJ community?	Disbursement Amount	Disbursement Date
ZIP 1	APM Terminals Elizabeth, LLC	Phoenix Cars LLC	Elizabeth	No	No	No	No	Yes	\$75,000	5/20/2025
ZIP 2	FFH Logistics Inc	Xos Services, Inc.	Monroe	No	No	No	No	Yes	\$121,500	4/4/2025
ZIP 2	Costco Wholesale Corporation	OEV MO LLC	Monroe	No	No	No	No	Yes	\$1,400,000	4/10/2025

ZIP 2	Commuter Foods Corp	Rivian LLC	Newark	Yes	No	No	No	No	\$50,000	4/24/2025
ZIP 2	White Ribbon LLC	GreenPower Motor Company, Inc.	Lakewood	Yes	No	No	No	Yes	\$180,700	5/15/2025
ZIP 2	Samra Private Wealth Management, LLC	Rivian LLC	Princeton	No	No	No	No	No	\$25,800	5/16/2025
ZIP 2	Klive International Corp	Rivian LLC	Wyckoff	No	No	No	No	No	\$25,000	5/21/2025
ZIP 2	Sand Bar Joes LLC	Rivian LLC	Wildwood	No	No	No	No	Yes	\$27,000	5/21/2025
ZIP 2	QUALITYZONE CORP	Rivian LLC	Deptford Township	Yes	Yes	Yes	No	Yes	\$28,600	5/21/2025
ZIP 2	Penske Truck Leasing Co., L.P.	OEVMO LLC	Jersey City	No	No	No	No	Yes	\$525,000	6/3/2025
ZIP 2	LZT Services	Rivian LLC	Tinton Falls	No	No	No	No	Yes	\$55,600	6/3/2025
ZIP 2	INFINITE IP CORPORATION	Rivian LLC	Mercer County	No	Yes	Yes	No	No	\$26,600	6/3/2025



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Post Closing Credit Delegated Authority Approvals for 2nd Quarter 2025
For Informational Purposes Only

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

Name	EDA Credit Exposure	Action
MG Realty Holding, LLC	\$215,771 SBFLO	Extend loan maturity by 10 years, with a call option and rate reset at year 5, allowing time to fully amortize the loan.
1621 Pumo Real Estate LLC	\$823,041 SLPPL	Consent to additional debt from OceanFirst Bank for property improvements.
IM Broad St, LLC and Business Automation Technologies, Inc	\$132,095 SBFPL	Extend loan maturity for 5 years in conjunction with a simultaneous extension from OceanFirst Bank.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: Nicole Torres and Mansi Naik



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: September 10, 2025

SUBJECT: Post-Closing Incentives Delegated Authority Memo – 2nd Quarter 2025
(For Informational Purposes Only)

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

Attached is a list of the Incentives Delegated Authority Modifications that were approved in the 2nd Quarter ending June 30, 2025.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: M. A. Chierici

ACTIONS APPROVED UNDER DELEGATED**AUTHORITY SECOND QUARTER ENDING****June 30, 2025****GROW NJ ASSISTANCE PROGRAM**

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

Applicant	Termination Effective Year	Approved Award
B Positive National Blood Services, LLC	2020	\$3,575,000
Momentum Solar LLC fka Pro Custom Solar LLC	2021	\$7,218,090
Veolia Water M&S (Paramus), Inc.; Veolia Water USA, Inc.	2020	\$5,512,500

Staff provided consent to approve other modification requests for the Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 for the following businesses:

Applicant Award	Modification Action	Approved
Allied Specialty Foods, Inc.	Reduce full-time jobs from 197 to 160 for the 2020 tax year and thereafter.	\$13,770,000
IPAK, Inc.	Reduce full-time jobs and statewide employment from 114 to 98 for the 2020 tax year and thereafter.	\$17,100,000
Master Metal Polishing Corp	Reduce full-time jobs from 65 to 60 and the statewide employment from 46 to 41 for the 2020 tax year and thereafter.	\$9,262,500

BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

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

Applicant	Modification Action	Approved Award
CVS Pharmacy, Inc. and Caremark, LLC	Reduce the award percentage from 60% to 55% due to the decrease of NEC from 250 to 41 effective December 31, 2023.	\$5,961,313
Deloitte LLP & Subsidiaries	Change the location from 100 Kimball Drive, Parsippany, New Jersey to 110 Morris Street, Morristown, New Jersey effective July 8, 2022.	\$4,494,000

Staff provided consent to waive the 60% in-person requirement for full-time employees at the Qualified Business Facility from July 1, 2022 through March 31, 2024 for the following businesses:

Grantee	Approved Award
Arch Insurance Group, Inc.	\$9,596,755
Bayer Healthcare Pharmaceuticals, Inc.	\$8,941,563
Bayer Healthcare Pharmaceuticals, Inc.	\$12,518,188
Bayer HealthCare LLC	\$25,000,000
Coaction Specialty Management Company, Inc. fka ProSight Specialty Management Company, Inc.	\$1,450,440
Commvault Systems Inc. and Commvault Tinton Falls Urban Renewal	\$7,206,000
CVS Pharmacy, Inc. and Caremark, LLC	\$5,961,313
Deloitte LLP, Deloitte & Touche LLP, Deloitte Tax LLP, Deloitte Consulting LLP, Deloitte Consulting Product Services LLC, Deloitte Financial Advisory Services LLP, Deloitte Corporate Finance LLC, Deloitte Services LP	\$17,451,000
EisnerAmperAdvisory Holdco LLC and Eisner Advisory Group LLC	\$1,826,000
Ipsen Biopharmaceuticals, Inc.	\$4,471,740
IPC Systems, Inc. and IPC Network Services, Inc.	\$6,464,118
IPC Systems, Inc. and IPC Network Services, Inc.	\$1,275,450
National Financial Services, LLC	\$5,534,400
PVH Corp. and PVH Wholesale New Jersey, Inc.	\$720,313
Syneos Health US, Inc./Syneos Health Consulting, Inc./Syneos Health Commercial Services, LLC/Syneos Health, LLC	\$3,478,650
TD Bank, National Association	\$2,587,812
Zoetis, LLC, Zoetis Services LLC, Zoetis US LLC, and Zoetis Inc. doing business as Zoetis of Delaware, Inc.	\$19,250,000