



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Timothy Sullivan  
Chief Executive Officer

**DATE:** February 10, 2021

**SUBJECT:** Agenda for Board Meeting of the Authority February 10, 2021

**Notice of Public Meeting**

**Roll Call**

**Approval of Previous Month's Minutes**

**CEO's Report to the Board**

**Office of Economic Transformation**

**Venture**

**Incentives**

**COVID-19 Response**

**Authority Matters**

**Real Estate**

**Board Memoranda**

**Public Comment**

**Adjournment**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**January 15, 2021**

**MINUTES OF THE MEETING**

*The Meeting was held by teleconference call.*

Members of the Authority present via conference call: Chairman Kevin Quinn; Commissioner Marlene Caride of the Department of Banking and Insurance; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Commissioner Catherine McCabe of the Department of Environmental Protection; Brian Wilton representing the Governor's Office; State Treasurer Elizabeth Muoio of the Department of Treasury; Public Members: Philip Alagia, Fred Dumont, Aisha Glover, Marcia Marley, Robert Shimko, First Alternate Public Member; and Rosemari Hicks, Second Alternate Public Member.

Also present via conference call: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Stephanie Brown and Jamera Sirmans, Governor's Authorities Unit; and staff.

Members of the Authority absent: Public Members: Charles Sarlo, Vice Chairman; Virginia Bauer, and Massiel Medina Ferrara.

Mr. Quinn called the meeting to order at 10:00 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* 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.

**MINUTES OF AUTHORITY MEETING**

The next item of business was the approval of the December 8, 2020 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Commissioner Caride, and was approved by the 12 voting members present.

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

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

**OFFICE OF ECONOMIC TRANSFORMATION**

**ITEM: NJ ZIP, The New Jersey Zero Emission Incentive Program: Medium Duty Zero Emission Vehicle Voucher Pilot**

**REQUEST:** To approve RGGI funding for the NJ ZIP pilot program and delegated authority to the CEO and specified staff for implementation and management of the program.

**MOTION TO APPROVE:** Ms. Marley      **SECOND:** Commissioner McCabe      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

**ITEM: New Jersey Wind Port – Request for Legal Counsel Budget Increase and Approval of a Letter of Agreement with Atlantic City Electric (ACE) and Feasibility Study Funding**

**REQUEST:** To approve additional funding in relation to the New Jersey Wind Port project, including funding for legal counsel services and a feasibility study, and approval of a Letter of Agreement with Atlantic City Electric for the aforementioned feasibility study.

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

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

Commissioner McCabe stated that DEP recuses from the vote, because they have pending permits in front of the agency.

**AUTHORITY MATTERS**

**ITEM: FY 2021 Fiscal Plan**

**REQUEST:** To approve the FY 2021 Fiscal Plan that has been reviewed by the NJEDA Audit Committee.

**MOTION TO APPROVE:** Ms. Glover      **SECOND:** Commissioner McCabe      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

**ITEM: Second Amendment to the Memorandum of Understanding between the Authority and the New Jersey Commission on Science, Innovation and Technology**

**REQUEST:** To approve a second amendment to the Memorandum of Understanding between the Authority and the New Jersey Commission on Science, Innovation and Technology to permit other CSIT hires to be Authority employees and related delegated authority.

**MOTION TO APPROVE:** Mr. Shimko      **SECOND:** Commissioner McCabe      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

**INCENTIVE PROGRAMS**

**GROW NEW JERSEY ASSISTANCE PROGRAM**

**ITEM: Ritz Hotels Services LLC – PROD-00187719 – Grow NJ Program Declination**

**REQUEST:** To approve the declination of the Grow NJ application from Ritz Hotels Services LLC.

**MOTION TO APPROVE:** Ms. Marley      **SECOND:** Mr. Dumont      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**

**ITEM: E-Trade Financial Corp. – PROD-00152504 – Grow NJ Program Modification**

**REQUEST:** To consent to the merger of the E-Trade Corp. into E-Trade Financial Holdings LLC as the surviving entity to the merger for the purposes of the Grow NJ award. E-Trade Financial Holdings will continue to meet all the terms and conditions of the original Grow NJ approval.

**MOTION TO APPROVE:** Mr. Alagia      **SECOND:** Ms. Marley      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

**FILM TAX CREDIT PROGRAM**

**ITEM:** Crabs in a Bucket, LLC

PROD. #00188172

**MAX AMOUNT OF TAX CREDITS:** \$287,061

**MOTION TO APPROVE:** Treasurer Muoio      **SECOND:** Mr. Alagia **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 7**

**DIGITAL MEDIA TAX CREDIT PROGRAM**

**ITEM:** CNBC, LLC

PROD. #00187849

**MAX AMOUNT OF TAX CREDITS:** \$7,511,561.60

**MOTION TO APPROVE:** Mr. Wilton      **SECOND:** Mr. Alagia      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 8**

**BOND PROJECTS**

**PRELIMINARY BOND RESOLUTIONS**

**PROJECT:** Aries Newark, LLC

PROD. #00235681

**LOCATION:** Newark City, Essex County

**PROCEEDS FOR:** Construction, purchase equipment, fund debt service reserve fund, pay interest on the bonds during construction and cover the cost of issuance.

**FINANCING:** Total Costs: \$60,000,000

**MOTION TO APPROVE:** Ms. Marley      **SECOND:** Commissioner Caride      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 9**

Commissioner McCabe stated that DEP recuses from the vote, because they have pending permits in front of the Department.

**PROJECT:** Linden Renewable Energy, LLC

PROD. #00228622

**LOCATION:** Linden City, Union County

**PROCEEDS FOR:** Construction, purchase equipment, fund debt service reserve fund, pay interest on the bonds during construction and cover the cost of issuance.

**FINANCING:** Total Costs: \$241,579,674

**MOTION TO APPROVE:** Treasurer Muoio      **SECOND:** Ms. Hicks      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

Commissioner McCabe stated that DEP recuses from the vote, because they have pending permits in front of the agency.

### **BOND RESOLUTION**

**ITEM: Count Basie Theatre, Inc.**

**\$8,500,000 Stand Alone Bond Modification, PROD-00128408 (Refunding) and PROD-00128412 (New Money)**

**REQUEST:** Consent to deferring three months payments of principal and interest beginning January 1, 2021 and nine months of principal payments beginning April 1, 2021.

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

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 11**

**PUBLIC HEARING:** Yes

**PUBLIC COMMENT:** None

Mr. Wilton recused from voting because his daughter is taking acting classes at the Count Basie Theatre.

### **LOANS, GRANTS, GUARANTEES**

**ITEM:** Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

**MOTION TO APPROVE:** Commissioner McCabe    **SECOND:** Treasurer Muoio    **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 12**

### **Hazardous Discharge Site Remediation Fund (HDSRF)**

**PROJECT: Camden Redevelopment Agency (ABC Barrel Company)**

**PROD. #00188196**

**LOCATION:** Camden City, Camden County

**PROCEEDS FOR:** Remedial Action

**FINANCING:** \$246,046.98

**PROJECT: Camden Redevelopment Agency (Andujar Park)    PROD. #00224579**

**LOCATION:** Camden City, Camden County

**PROCEEDS FOR:** Remedial Investigation

**FINANCING:** \$139,412

**PROJECT: Camden Redevelopment Agency (Andujar Park)    PROD. #00224580**

**LOCATION:** Camden City, Camden County

**PROCEEDS FOR:** Remedial Action

**FINANCING:** \$195,562

Commissioner Caride left the meeting at this time, 11:00 am.

**REAL ESTATE:**

**ITEM: Recommendation for Contract Awards, 2020-RFQ/P #084, Real Estate Appraisal Services**

**REQUEST:** To approve entering into contracts with appraiser firms to provide Real Estate Appraisal Services on an as needed basis to the Authority.

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

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 13**

**Fort Monmouth Economic Revitalization Authority**

**ITEM: Former Myer Center Site, Fort Monmouth: Third Amendment to the Contract for Civil and Environmental Engineering Services with T&M Associates**

**REQUEST:** To approve an amendment to the Authority's contract for civil and environmental engineering services with T&M Associates of Middletown, NJ in connection with the former Myer Center site (a/k/a Parcel F-1) in the Tinton Falls section of Fort Monmouth.

**MOTION TO APPROVE:** Mr. Shimko    **SECOND:** Mr. Dumont    **AYES: 10**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 14**

Commissioner Angelo recused himself from voting, because his cousin works for T&M Associates.

**BOARD MEMORANDA:**

**FYI ONLY:** Credit Underwriting Projects Approved Under Delegated Authority in December 2020

**Direct Loan Program**

**PROJECT:** AMM Real Estate, LLC (PROD. #00235743)

**LOCATION:** West Milford Township, Morris County

**PROCEEDS FOR:** Refinance

**FINANCING:** \$400,000 Direct Loan

**Micro Business Loan Program**

**PROJECT:** Bazar Internationale LLC (PROD-00224305 & PROD-00257872)

**LOCATION:** Woodbridge Township, Middlesex County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$22,500 working capital loan and a \$2,500 forgivable working capital loan

**PROJECT:** Envocare Environmental & Facility Management LLC (PROD-00224404 & PROD-00257822)

**LOCATION:** Franklin Township, Somerset County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$22,230 working capital loan and a \$2,470 forgivable working capital loan

**PROJECT:** James J Descano CPA Inc. (PROD-00224296 & PROD-00257828)

**LOCATION:** Pennsauken Township, Camden County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$21,690 working capital loan and a \$2,440 forgivable working capital loan

**PROJECT:** Pupz Club LLC (PROD-00224460 & PROD-00257819)

**LOCATION:** Rahway City, Union County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$22,500 working capital loan and a \$2,500 forgivable working capital loan

**PROJECT:** Song Dental LLC (PROD-00224206 & PROD-00257829)

**LOCATION:** Tenaflly Borough, Bergen County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$45,000 working capital loan and a \$5,000 forgivable working capital loan

**PROJECT:** Vikings Deli Corporation (PROD-00224271 & PROD-00257814)

**LOCATION:** North Arlington Borough, Bergen County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$22,500 working capital loan and a \$2,500 forgivable working capital loan

**PROJECT:** Zada Rehab LLC (PROD-00224273 & PROD-00257897)

**LOCATION:** Lakewood Township, Ocean County

**PROCEEDS FOR:** Working Capital

**FINANCING:** \$45,000 working capital loan and a \$5,000 forgivable working capital loan

**FYI ONLY:** Real Estate Division Delegated Authority for lease and Right of Entry (ROE)/Licenses for Fourth Quarter 2020

### **PUBLIC COMMENT**

Mr. Charles Kravotil asked if the Board would consider recording the meetings and stated that RWJ Barnabas Hospital that received funding approval previously, was not a good corporate citizen, in his opinion.

Mr. Louis Magazzu, Counsel to Atlantic City Jitney Association, stated that he was glad for the NJ ZIP, New Jersey Zero Emission Incentive Program approval, but he was disappointed that it didn't include Atlantic City. He asked the board to reconsider including Atlantic City.

Mr. Eric Miller, Director, Natural Resources Defense Council (NRDC) stated that New Jersey is one of the largest producers of emissions and he looks forward to the rollout of the NJ ZIP, New Jersey Zero Emission Incentive Program.

Meghan Steel, Communications Coordinator, NJ Sierra Club on behalf of the President, stated that she was glad to see the NJ ZIP, New Jersey Zero Emission Incentive Program approval. She added that the New Jersey Wind Port project was a great step in reducing our air pollution.

Commissioner McCabe left the meeting at this time to recuse on the Executive Session Item on the Letter of Intent with PSEG as the Department is handling permitting for the NJ Jersey Wind Port project.

### **EXECUTIVE SESSION**

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a real estate project where disclosure could adversely impact the public interest.

**MOTION TO APPROVE:** Mr. Quinn      **SECOND:** Mr. Dumont      **AYES: 10**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 15**

The Board returned to Public Session.

### **OFFICE OF ECONOMIC TRANSFORMATION**

**ITEM:** Extension of the Authority's Letter of Intent with PSEG regarding the New Jersey Wind Port project

**REQUEST:** To approve an extension of the LOI with PSEG regarding the New Jersey Wind Port project as discussed in Executive Session.

**MOTION TO APPROVE:** Mr. Quinn      **SECOND:** Mr. Dumont      **AYES: 10**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 16**

There being no further business, on a motion by Mr. Quinn, and seconded by Mr. Commissioner Angelo, the meeting was adjourned at 11:40 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.

  
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Danielle Esser, Director  
Governance & Strategic Initiatives  
Assistant Secretary





## MEMORANDUM

**To:** Members of the Authority

**From:** Tim Sullivan

**Date:** February 10, 2021

**Re:** February 2021 Board Meeting

2021 promises to be another high-impact year for the NJEDA. While the COVID-19 vaccine has created a light at the end of the tunnel, the pandemic is far from over and the associated economic challenges persist. To help businesses overcome these difficulties, NJEDA staff continue to develop programs to provide the resources and information business owners need. At the same time, we are working hard to develop and implement the new programs created by the Economic Recovery Act of 2020 (ERA), which offer the promise of recovery and growth in the aftermath of the pandemic.

Later this week, we will launch a website to provide information on the ERA and collect input from the public on the package of tax incentive, financing, and grant programs that will be created under the Act. The portal will allow the public to provide input on how the Authority will operationalize various aspects of the new programs, such program eligibility requirements, net benefit analysis, and community benefit agreements. The site will also allow members of the public to share their thoughts on how NJEDA can make the program launch process more transparent. This process precedes and is separate from the NJEDA's formal rules adoption procedures, which will provide another opportunity for people to comment on rules and regulations for each new program. NJEDA staff will review all comments received through the web portal and may follow-up for additional clarification as necessary.

Many of the programs contained in the ERA will support innovation sector companies with the goal of re-establishing New Jersey's place as a leader in the international innovation economy and building the most diverse, inclusive innovation ecosystem in the nation. As part of these efforts, the NJEDA is considering creating "Entrepreneur Zones," targeted areas within existing Opportunity Zones with high unemployment and a lack of access to capital. Businesses that launch in these targeted zones would have access to tax credits and other resources, leading to job creation and equitable long-term economic growth. A newly-established Entrepreneur Zones Working Group consisting of stakeholders in the state's innovation economy will evaluate the viability of the Entrepreneur Zone concept and consider options for implementing the program.

To support more traditional businesses, we are also launching a Research in Action Lab centered on minority-owned businesses in partnership with the Federal Reserve Bank of Philadelphia. The Authority and the Fed will both commit staff and organizational capacity to the Lab with the ultimate goal of identifying and piloting new approaches and innovations for addressing disparities in accessing resources for small business growth.

The NJEDA has worked hard throughout the pandemic to support equity not only when it comes to financial assistance, but also to ensure equitable access to the personal protective equipment businesses need to keep their employees and customers safe. Next week we will reopen the NJ Small and Micro Business PPE Access Program, which originally launched in November to provide New Jersey businesses of all sizes 10 percent discounts on PPE products purchased through NJEDA-approved designated vendors Boxed, Office



Depot and Staples. Businesses with 50 or fewer employees can also qualify for bonus discounts of nearly 70 percent. To date, more than 8,900 businesses have been approved for discounts totaling roughly \$9 million.

The NJEDA continues to evolve to better orient the organization to deliver on the three prongs of our mission statement: to grow high-quality jobs, catalyze private-sector investment, and support the development of vibrant and inclusive communities. These changes will also position us to maximize the impact of the new programs in our toolkit, take the next step in our journey to becoming a comprehensive economic development organization, deliver on our commitment to strengthen a culture of continuous improvement, and be principled stewards of the taxpayer resources. To ensure excellence and consistency in all of the NJEDA's business operations, Bruce Ciallella has recently been named Chief Operations and Compliance Officer. In this new role, Bruce will work across the organization to maximize our utility and make sure we are providing a high level of operational support throughout the application, approval, and compliance periods to our internal teams and external stakeholders.

The COVID-19 pandemic has devastated communities across New Jersey, and it is critical that we move quickly to address the public health and economic impacts it has had while also laying the groundwork for a successful recovery. Over the last 10 months, the NJEDA has helped tens of thousands of businesses face the challenges the pandemic has created. Along the way, we have gained new insights into the small business community and developed new approaches to reach and meaningfully meet business owners' needs. Moving forward, we will leverage this knowledge and the new tools provided through the Economic Recovery Act of 2020 to help businesses and communities continue to withstand the daily difficulties of the pandemic and prepare for recovery.

A handwritten signature in dark ink, appearing to be "T. Ciallella", is positioned above a horizontal line. The signature is written in a cursive, flowing style.

**OFFICE OF ECONOMIC TRANSFORMATION**



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan,  
Chief Executive Officer

**DATE:** February 10, 2021

**RE:** NJ Collaborate

### REQUEST

The Members are requested to approve the launch of NJ Collaborate, a pilot program that will enable the NJEDA to galvanize and support innovation ecosystem-building projects in which institutions within New Jersey's innovation ecosystem, including nonprofits, member-based trade organizations, local government entities, and universities/colleges, collaborate with larger corporations on projects that meaningfully strengthen New Jersey's innovation ecosystem.

Specifically, Authority staff seek approval from Members on the following items:

1. Implementation of a \$3 million pilot program to be conducted over a 36-month period;
2. Base eligibility requirements (Exhibit B) and an application scoring matrix (Exhibit C) that will be used to evaluate applications and determine awards; and
3. Delegated authority for Authority staff (two authorized signers of Director level or above) to approve grant awards up to \$100,000 for projects due to the narrow and prescriptive criteria plus use of an independent scorer. Projects where the grant amount would exceed \$100,000 would require NJEDA Board of Directors approval.

### PILOT PROGRAM OVERVIEW

NJ Collaborate will enable eligible New Jersey-based institutions, in collaboration with eligible corporations, to propose innovation ecosystem-building projects over a 3-year pilot period from program application launch. Applications will be evaluated through an open application process with minimum scoring criteria. The selected projects will be supported by NJEDA through 1:1 matching funding in the form of grants of \$10,000 - \$250,000 per project. Additionally, to further encourage support of NJ's Diversity & Inclusion initiatives, projects aligning with this mission will receive increased match funding by the ratio of 1:1.25 and maximum grant award of \$312,500. To foster connections between local institutions and corporations, and to stimulate the creation of new innovation ecosystem-building projects, NJEDA will facilitate a series of convening events to take place virtually and transition to in-person as social distancing guidelines are relaxed. It is expected that at least 10 projects will be supported through the NJ Collaborate pilot. These projects will be featured publicly to create awareness of New Jersey's innovation activity and strengthen its reputation as a "State of Innovation".

Through NJ Collaborate, NJEDA will strengthen New Jersey's innovation ecosystem to increase its productivity and generate more, high skilled jobs within the Innovation Economy. Specifically, the program has the potential to create value by:

- Facilitating connections between stakeholders/institutions and corporations to build networks which deepen engagement and encourage resource deployment in New Jersey;
- Supporting industry sectors and historically disadvantaged groups critical to achieve New Jersey's economic development goals;
- Creating new and meaningful ways for the State to engage with our roster of marquee corporate innovation companies, outside of tax credits;
- Providing corporations with a compelling reason and avenue to kickstart innovator engagement in New Jersey through a strategic collaboration with NJEDA; and
- Increasing the competitiveness and building awareness of New Jersey's innovation ecosystem to encourage more corporations to choose New Jersey as a destination for innovation activity and put their resources to work locally.

**AT-A-GLANCE**

What is the goal of the program?	Stimulate innovation ecosystem-building projects in New Jersey	
Who can propose projects?	<div>Primary Applicant</div> <div>(New Jersey-based nonprofit, member-based trade organization, local government entities, or college/university)</div> <div>+</div> <div>Collaborative Applicant</div> <div>(Corporation, hospital network, real estate developer, or research center)</div>	
What support do selected projects receive?	Grants of \$10,000 - \$250,000 per project, Possible increase to \$312,500 for approved D&I projects	
How many projects will the pilot support?	10+ projects over a 36-month pilot (beginning with selection of the first project)	
What types of projects will be supported?		
<div>1. Projects to establish support programs for New Jersey startups</div> <div>Includes startup mentorship programs, startup challenge competitions, startup facilities/incubators/accelerators, and startup pilot/proof of concept support programs</div>	<div>2. Projects to strengthen New Jersey’s innovation infrastructure</div> <div>Includes app challenges, public sector challenges, and innovation labs</div>	<div>3. Projects to establish collaborative research platforms</div> <div>Includes research showcases, student competitions, shared research labs, PhD student mentorship programs, and campus innovation centers</div>

## PROGRAM PURPOSE AND POLICY ALIGNMENT

Governor Murphy's economic development strategic plan, "The State of Innovation: Building a Stronger and Fairer New Jersey Economy," sets the vision for strengthening New Jersey's Innovation Economy.

To achieve this vision, stakeholder engagement from New Jersey's entire innovation ecosystem is vital. This includes New Jersey entrepreneurs, universities, government entities, venture capitalists, investors, and corporations that, collectively, turn innovative ideas into scalable businesses that create jobs and grow the local economy.

Within highly effective innovation ecosystems, corporations play critical roles that include transforming technology and science-led breakthroughs into products, building a local infrastructure that increases the flow of information and people, nurturing talent that can 'spin out' to start or help grow new businesses, mentoring entrepreneurs, investing in promising startups, and becoming a customer for startups. When corporations are active in an innovation ecosystem, benefits are produced for a wide range of stakeholders.

Corporations work collaboratively with innovation ecosystems across the country, ranging from well-established innovation ecosystems, like San Francisco and New York, to burgeoning innovation ecosystems ranging from Austin to Salt Lake City to St. Louis. Engaging in innovation ecosystems is highly beneficial to corporations as it enables them to identify new revenue-generating ideas, access skilled talent, and harness the ingenuity of entrepreneurs to solve problems impacting their businesses. This has driven corporations across sectors to pursue a wide range of projects and strategic collaborations that deliver tangible benefits to entrepreneurs, startups, and researchers in the local ecosystem.

Examples of innovation ecosystem-building projects taking place in other states are outlined below. ***Note, these examples are illustrative – alterations of these programs would be required to meet the criteria that is being proposed for the NJ Collaborate program.*** Nonetheless, these examples show the kinds of innovation activity that we would like to capture more of in New Jersey. Examples include:

1. Projects to establish support systems for local startups, such as:
  - Jaguar Land Rover operates a tech incubator in Portland that provides information and entertainment system startups a space to work, mentorship, technical support, and capital investment, with the hope that these technologies can be incorporated in future vehicles;
  - Pilot Health Tech NYC provides \$1 million in funding for projects that partner health startups with established healthcare institutions, including hospitals and pharma companies, in New York to test technology prototypes and position New York as a hub for healthcare technology; and
  - Shell collaborates with the National Renewable Energy Lab to provide cleantech startups with access to state-of-the-art facilities, technical experts, and financial support to advance promising technologies.

2. Projects to develop the local innovation infrastructure, such as:
  - Microsoft backs the Ion Smart and Resilient Cities Accelerator in Houston, which supported its first cohort of startups in 2019 in developing transportation, mobility, and resiliency solutions in partnership with the local city government. Microsoft has since expanded its civic innovation efforts with Houston to include providing equitable access to technology through digital literacy and digital skills building;
  - Parsons, a technology firm, conducts a smart cities competition among cities, counties, and other government entities and provides the winners with free services for a limited time; and
  - Verizon is collaborating with Mcity, a public-private research partnership led by the University of Michigan which brings together industry, government, and academia, to develop and test new 5G solutions designed to improve pedestrian and vehicle safety.
3. Projects to establish collaborative research platforms, such as:
  - Samsung Uventure enables university students at six universities (outside of New Jersey) to pitch ideas on topics like artificial intelligence, robotics, and digital health. Successful applicants receive a cash prize and join Samsung as a summer intern where they work with a mentor and gain access Samsung's R&D resources to develop their idea;
  - Procter & Gamble funds a Simulation Center for product development at the University of Cincinnati that focuses on collaborative research projects and the co-mentoring of PhD students; and
  - Tech Square is an innovation center at Georgia Tech that brings together startups, corporate innovators, and academic researchers. More than a dozen corporations have established innovation centers in Tech Square, where students work together with professionals on targeted research and development initiatives.

NJEDA is committed to motivating corporations to look to New Jersey for engagement with innovators and is already acting to boost New Jersey's innovation ecosystem. NJEDA has proposed the establishment of the New Jersey Innovation Evergreen Fund and launched the NJ Accelerate program. Yet additional tools are needed to support NJEDA's continued engagement with corporations and strengthen the case for corporations to engage New Jersey's innovation ecosystem.

Further, the Economic Recovery Fund, as recently amended by the Economic Recovery Act, enables NJEDA to provide grants to collaborations between large corporations, small-to-medium sized businesses, academic institutions, government entities, or not-for-profit entities where the collaboration's purpose to stimulate economic development. In addition, this enables the NJEDA to fund initiative-based activities which stimulate growth in NJEDA's strategic sectors. The Economic Recovery Fund (ERF) will be the funding source for NJ Collaborate.

The objective of NJ Collaborate is to enable the NJEDA to more effectively motivate corporations to work with stakeholders and institutions within New Jersey's innovation ecosystem, and to amplify the impact of innovation ecosystem-building projects that meaningfully progress towards New Jersey's goal of creating a stronger, more inclusive and diverse innovation ecosystem. In doing so, NJEDA can ensure that corporations choose to expand and deepen engagement with

New Jersey's innovation ecosystem, rather than looking elsewhere, to generate more innovation activity and jobs within New Jersey's Innovation Economy.

As New Jersey begins its path towards recovery amidst the economic crisis ignited by COVID-19, the strength and diversity of its innovation ecosystem will become even more crucial. A vibrant and inclusive innovation ecosystem has the power to harness the resources and capabilities of corporations for the good of local innovators. By motivating corporations to collaborate with New Jersey nonprofits, trade organizations, local government entities and universities/colleges to implement impactful innovation ecosystem-building projects that benefit the local startup community, NJEDA can help to create new opportunities for the state's economic recovery.

### **PROPOSED PILOT PROGRAM DESIGN**

NJ Collaborate provides NJEDA with an avenue to support innovation ecosystem-building projects that harness the strengths of corporations to support and create resources for New Jersey's startup community and innovators. By stimulating and supporting projects that increase connectivity among corporations and innovators in New Jersey, NJ Collaborate will bolster New Jersey's innovation ecosystem.

To foster connections across institutions and stimulate the development of innovation projects that bring together various players within New Jersey's innovation ecosystem and established corporations, NJEDA will conduct a series of convening events. These events will connect corporations, entrepreneurs, startups, researchers, diversity groups, nonprofit organizations, trade organizations, and government entities, across a range of relevant sectors. Participants will be able to explore and begin to scope potential projects with each other. Events will be virtual until such time social distancing regulations are relaxed. Participation in these events is optional for NJ Collaborate applicants, though is encouraged to support engagement with the local innovation ecosystem.

Projects must be proposed by at least one local institution in conjunction with at least one eligible corporation (which includes hospital networks, real estate developers, and research centers for the purposes of this program). The 36-month pilot will use an open application process where applications are reviewed on a first-come, first serve basis. Proposed projects that meet minimum scoring criteria, effectively demonstrating an ability to contribute to New Jersey's innovation ecosystem, will be awarded 1:1 matching grants of \$10,000 - \$250,000 to support implementation of the project. Size of grant will depend on the proposed project budget. Funding is 1:1 matching where NJEDA matches the amount of direct project finance provided by the organizations. The matching ratio and award will increase to 1:1.25 and \$312,500 for projects targeting diversity and inclusion objectives. In addition, the corporation must make a commitment of at least 40 hours of dedicated staff time on the project. Applicants will be responsible for all aspects of the execution of the project.

Projects that are selected to be supported by and participate in the NJ Collaborate program will be featured and celebrated in a digital showcase that puts a spotlight on innovation activity taking place in New Jersey.

The program will launch as a \$3 million pilot and will aim to support at least 10 projects from program launch through 36 months or until the pilot program funds are depleted.



*APPLICANT CONVENINGS*

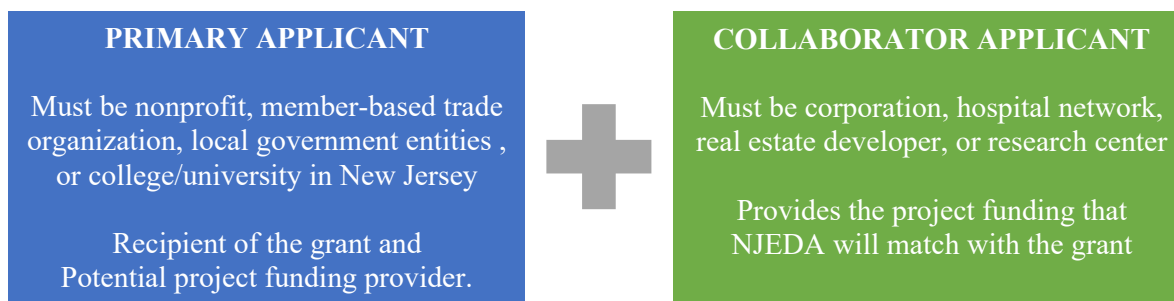
To help organizations identify potential relationships within New Jersey's innovation ecosystem, NJEDA will facilitate a series of convenings. Convenings will center on meaningful innovation topics that cut across NJEDA's strategic sectors, which may include smart cities, digital health, fintech, and others. Additionally, convenings can address specific diversity and inclusion initiatives as identified according to the Governor's economic plan working to make NJ the most diverse innovation economy in the County. A list of convenings, including topics, will be published at the beginning of the pilot program and updated as needed based on market input and current market trends. To start, all convenings will be virtual in compliance with social distancing recommendations. Once social distancing guidelines relax, convenings will also be held in-person.

Attendees will include corporations from across sectors, entrepreneurs and startups, researchers from New Jersey universities, and relevant nonprofit and trade organizations. Focused outreach to relevant diversity groups will help to create inclusive events that engage underrepresented groups and provide them with a platform to connect with corporations and other institutions in the local innovation ecosystem. In advance of the events, all attendees will complete a brief input form that identifies the areas of collaboration that they are most interested in, and the sorts of potential relationships they hope to establish. Attendees will be able to do a mini pitch of their work at the convening, as well as participate in pre-scheduled meetings that NJEDA arranges based on the applications to foster targeted discussions.

Note, it is not required that applicants attend any of these events nor must their proposed projects be limited to the topics associated with the convenings. Convenings are intended to jumpstart collaboration but participation is optional.

*APPLICANT ELIGIBILITY*

Every NJ Collaborate application must be presented and implemented by at least one Primary Applicant and at least one Collaborator Applicant:



NJEDA requires a draft Memorandum of Understanding (MOU) between primary and collaborator applicants (for application), and an executed MOU between all organizations (to close the award) that outlines the roles and responsibilities of the various parties. A formal legal entity, like a limited partnership, is not required. A final, executed MOU cannot be materially different from a draft MOU included with a submitted application. All applicants can agree to terms independently,

though NJEDA will be looking for evidence of a strong collaboration between the parties to implement the proposed project.

### *Primary Applicant*

Every application must be proposed by at least one institution considered a Primary Applicant. To be eligible, a Primary Applicant must be one of the following:

- Nonprofit organizations that is headquartered in New Jersey;
- Member-based trade organizations based in New Jersey;
- New Jersey local government entity including but not limited to a county, municipality, town, or city; or
- New Jersey college or university.

A single application may include multiple organizations with at least one meeting the requirement of a Primary Applicant in a single application. However, a Primary Applicant may not be an applicant in more than three applications during this pilot program period. Any affiliated group of an organization would be considered as part of the Primary Applicant and subject to this application limit.

### *Collaborator Applicant Eligibility*

All projects proposed by a Primary Applicant must be done in tandem with at least one Collaborator Applicant. Eligibility requirements for Collaborator Applicants include:

- i. Organization must be a corporation, hospital network, real estate developer, or research center;
- ii. Organization must be aligned to one of NJEDA's strategic sectors as defined in Governor Murphy's economic development strategic plan, which include Advanced Manufacturing, Clean Energy, Finance & Professional Services, Food & Beverage, Life Sciences, Offshore Wind, Technology, and Transportation & Logistics;
- iii. Organization must be doing business in New Jersey with a minimum of at least 100 employees receiving wages or partners participating in income, gains, and/or losses subject to NJ Gross Income Tax and at least one office in the state, as evidenced by the most recent quarter's NJ WR30, PEO letter, or equivalent document confirming tax compliance;
- iv. Organization must be able to provide evidence of corporate research and development and/or innovation activities being performed in New Jersey, such as headcount and/or budget associated with these activities and the New Jersey location, or demonstrate how the proposed project will enable the organization to bring these activities to New Jersey on a permanent basis; and
- v. Organization must be in good standing in the state of New Jersey, have New Jersey Tax Clearance (if applicable given the organization's structure), have a New Jersey Business Registration Certificate, and no outstanding labor or environmental investigations or concerns; and

- vi. Organization must commit to contributing at least \$10,000 in project finance to the proposed project, as well as at least 40 hours of staff time.
- vii. Organization cannot be an applicant in more than three NJ Collaborate applications.

Both public and private organizations are encouraged to apply as Collaborator Applicants.

Multiple organizations, including international organizations, can apply on one application as a Primary or Collaborator Applicants, if desired. When multiple organizations are a part of an application, at least one of the organizations must meet all Primary and one meet all Collaborator Applicant eligibility criteria. All participating organizations must be in good standing in the state of New Jersey and have a tax clearance (if applicable given the organization's structure).

Note, neither commitments made by organizations through NJ Collaborate will not count towards requirements in other NJEDA programs, nor commitments made to meet requirements of other NJEDA programs will be considered eligible for NJ Collaborate. This includes but is not limited to the New Jersey Innovation Evergreen Fund or NJ Accelerate. Additionally, if an organization has received or will receive tax incentives from NJEDA to move innovation activities and personnel to New Jersey, it cannot request or receive assistance through NJ Collaborate for the same purpose.

### *PROJECT ELIGIBILITY*

All proposed projects must demonstrate an ability to meet the following requirements in implementing the project (refer to Exhibit C for further detail):

- i. **Strong Strategic Collaboration:** Applications must convincingly demonstrate the ability of the Primary Applicant(s) and Collaborator Applicant(s) to successfully and meaningfully collaborate through the project by:
  - a. Clearly defining roles, responsibilities, and a structured, collaborative implementation plan that is agreed upon by all applicants;
  - b. Outlining strong commitments from all applicants to the project, including dedicated staff time, senior leadership sponsorship, financial commitments (beyond the grant), in-kind resources, and a plan to build awareness of project through various communication channels; and
  - c. Defining an approach to engage multiple New Jersey-innovation based startups through the project.
- ii. **Impact on New Jersey's Innovation Ecosystem:** Applications must convincingly demonstrate the proposed project's ability to contribute to a stronger and fairer innovation ecosystem in New Jersey by:
  - a. Driving equity, diversity, and inclusion by engaging underserved populations that are not traditionally well-represented in New Jersey's innovation ecosystem;
  - b. Meaningfully driving innovation activity within at least one of NJEDA's strategic sectors, as defined in Governor Murphy's economic development strategic plan;
  - c. Bringing new innovation activity and/or engagement models to New Jersey that go above and beyond existing innovation ecosystem-building projects in the state; and

- d. Defining tangible benefits that will be generated by the project and a plan to measure the project's impact.
- iii. **Project Execution:** Applications must convincingly demonstrate an ability to execute the project on time and on budget by:
- Providing a detailed plan and timeline to complete the project within a maximum of 12 months and demonstrating readiness to execute; and
  - Developing a plan for the financial viability of the project.

Note, grants must be applied towards implementation costs. Funding cannot be used for planning.

In addition, projects must align to and meet minimum criteria for one of the following types of engagement for the pilot program (refer to Exhibit C for detailed definitions and criteria on eligible engagement categories):

Focus Area	Rationale	Eligible Engagement Categories
<b>1. PROJECTS TO ESTABLISH SUPPORT PROGRAMS FOR NEW JERSEY STARTUPS</b>	NJ Collaborate supports projects that establish and deepen connections between New Jersey's startup community and corporations as these relationships can enable startups to navigate and mitigate common barriers to success, ranging from lack of funding to lack of business expertise.	<ul style="list-style-type: none"> <li>• <b>Startup mentorship programs</b></li> <li>• <b>Startup challenge competitions</b></li> <li>• <b>Startup facilities, incubators, accelerators</b></li> <li>• <b>Startup pilot/proof of concept support programs</b></li> </ul>

<b>2. PROJECTS TO STRENGTHEN NEW JERSEY'S INNOVATION INFRASTRUCTURE</b>	<p>NJ Collaborate supports projects that improve the infrastructure underpinning New Jersey's innovation ecosystem. For innovation to thrive, ecosystems must be underpinned by an infrastructure that enables connectivity and mobility. Examples of innovative solutions range from connectivity solutions (e.g., connectivity kiosks) to smart city and big data solutions (e.g., sensors in infrastructure) to open data solutions (e.g., portals). NJ Collaborate aims to enable local government entities to explore new solutions to meet their needs.</p>	<ul style="list-style-type: none"> <li>• <b>App challenges</b></li> <li>• <b>Public sector challenges</b></li> <li>• <b>Innovation labs</b></li> </ul>
<b>3. PROJECTS TO ESTABLISH COLLABORATIVE RESEARCH PLATFORMS</b>	<p>NJ Collaborate supports projects where New Jersey universities and/or colleges collaborate with corporations to establish collaborative research platforms for innovators within New Jersey, as strong relationships between industry and academia are foundational for transforming science-led ideas from the lab into commercial opportunities that can grow the local innovation economy.</p>	<ul style="list-style-type: none"> <li>• <b>Research showcases</b></li> <li>• <b>Student competitions</b></li> <li>• <b>Shared research lab</b></li> <li>• <b>PhD student mentorship programs</b></li> <li>• <b>Campus innovation centers</b></li> </ul>

### *PROPOSAL REVIEW PROCESS*

With a \$3 million pilot program budget, it is anticipated that 10+ projects will be supported with grants.

The pilot program will use an open application process. Completed applications will be evaluated in accordance with program scoring criteria (see Exhibit C). Projects focused on diversity and inclusion will have a reduced minimum score. Proposed projects will be evaluated on a first-come, first-serve basis. Applications that meet applicant eligibility and project requirements plus achieve a satisfactory minimum score will be awarded a grant based on estimated project costs and matching requirements. NJEDA matches the amount of direct project finance provided by the Primary and Collaborator Applicant, which will enable NJEDA to right size its financial contributions to projects.

All proposals must align to one of NJEDA's strategic sectors, as defined in Governor Murphy's economic development strategic plan. NJEDA will reserve the right to defer applicants if there is a high concentration of applicants in a singular sector to assure innovation industry diversity.

If an initial application is not successful due to an inability to meet project criteria, applicants may revise and resubmit their application one time, no sooner than 30 days after the initial decision is communicated to applicants.

Any given organization, whether it be a Primary Applicant or Collaborator Applicant, may apply a maximum of three proposed projects during the 36-month pilot. This three project maximum cap is applicable to any affiliated group of the organization.

For awards of \$100,000 and less, Authority staff will maintain delegated approval of grants due to the narrow and prescriptive scoring criteria, as well as the use of an independent scorer. Two authorized signers of Director level or above will be required.

#### *DISBURSEMENT*

After the project has been approved, satisfactory cost detail, including invoices, time sheets, etc., has been provided to NJEDA, and a grant agreement has been executed, 50% of the grant amount will be disbursed to Primary Applicants. The remaining 50% will be disbursed upon project completion and satisfactory outcome reporting along with actual cost detail and supporting documentation, including staff time spent on project. Applicants will be responsible for any project cost overruns exceeding the approved grant amount.

#### *DIGITAL SHOWCASE*

Projects selected to be supported by and participate in the NJ Collaborate program will be featured on a website to bring to life, cutting-edge innovation activity taking place in New Jersey. This website may be integrating with Research with New Jersey and/or other relevant existing assets.

The website will serve as a showcase and provide compelling evidence of how New Jersey is driving innovation today. The website will be leveraged in marketing efforts by NJEDA to build awareness of New Jersey as a “State of Innovation”.

#### *NJEDA SUPPORT OF DIVERSITY AND INCLUSION*

A summary of NJ Collaborate benefits for proposed projects focused on Diversity and Inclusion include:

- Increased match funding by the ratio of 1:1.25 and grant award cap of \$312,500;
- At least 1 convening event dedicated specifically to Diversity and Inclusion project; and
- A minimum score of 75 out of 100 points on the program’s eligibility scoring matrix.

To qualify for the diversity and inclusion initiatives, a project applying for NJ Collaborate support must focus on individuals, businesses, or organizations considered as part of a minority group determined by race, gender or gender identity, national or ethnic origin, disability, or veteran status. The project should specify actions or initiatives that will help to develop an inclusive, respectful, and effective cross-cultural economy for New Jersey. The New Jersey Office of Diversity & Inclusion or designated Diversity & Inclusion Officer within NJEDA will review and determine if a project application adheres to this specification and receives the diversity and inclusion benefits.

## CONCLUSION

Authority staff believe that the pilot NJ Collaborate program will enable NJEDA to strategically collaborate with corporations and local innovators to stimulate innovation ecosystem-building projects that will strengthen New Jersey's innovation ecosystem, deepen corporations' ties to New Jersey's ecosystem of entrepreneurs, startups, and researchers, and provide corporations with a compelling reason to choose New Jersey for its external innovation activity. In doing so, NJ Collaborate will help NJEDA to progress towards its goal of reestablishing New Jersey as the State of Innovation, as defined in Governor Murphy's economic development strategic plan.



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Tim Sullivan, CEO

Prepared by: Kelli Brown  
Clark Smith (as of 01/18/21)

### Attachments:

- Exhibit A: NJ Collaborate Program Specifications
- Exhibit B: NJ Collaborate Base Eligibility Requirements
- Exhibit C: NJ Collaborate Application Scoring Matrix

**Exhibit A**  
**NJ Collaborate Program Specifications**

<b>Funding Source</b>	Funding for qualified projects will use eligible Authority funds from the Economic Recovery Fund (ERF).
<b>Program Expiration</b>	Program to operate on a pilot basis – funds will be committed within 36 months from launch of application or until such time that the funds are depleted.
<b>Program Purpose</b>	To stimulate innovation ecosystem-building projects in New Jersey.
<b>Applicant Eligibility Requirements</b>	<p>Each proposal must include at least one Primary Applicant and at least one Collaborator Applicant.</p> <p><u>Primary Applicant</u>  Every application must be proposed by at least one institution within New Jersey’s innovation ecosystem that is considered a Primary Applicant. To be eligible, a Primary Applicant must be a:</p> <ul style="list-style-type: none"> <li>• 501(c) nonprofit organizations that is headquartered in New Jersey;</li> <li>• Member-based trade organization based in New Jersey;</li> <li>• New Jersey local government entities; or</li> <li>• New Jersey college or university.</li> </ul> <p>Multiple institutions may participate as Primary Applicants in a single application. At least one of the organizations must meet all Primary Applicant eligibility criteria, though all participating organizations must be in good standing in the state of New Jersey and have a tax clearance (if applicable given the organization’s structure).</p> <p><u>Collaborator Applicant Eligibility</u>  All projects proposed by a Primary Applicant must be done jointly with at least one Collaborator Applicant. Eligibility requirements for Collaborator Applicants include:</p> <ul style="list-style-type: none"> <li>• Organization must be a corporation, hospital network, real estate developer, or research center;</li> <li>• Organization must be aligned to one of NJEDA’s strategic sectors as defined in Governor Murphy’s economic development strategic plan: these are Advanced Manufacturing, Clean Energy, Finance &amp; Professional Services, Food &amp; Beverage, Life Sciences, Offshore Wind, Technology, and Transportation &amp; Logistics;</li> <li>• Organization must be doing business in New Jersey with a minimum of at least 100 employees receiving wages or partners participating in income, gains, and/or losses subject to NJ Gross Income Tax and at least one office in the state, as evidenced by the most recent quarter’s NJ WR30, or PEO letter, or equivalent document confirming tax compliance (to be tested both at the time of project application and at time of completion);</li> </ul>



	<ul style="list-style-type: none"> <li>• Organization must be able to provide evidence of corporate research and development and/or innovation activities being performed in New Jersey, such as headcount and/or budget associated with these activities and the New Jersey location, or demonstrate how the proposed project will enable the organization to bring these activities to New Jersey on a permanent basis; and</li> <li>• Organization must be in good standing in the state of New Jersey, has a NJEDA tax clearance (if applicable given the organization's structure), has a New Jersey Business Registration Certificate (if applicable given the organization's structure), and no outstanding labor or environmental investigations or concerns; and</li> <li>• Organization must commit to contributing at least \$10,000 in project finance to the proposed project, as well as at least 40 hours of staff time and provide a self-certification detailing all contributions at the conclusion of the project.</li> </ul> <p>Both public and private organizations are encouraged to apply as Collaborator Applicants. Multiple organizations, including international organizations, are able to apply together, if desired. At least one of the organizations must meet all Collaborator Applicant eligibility criteria, though all participating organizations must be in good standing in the state of New Jersey and have a tax clearance (if applicable given the organization's structure).</p>
<b>Project Eligibility Requirements</b>	<p>All proposed projects must demonstrate an ability to meet the following requirements:</p> <ol style="list-style-type: none"> <li><b>Strength of Strategic Collaboration:</b> Applications must convincingly demonstrate the ability of the Primary Applicant and Collaborator Applicant to successfully and meaningfully collaborate through the project by: <ol style="list-style-type: none"> <li>a. Clearly defining roles, responsibilities, and a structured, collaborative implementation plan that is agreed upon by all applicants;</li> <li>b. Outlining strong commitments from all applicants to the project, including dedicated staff time, senior leadership sponsorship, financial commitments (beyond the grant), in-kind resources, and a plan to build awareness of project through various communication channels; and</li> <li>c. Defining an approach to engage multiple New Jersey-innovation based startups through the project.</li> </ol> </li> <li><b>Impact on New Jersey's Innovation Ecosystem:</b> Applications must convincingly demonstrate the proposed project's ability to contribute to a stronger and fairer innovation ecosystem in New Jersey by: <ol style="list-style-type: none"> <li>a. Driving equity, diversity, and inclusion by engaging underserved populations that are not traditionally well-represented in New Jersey's innovation ecosystem;</li> </ol> </li> </ol>

	<p>b. Meaningfully driving innovation activity within at least one of NJEDA's strategic sectors, as defined in Governor Murphy's economic development strategic plan;</p> <p>c. Bringing new innovation activity and/or engagement models to New Jersey that go above and beyond existing innovation ecosystem-building projects in the state; and</p> <p>d. Defining tangible benefits that will be generated by the project and a plan to measure the project's impact.</p> <p>iii. <b>Project Execution:</b> Applications must convincingly demonstrate an ability to execute the project on time and on budget by:</p> <p>a. Providing a detailed plan and timeline to complete the project within a maximum of 12 months and demonstrating readiness to execute; and</p> <p>b. Developing a plan for the financial viability of the project.</p> <p>Note, grants must be applied towards implementation costs. Funding cannot be used for planning.</p> <p>In addition, proposed projects must align to and meet minimum criteria for one of the following engagement categories:</p> <ul style="list-style-type: none"> <li>• Startup mentorship programs</li> <li>• Startup challenge competitions</li> <li>• Startup facilities/incubators/accelerators</li> <li>• Startup pilot/proof of concept support programs</li> <li>• App challenges</li> <li>• Public sector challenges</li> <li>• Innovation labs</li> <li>• Research showcases</li> <li>• Student competitions</li> <li>• Shared research labs</li> <li>• PhD student mentorship programs</li> <li>• Campus innovation centers</li> </ul> <p><i><b>Refer to the NJ Collaborate Application Scoring Matrix (Exhibit C) for further detail on requirements.</b></i></p>
<b>Investment Amount</b>	<p>\$10,000 - \$250,000 grant to be provided to the Primary Applicant with a 1:1 match to be provided by the Primary and Collaborator Applicant in the form of direct project finance. Projects supporting diversity and inclusion will receive increased match funding by the ratio of 1:1.25 and grant award cap of \$312,500.</p>

<b>Funding Disbursement</b>	50% of grant amount will be disbursed to successful Primary Applicants after the project has been approved and supporting satisfactory cost detail, including invoices, time sheets, etc., has been provided to NJEDA and a satisfactory grant agreement has been executed. The remaining 50% will be disbursed upon project completion and satisfactory outcome reporting along with actual cost detail and supporting documentation, including staff time spent on project. NJEDA will only fund direct costs up to the grant amount. Applicants will be responsible for any cost overruns.
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## Exhibit B

### NJ Collaborate Base Eligibility Requirements

All NJ Collaborate applications must include at least one Primary Applicant who meets all eligibility requirements and at least one Collaborator applicant who meets all eligibility requirements. If eligibility requirements are not met, applications will not be scored.

Primary Applicant - Eligibility Requirements	
Is the Primary Applicant one of the following types of organizations: <ul style="list-style-type: none"> <li>• 501(c) nonprofit organizations that is headquartered in New Jersey;</li> <li>• Member-based trade organization based in New Jersey;</li> <li>• New Jersey local government entities; or</li> <li>• New Jersey college or university?</li> </ul>	'Yes' is required
<p><i>At least one Primary Applicant is required for each application.</i></p> <p><i>Multiple New Jersey-based institutions may be Primary Applicants in a single application.</i></p> <p><i>Each applicant cannot submit more than three applications in the pilot period.</i></p> <p><i>All applicants must be in good standing with the state of New Jersey, including passing a legal review and sister agency checks.</i></p> <p><i>Applicants cannot receive support from NJ Collaborate for activities that are being supported by or contribute to commitments to other NJEDA programs.</i></p>	

Collaborator Applicant – Eligibility Criteria	
Is the organization a corporation, hospital network, real estate developer, or research center?	'Yes' is required
Is organization doing business in New Jersey with a minimum of at least 100 employees subject to NJ Gross Withholding tax and at least one office in the state at the time of application and will continue to do so throughout the term of the project?	'Yes' is required
Is the organization able to provide evidence of corporate research and development and/or innovation activities being performed in New Jersey, such as headcount and/or budget associated with these activities and the New Jersey location, or demonstrate how the proposed project will enable the organization to bring these activities to New Jersey on a permanent basis?	'Yes' is required
Is organization in good standing in the state of New Jersey, has a NJEDA tax clearance (if required), has a New Jersey Business Registration Certificate (if required), and no outstanding labor or environmental investigations or concerns?	'Yes' is required
Is organization committing to contributing at least \$10,000 in project finance to the proposed project, as well as at least 40 hours of staff time?	'Yes' is required
<p><i>At least one Collaborator Applicant who meets all eligibility criteria is required for each application.</i></p> <p><i>Multiple corporations, hospital networks, real estate developers, and/or research centers, including international organizations, are able to apply together, if desired. All participating organizations must have a tax clearance (if applicable given the organization's structure).</i></p>	

*Each Collaborator Applicant cannot submit more than three applications in the pilot period.*

*All applicants must be in good standing with the state of New Jersey, including passing a legal review and sister agency checks.*

*Applicants cannot receive support from NJ Collaborate for activities that are being supported by or contribute to commitments to other NJEDA programs.*

Project Sector Alignment	
Is the organization aligned to one of NJEDA’s strategic sectors as defined in Governor Murphy’s economic development strategic plan, which include are Advanced Manufacturing, Clean Energy, Finance & Professional Services, Food & Beverage, Life Sciences, Offshore Wind, Technology, and Transportation & Logistics?	‘Yes’ is required

Project focused on Diversity & Inclusion	
Does the project support a minority group and receive a reduction to minimum score and increase in matching funding?	‘Yes’ is required confirmed by NJ D&I Office or NJEDA D&I Officer

**Exhibit C**  
**NJ Collaborate Application Scoring Matrix**

If all eligibility requirements for applicants are met, proposed projects will be evaluated by NJEDA staff according to scoring criteria. If an initial application is not successful due to an inability to meet project criteria, applicants may revise and resubmit their application one time, no sooner than 30 days after the initial decision is communicated to applicants.

All proposed projects will be evaluated against General Project Criteria:

General Project Criteria	Scoring
<b>I. Strength of Strategic Collaboration:</b> <i>Demonstrated ability of Primary Applicant(s) and Collaborator Applicant(s) to successfully and meaningfully collaborate through the project (Maximum: 25 points)</i>	
Does the proposal convincingly demonstrate a strong collaboration between the Primary Applicant and the Collaborator Applicant as evidenced by clear definition of roles/responsibilities and a structured, collaborative implementation plan? <i>(Note, draft MOU between all applicants will be required for application and executed MOU will be required to close award.)</i>	<p>0-6 points – Lack of evidence to demonstrate will be successful</p> <p>7-8 points – Evidence of clear processes and roles shared among applicants</p> <p>9-10 points – Evidence of a uniquely collaborative approach and deep collaboration, which may include past or existing initiatives and policies that demonstrate a commitment to engaging the broader innovation ecosystem</p>
Does the proposal demonstrate strong commitments from all applicants to the project as evidenced by dedicated senior leadership staff time, financial commitments (above grant requirements), in-kind resources, and/or commitment to build awareness of project through press release or other communication channels? <i>(Note, staff time budgets are required for application.)</i>	<p>0-4 points – Lack of evidence that all applicants will devote resources to project that are required for successful implementation</p> <p>5-6 points – Evidence of applicants contributing minimum required resources and staff time for project execution, as documented with a staff time budget</p> <p>7-10 points – Evidence of applicants making significant contributions, as documented with a staff time budget, by exceeding 40 hours of required staff time (for Collaborator Applicant), dedicating senior leaders to the project, contributing non-financial resources (e.g., facilities, equipment), building awareness of project through communication channels, and/or financial contributions beyond grant requirements</p>

Does the proposal convincingly demonstrate an ability engage multiple New Jersey-innovation based startups, which are defined as startups that are registered to do business in New Jersey and have at least 50% of employees working in New Jersey, has been in business less than 5 years, has no more than 100 employees, and has less than \$5M in revenues?	<p>0 points – Lack of evidence of ability to engage at least two startups</p> <p>1-3 points – Evidence of ability to engage 2-10 startups</p> <p>4-5 points – Evidence of ability to engage more than 10 startups</p>
<b>II. Impact on New Jersey's Innovation Ecosystem:</b> <i>Demonstrated ability of proposed project to contribute to a stronger and fairer innovation ecosystem in New Jersey (Maximum: 25 points)</i>	
Does the proposal convincingly demonstrate an ability to drive equity, diversity, and inclusion by engaging underserved populations that are not traditionally well-represented in New Jersey's innovation ecosystem, as well as establish a reporting plan for tracking success of engagement throughout the project?	<p>0-3 points – Absence of plan for driving equity, diversity, and inclusion</p> <p>4-6 points – Evidence of compelling plan for engaging underserved populations</p> <p>7-10 points – Evidence of both engagement plan and reporting plan, which may also include relevant existing or past efforts</p>
Does the proposal demonstrate how the project will enable new innovation activity in New Jersey that goes above and beyond what is currently being done in the state today?	<p>0-3 points – Lack of evidence project will strengthen the innovation ecosystem</p> <p>4-7 points – Evidence of project to meaningfully enhance or expand existing innovation activity</p> <p>8-10 points – Evidence of project to strengthen the innovation ecosystem in new and innovative ways, which may include a unique model for NJ that has deployed previously outside the state/in a different sector or demonstration of how project will fill a gap in NJ</p>
Does the proposal clearly define the tangible benefits it will create for New Jersey's innovation ecosystem, as well as demonstrate an ability to implement a measurement strategy that will evaluate the impact of the project?	<p>0-1 points – Absence of clear, tangible benefits</p> <p>2 points – Clear articulation of tangible benefits project will produce</p> <p>3-5 points – Presence of a plan to measure project impact, which may include a plan to capture qualitative and/or quantitative data</p>
<b>III. Project Execution:</b> <i>Demonstrated ability to execute the project on time and on budget (Maximum: 20 points)</i>	
Does the proposal convincingly demonstrate readiness and ability to fully execute the project within a maximum of 12 months, as demonstrated by such things as detailed timelines, Gantt chart, and clear milestones?	<p>0-3 points – Lack of project plan and timeline</p> <p>4-6 points – Narrative on project plan without supporting detailed timeline and milestone</p> <p>7-10 – Presence of detailed and convincing project plan that demonstrates readiness to act quickly and a path to project completion within 12 months</p>

Does the proposal convincingly demonstrate the financial viability of the project, including outlining all costs and funding sources (beyond the grant), mitigation for cost overruns, and, as applicable, bridge funding strategies and/or plans for sustainable operation over time?	<p>0-3 points – Lack of financial plan</p> <p>4-5 points – Presence of basic budget</p> <p>6-8 – Presence of compelling, detailed budget</p> <p>9-10 points – Presence of detailed budget and convincing strategy for maximizing the financial viability of the project with funding above and beyond the grant</p>
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In addition, all projects will be evaluated against Engagement-Specific Criteria. Applicants are required to identify one eligible engagement category that the proposed project aligns to and demonstrate how it meets or exceeds the minimum criteria for the respective engagement category.

Engagement-Specific Criteria	Scoring
<p>To what extent does the proposed project demonstrate an ability to meet or exceed minimum criteria for one of the eligible engagement categories?</p> <p>Eligible engagement categories, and the respective minimum criteria, include (note, applicants should select only one category (a -m) per proposal):</p> <ul style="list-style-type: none"> <li>a) <u>Startup mentorship program</u> with a demonstrated ability to connect New Jersey-based startups with experts and resources that support business growth. The program must provide in-depth mentorship to at least two New Jersey-based startups as defined by a minimum of 20 hours of instruction over a duration of at least two months through one on one mentoring, office hours, or workshops.</li> <li>b) <u>Startup challenge competition</u> with a demonstrated ability to put out calls for solutions among New Jersey-based startups and provide the winning startup(s) support, access to resources, and/or funding. The program must be exclusively available to New Jersey-based startups and provide at least one winning startup with support, including mentorship and resources, through which the corporation will collaboratively help the startup to further develop and/or test its business model.</li> <li>c) <u>Startup facility/incubator/accelerator</u> with a demonstrated ability to enable at least two New Jersey-based startups to work alongside at least one corporation, hospital network, or research center for a duration of at least six months. The program must also provide the startups with ongoing connections to functional experts within the relevant corporation, hospital network, or research center.</li> <li>d) <u>Startup pilot/proof of concept support program</u> with a demonstrated ability to enable at least two New Jersey-based startups to collaborate with a relevant corporation, hospital network, or research center to test and refine business ideas and to help the startups establish a track record for the business. The program must enable the startups to pilot its product/service and capture results, as well as provide participating startups with at least five introductions to relevant companies in the supply chain.</li> </ul>	<p>0-19 points – Lack of supporting evidence of ability to meet minimum criteria for respective engagement category</p> <p>20 points – Satisfactory supporting evidence of ability to meet minimum criteria for respective engagement category</p> <p>21-25 points – Evidence of ability to moderately exceed minimum criteria for respective engagement category</p> <p>26-30 points – Evidence of exceptional ability to uniquely and substantially exceed minimum criteria for respective engagement category, which may include past experience or expertise on similar projects or including subject matter experts/ thought leaders/etc. who have successfully achieved a similar prior project.</p>



<p>e) <u>App challenge</u> with a demonstrated ability to engage New Jersey's startup community to develop new solutions for enhancing connectivity and mobility in New Jersey's infrastructure. The project must engage at least 50 individuals associated with New Jersey's startup community through an intensive hackathon over a minimum duration of two days or engage at least 10 New Jersey-based startups through a longer duration competition that has a minimum duration of two months. The program must be structured to generate ideas that will improve connectivity or mobility.</p> <p>f) <u>Public sector challenge</u> with a demonstrated ability to enable New Jersey municipalities or government entities to explore new technologies and solutions for improving connectivity and mobility. The project must help participating local government entities to solve for connectivity and mobility needs that are relevant to them, test or pilot new technologies to achieve a proof of concept, and/or define a path to scaling successful tests/pilots (without locking entities into long-term contracts).</p> <p>g) <u>Innovation lab</u> with a demonstrated ability to bring together local government entities stakeholders and industry to test new solutions that will improve connectivity and mobility. The project must define a process for experimenting with and testing new technology-driven solutions and engage New Jersey's startup community.</p> <p>h) <u>Research showcase</u> with a demonstrated ability to showcase New Jersey researchers and establish a platform for local researchers to publicly disseminate findings and ideas, including to New Jersey's startup community. The project must provide at least 10 researchers across New Jersey colleges and universities with a platform to publicly to share his/her ideas on key innovation topics, align the showcase to one of NJEDA's strategic sectors, enable New Jersey's startup community to engage with the showcase and demonstrate an ability to effectively market the showcase among relevant subject matter experts, decision makers, and other stakeholders in the relevant sector(s).</p> <p>i) <u>Student competition</u> with a demonstrated ability to solicit innovative research and ideas from students at New Jersey academic institutions and collaborate with the winning student(s) to support further research and development. The project must exclusively engage students at New Jersey colleges and universities and provide at least one winning student with mentorship, resources, and/or funding to further pursue their concept.</p> <p>j) <u>Shared research lab</u> with a demonstrated ability to bring together corporate researchers, academics, and students to pursue research collaboratively. The project must identify a physical space that will be shared by a minimum of three researchers associated with at least one New Jersey academic institution and a minimum of three</p>	
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<p>experts from the corporation for at least 50% of working hours for a duration of at least one month. The proposal must define how the academic researchers and corporate experts will collaborate on a regular basis and identify activities through which New Jersey entrepreneurs and/or startups can engage with the lab.</p> <p>k) <u>Shared knowledge base</u> with a demonstrated ability to develop resources, tools, and platforms that enable research to be shared among companies with a presence in New Jersey, New Jersey's startup community, and New Jersey academic institutions. The project must engage New Jersey academic institutions in the development of the knowledge base, provide New Jersey's startup community with access to information associated with the knowledge base, and align the knowledge base to one of NJEDA's strategic sectors.</p> <p>l) <u>PhD student mentorship program</u> with a demonstrated ability to enable a corporation, hospital network, or research center to support and collaborate with PhD students at New Jersey academic institutions. The project must provide opportunities for at least three PhD students at New Jersey universities to work directly with company experts on research, demonstrate an ability for corporation/hospital network/research center experts to provide regular mentorship to the PhD students for a minimum duration of three months, and identify a mechanism for findings and insights produced with New Jersey's startup community.</p> <p>m) <u>Campus innovation center</u> with a demonstrated ability to establish a dedicated space at a New Jersey college or university that will bring together industry, aspiring student entrepreneurs, and academic researchers to collaborate and drive innovation. The project must provide mentorship and access to shared resources to at least 10 students at New Jersey universities who are pursuing entrepreneurship over a minimum duration of one semester and create opportunities for at least three academic researchers, including PhD students or faculty, to collaborate with corporate experts on research.</p>	
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Scoring Summary	
<b>Maximum Possible Points</b>	<b>100</b>
<i>General Project Criteria</i>	<i>70</i>
<i>Engagement-Specific Criteria</i>	<i>30</i>
<b>Minimum Required Points for a Diversity &amp; Inclusion Focused Project</b>	<b>75</b>
<b>Minimum Required Points for all other Projects</b>	<b>80</b>

**VENTURE**



## **MEMORANDUM**

**To:** Members of the Authority  
**From:** Tim Sullivan  
**Date:** February 10, 2021  
**Subject:** Edison Partners X, LP

### **Request:**

Approval is requested to make a limited partnership investment in Edison Partners X, LP for a commitment by the EDA of up to \$4 million. Funding for the investment will be made from the Economic Recovery Fund (ERF).

### **Background:**

Edison Partners X, LP (“Edison X” or the “Fund”) is a Delaware limited partnership formed in 2020 with the objective for investors to realize long-term appreciation, generally, from rapidly growing growth-stage, software and technology-enabled companies, located in the underserved geography of the U.S, including NJ. Edison X will invest in Enterprise Solutions, Financial Technology, and Healthcare IT. The targeted fund size of Edison Partners X, LP is \$425 million, with a hard cap of \$500 million. Edison X will have a term of ten years, with up to two additional one-year periods at the General Partner’s discretion, and up to two additional one-year periods thereafter with the consent of two-thirds in interest of the Limited Partners.

Edison X is the tenth fund formed by Edison Partners (formerly Edison Ventures), a Princeton, NJ based growth equity investor. Formed in 1986, Edison Partners has raised nine funds, prior to Edison X, with total commitments of \$1.6 billion. Collectively, the Edison funds have completed 240 investments with 195 successful exits from which, 13 were through an IPO. Of note, the funds have made 51 investments in New Jersey-based companies totaling more than \$218 million. The investments in New Jersey companies assisted in creating close to 1,300 jobs since 2001 when the Fund started tracking this statistic. The EDA has invested in six of the prior Edison funds (EIII, EIV, EVI, EVII, EVIII, and, EIX) with positive results.

Edison X will be managed by a group of business executives led by Chris Sugden (Managing Partner). Other members of the Management Team include - Thomas L. Vander Schaaff, Ryan

Edison Partners X, LP  
February 10, 2021

Ziegler, Kelly Ford, Lenard W. Marcus, Gregg Michaelson, and Daniel Herscovici - who have worked together at Edison over at least three prior funds. The investment team is complemented by Operating Partners, and members of the Edison Director Network (“EDN”), a curated community of seasoned executives from Edison-backed companies who have previously demonstrated success.

Edison Partners X is targeting a \$425 million size fund to invest in 17 to 22 expansion stage companies. Edison X is conducting an initial close of the fund in February / March 2021. The EDA anticipates closing its commitment after the initial close of the fund. Per the terms of the LPA, each LP admitted subsequent to the initial closing date shall be subject to an interest charge (5%) on its pro rata share of capital called before admittance. The Manager has identified substantial capital circles from the current limited partners of Edison Partners IX. This is a strong statement of confidence in the management team by current investors. The Manager has made a best efforts commitment to invest \$2 in New Jersey-based companies in addition to every \$1 the Authority commits to the fund. This would result in a target of \$12 million of capital invested in New Jersey-based companies. This arrangement of leveraging the Authority’s public investment with Edison’s private investment will be documented in a side letter agreement consistent with all of EDA’s prior venture fund LP investments. The side letter agreement will also document the requirement for participation in future NJ Founders and Funders events by a representative of the Firm, annual reporting on NJ investments – jobs, and (on a voluntary basis) Diversity and Inclusion – and, quarterly pipeline and opportunity sharing with the EDA.

To date, the EDA has approved investments in eighteen venture capital funds for more than \$59 million – including \$13.5 million in six prior Edison Partners Funds, representing over 22% of the venture fund committed capital for the EDA – not surprising given the limited number of New Jersey-based venture capital firms. The current active portfolio of Edison funds includes four NJ based businesses from the original 51 investments made by the firm over time. Edison also has a healthy pipeline of priority NJ deals. New Jersey’s strategic plan includes assisting in the growth of Focused Sectors which includes information and high tech, and finance and professional services businesses and aligns with Edison’s investment strategy. The proposed EDA commitment of \$4 million in Edison X is consistent with the State’s strategic plan, as it will assist in developing employment in the State by supporting the growth of capital-efficient, technology-enhanced service businesses located in New Jersey.

Edison Partners has demonstrated its commitment to New Jersey. The company has maintained its headquarters in NJ for the last 34 years. During this time, the firm has actively collaborated with EDA through multiple touch points. Edison Partners is a regular participant in technology industry events in the state – including EDA’s NJ Founders & Funders events. It remains a board member of TechUnited (formerly - NJ Tech Council) as it has for more than 20 years. Of note, Edison X’s core investment strategy is to invest in underserved growth stage technology businesses. As done in funds VIII and IX, Edison plans to carve-out \$25 - \$30 million of capital to invest in early-stage technology businesses; however for the first time in firm history, Edison has committed to allocate \$30 - \$50 million of capital for investment in businesses led by underserved community members. Edison X’s investment strategy is a complement to the EDA’s focus on early-stage companies.

**Recommendation:**

Approval of the commitment of up to \$4 million is recommended based upon Edison X's experienced management team and the strong results from the EDA's investments in previous Edison funds. In addition, the proposed funding will support the growth of technology companies located in the State and within the targeted industry sectors. This particular fund introduces a focus on diversity and aligns with the Governor's goals of a Diverse Innovation Economy. This approval will authorize the CEO to execute all documents required, subject to the review of the New Jersey Attorney General's office.



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Tim Sullivan

Prepared by: Madhavi Bhatia  
Tim Rollender

## **INCENTIVE PROGRAMS**

**ECONOMIC REDEVELOPMENT AND GROWTH (ERG)  
GRANT PROGRAM**





**To: Members of the Board**

**Re: Proposed Hinchliffe Stadium Economic Redevelopment and Growth (ERG) Award**

The following memo outlines the proposed Economic Redevelopment and Growth (ERG) program award to support the redevelopment of Hinchliffe Stadium in Paterson, New Jersey. This is a vital project that will be a game-changer for a historically marginalized community and a valuable economic boost for New Jersey at a time when the COVID-19 pandemic has hurt our economy.

Paterson is a city in need of transformative investment. The median income in the city is just \$28,000 and the current unemployment rate is above nine percent, double the national average. Many Paterson residents live in homes that are more than 50 years old and falling into disrepair due to neglectful, absent landlords.

The Hinchliffe Stadium redevelopment project will play a central role in addressing these acute challenges and positioning Paterson for long-term success. The project site, a National Historic Landmark that hosted two Negro League baseball teams, currently sits vacant, unused and in a state of dangerous disrepair. The proposed redevelopment will honor the history of this site while providing much-needed resources to the residents who call Paterson home today.

The revitalized Hinchliffe Stadium will be restored to its former glory as a 7,800-seat recreational and cultural facility that will include a museum dedicated to Negro League baseball. The project will also include 75 units of affordable housing for seniors and a 12,000 square-foot restaurant and event space for the community. To accommodate residents and visitors, the project also includes a 315-spot parking garage.

This redevelopment will provide essential resources for the Paterson community. Paterson public schools will use the stadium for sports games, graduations, and other events, and the event space will host public recreation programs. In addition to providing new, affordable housing for elderly residents, the senior housing will include on-site social services for residents. The project will create 182 high-quality construction jobs as well as new service-sector and operations jobs once the stadium, residential units, restaurant, and event space are open. Furthermore, beyond all these concrete benefits, rehabilitating a historic landmark that was the site of major accomplishments by Black athletes will send an important message to Paterson residents that the State values them and is committed to supporting and celebrating their achievements.

Numerous other State agencies have already recognized the value this project will provide. The New Jersey Housing Mortgage Finance Agency (NJHMFA) and the Department of Community Affairs (DCA) have committed funding for redevelopment of the site, and the project received a State of New Jersey Grant for Urban Parks. The ERG recommendation before you today is the final piece of the puzzle that will allow this project to move forward.

The following memo provides details on the project costs, financing structure, and due diligence NJEDA staff have conducted. I hope – and expect – that after reviewing the details of the project, you will come to the same conclusion that I have that this project not only meets the statutory criteria for support but also provides a clear and long-lasting benefit to the Paterson community.

Sincerely,

Tim Sullivan



**MEMORANDUM**

To: Members of the Authority

From: Tim Sullivan  
Chief Executive Officer

Date: February 10, 2021

RE: Hinchliffe Master Urban Renewal, L.P.; Hinchliffe Housing Urban Renewal Associates, L.P.; Life Management, Inc.  
Mixed Use Parking Economic Redevelopment and Growth Grant Program ("Mixed Use Parking ERG")  
Product #00257926

**Request**

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers State incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the "Economic Opportunity Act of 2014, Part 3," P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program's rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the State. With the exception of residential ERG projects, grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of Hinchliffe Master Urban Renewal, L.P.; Hinchliffe Housing Urban Renewal Associates, L.P.; Life Management, Inc. (the "Applicant") for a Project located at 1-27 Jasper Street, 186-218 Maple Street, and a portion of Passaic Falls Tract, Paterson City (the "Project"), for the issuance of tax credits pursuant to the Mixed Use Parking ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 ("Act").

On July 13, 2015, legislation was enacted as P.L. 2015, c. 69 allowing municipal redevelopers to apply for tax credits under the Mixed-Use Parking ERG program for mixed use parking projects. The maximum of reimbursement shall equal up to 100% of the total eligible project costs allocable to the parking component of the project and in addition 80% of the total eligible project costs allocable to the housing component of the project and 80% of the total eligible project costs

allocable to other real estate components in the project. The total costs of the Project are estimated to be \$93,769,993 and of this amount, \$79,241,662 is eligible costs under the Mixed-Use Parking ERG program. The recommendation is to award 100% of actual eligible parking costs and 80% of the total actual eligible project costs allocable to residential housing and stadium uses, not to exceed \$67,206,004.

### **Project Description**

The Project includes three components; the renovation of a 7,800-seat historic stadium, recreation and cultural facility; the new construction of a 6-story, 75-unit senior affordable housing building; and the new construction of a 4-story 315 space parking garage. The stadium complex will include new construction of a 2-story restaurant and exhibition space of approximately 12,000 square feet. The parking component of the project is 52.7% of the project's total square footage.

Hinchliffe Stadium was designated a National Historic Landmark in March 2013 and a Paterson Historic Landmark in 2013. The Stadium sits above the Paterson's National Historic Landmark Great Falls that lies within the Paterson Great Falls National Historical Park. The Stadium is between Maple and Liberty Streets and contains 5.7 acres. Upon completion the Stadium is anticipated to be used for Paterson School District high school sport events, concerts, and other recreational and entertainment activities. The Applicant entered a Redevelopment Agreement with the City of Paterson to convey all sites from the City of Paterson to the Applicant on October 18, 2019.

The project is explicitly supported by the City of Paterson as it is listed as a critical project in a letter dated December 22, 2020 from the Mayor of Paterson to the EDA. Construction is expected to begin in February 2021 in conjunction with the closing of financing. The anticipated completion of the Project is August 2022. This date is consistent with the December 2023 required date of construction completion and temporary issuance of certificate of occupancy. The Applicant intends to comply with the green building requirements, including Energy Star certification for the residential component. Although there is no formal certification program for stadiums, the stadium component will consist of energy-efficient lighting and heating and cooling systems.

Although applicants for the Mixed-Use Parking ERG program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 182 temporary construction jobs.

### **Project Ownership**

The Applicant for the Project's financing has formed two limited partnerships known as Hinchliffe Master Urban Renewal, L.P. and Hinchliffe Housing Urban Renewal Associates, L.P. An affiliate of RPM Development Group will be the equity investor and will have a 99.98% ownership interest of Hinchliffe Housing Urban Renewal Associates, L.P. The Applicant formed RPM Partners IX, L.L.C. to serve as the general partner and hold a .006% ownership interest. BAW Hinchliffe Development, LLC will serve as the co-general partner and have .004% ownership of Hinchliffe Housing Urban Renewal Associates, L.P. Life Management, Inc., a non-profit organization, will form a subsidiary to be a special limited partner of Hinchliffe Housing Urban Renewal Associates, L.P. holding a .01% ownership interest.

For historic tax credit purposes, the Applicant has formed a special purpose entity known as Stadium MT, L.L.C. to hold a 10% ownership interest in Hinchliffe Master Urban Renewal, L.P.

An affiliate of US Bank will hold a 99.0% interest in Stadium MT, L.L.C. The Applicant has formed RPM Partners LVII, LLC to serve as the Managing General Partner and hold a 44.1% ownership interest. A special purpose entity known as BAW Hinchliffe Owner, L.L.C., 100% owned by Baye Adofo-Wilson will have a 45.9% ownership interest in Hinchliffe Master Urban Renewal Associates, L.P.

Founded in 1986, RPM is one of the leading developers of affordable housing in New Jersey. Ed Martgolio is the sole principal and owns 100% of RPM Development L.L.C. RPM brings all aspects of the affordable housing development process under one roof, with expertise in development, construction, leasing, and property management. They have worked with cities, suburban towns, local housing authorities, and state and federal agencies to create high-quality housing options for New Jersey residents and are experienced in combining multiple forms of financing to bring projects to fruition.

To date, RPM has developed approximately 4,500 units of housing, of which approximately 3,300 are affordable housing units. RPM has secured permanent financing from HMFA to fund approximately 20 low income housing projects; however, they maintain a portfolio of nearly 50 affordable housing developments across the state.

BAW Development, L.L.C. focuses on development of residential and mixed-use projects. Baye Adofo-Wilson is the sole principal of BAW Development, L.L.C. Mr. Adofo-Wilson prior experience includes Deputy Mayor/Director of Economic and Housing Development (“EHD”) for the City of Newark, New Jersey. At the helm of EHD, he oversaw economic development for Newark, including over \$2 billion dollars of development, annually 2,000 units of housing built, and three million square feet of commercial development. Mr. Adofo-Wilson managed the development of two significant parks - Mulberry Commons, a three-acre park in Newark’s Downtown, and Riverfront Park, a three-mile long park along the Passaic River in Newark. As the Director of EHD, Mr. Adofo-Wilson managed the departments of housing, property management, real estate, economic development, planning, zoning, and the office of sustainability.

#### **Co-Applicant**

Life Management Inc. (“LMI”), a New Jersey Based non-profit organization was formed in 1997 with a mission to promote the quality of life for individuals who are vulnerable to crises of daily living due to: age, disability, or socioeconomic status. RPM and LMI have previously partnered in the development of nearly 1,000 units of affordable housing throughout the State of NJ. Life Management is currently managing the social services of 12 properties in RPM’s portfolio inclusive of:

- Bakery village
- Bostwick Court
- Dr. King Plaza
- Lincoln Avenue Apartments
- South Essex Court
- Essex Preservation
- Springfield Commons
- Tri Corner Homes
- Millennium Homes

- Westside Village
- Cherry Tree Village
- Cove on the Bay

LMI has successfully demonstrated to the EDA as per the July 9, 2015 board memo, that they have met all requirements to act as the non-profit by demonstrating the following:

**Purposes of the Co-Applicant- Organizing documents of the Co-Applicant will be requested as well as a narrative regarding the activities of the Co-Applicant generally, in the State and in the municipality to verify that the Co-Applicant is in a position to provide the material participation to the project discussed below.**

- LMI has provided organizing documents as well as a narrative regarding the activities of the non-profit generally and in the State to better understand the purposes, mission and how the non-profit is necessary and related to the project. All organizing documents are in order and current.
- The narrative provided focused on how the non-profit will provide direct services specifically to the senior population including technical computer assistance and recreational activities.

**Material Participation. A long-term material participation agreement must be shared illustrating how the non-profit is taking an active role in the partnership.**

- A long-term material participation dated August 27, 2020, has been provided to EDA staff illustrating the non-profit is taking an active role in the partnership.

**Level of Contribution- The parties must demonstrate evidence that the Co-Applicant will contribute capital, real property or services related to the project that directly affect and serve the anticipated resident population.**

- The Applicant has demonstrated that the non-profit will contribute capital, real property or valuable and related services to the project and/or the anticipated resident population.
- LMI will use the proceeds of the sale of the credits to loan back to the project for the term of the incentive or make a capital contribution to the project.

All residents of the Project will have access to a range of social services. These services, designed to empower the residents, will include recreation and fitness, educational programs on a broad variety of topics, arts and crafts, computer and technical support labs, and health and wellness classes and screenings. An on-site Resident Services Coordinator; who will provide one-on-one assistance and encourage independent living and self-sufficiency. Social services being provided to the project will be in place through the term of the Incentive to ensure the tenants are being provided with adequate resources that will result in personal growth.

Based on the above information, the EDA staff believes, LMI will play a significant role to the Project in addition to being a valuable resource to the tenants of this prospective community.

**Project Uses**

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>MIXED USE PARKING ERG Eligible Amount</i>
Acquisition	\$ 1,306,596	\$ 0
Improvements	\$ 64,094,241	\$ 64,094,241
Professional Services	\$ 4,931,337	\$ 4,931,337
Financing and Other Costs	\$ 10,577,491	\$ 6,258,941
Contingency	\$ 3,957,143	\$ 3,957,143
Development Fee	\$ 8,903,185	\$ 0
<b>TOTAL USES</b>	<b>\$ 93,769,993</b>	<b>\$ 79,241,662</b>

ERG eligible project costs exclude ineligible costs aggregating \$14.5 million, which include Development fee of \$8.9 million, Acquisition costs to a related entity in the form of a master lease of \$1.3 million, and escrows and reserves of \$4.3 million. For a Mixed-Use Parking Project, the maximum reimbursement shall equal up to 100% of the actual eligible costs of the parking component and 80% of the actual eligible costs of the non-parking component of the project. The total eligible construction costs that can be attributed to the parking structure are \$19,063,371 and the total eligible costs that can attributed to non-parking components of the project are \$60,178,291. Total ERG award amount is \$67,206,004.

**Project Sources**

<i>Sources of Financing</i>	<i>Amount</i>
NJHMFA Permanent Debt	\$ 5,739,604
DCA Affordable Trust Funds Loan	\$ 6,000,000
Multifamily Rental Housing Production Loan	\$ 2,006,148
City of Paterson Subordinate Loan	\$ 3,627,000
Paterson HOME Funds	\$ 1,123,889
New Market Tax Credits	\$ 5,733,000
State of NJ Grants	\$ 1,000,000
ERG Bridge Loan	\$ 47,782,168
Applicant Equity:	
Applicant Equity (Development purchase of LIHTC)	\$ 10,316,909
Historic Tax Credits	\$ 5,150,081
Deferred Developer Fee	\$ 5,291,194
<b>Total</b>	<b>\$ 93,769,993</b>

The sources of project financing is described below.

- The Applicant received NJHMFA commitment on September 17, 2020 for permanent loan financing in the amount of \$5.7 million at an estimated interest rate of 4.05% for a term of 30 years.
- The Applicant received NJHMFA commitment for Multifamily Rental Housing Production Loan in the amount of \$2 million at an estimated interest rate of 1% with a term of 30 years.

- DCA issued a commitment for an Affordable Trust Funds Loans dated July 21, 2020 in the amount of \$6 million at an interest rate of 1% upon permanent closing.
- Paterson City passed a resolution on August 11, 2020 approving \$1,123,889 of HOME Funds.
- U.S. Bank, New Jersey Community Capital, Consortium America, and RBC will provide the Applicant with an aggregate allocation resulting in New Market Tax Credit proceeds from U.S. Bank in the amount of \$5.7 million.
- US Bank will also provide the Historic Tax credits in an amount of \$5.2 million.
- The City of Paterson is providing the project a \$3.6 million subordinate loan.
- The Applicant has entered an agreement for the sale of ERG tax credits with Dorfman Company, Inc. at a net price of \$.8925 on an annual basis. Goldman Sachs Bank is providing a \$47.8 million ERG Bridge loan with an interest rate of 4.16%. Goldman's loan was sized at roughly an 80% advance rate against the future 10-year cash flow stream generated by the sale of the credits. Each year as the credits are sold, the cash proceeds will ultimately flow to Goldman to paydown its loan.
- NJ Department of Community Affairs is currently reviewing the approval of a \$1 million State of New Jersey Grant for Urban Parks.
- Equity of at least 20% of the project costs aggregate to \$18.7 million and is satisfied via the aggregation of Deferred Developer Fee of \$5.3 million, Historic Tax Credits of \$5.2 million and LIHTC of \$10.3 million.

### **Gap Analysis**

EDA 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. Staff analyzed the pro forma and projections of the project and compared the returns with and without the Mixed-Use Parking ERG over 11 years (one year to build and 10 years of cash flow). For purposes of the IRR calculation only LIHTC equity was used as equity in calculation.

<b>Without ERG</b>	<b>With ERG</b>
Equity IRR (14.63%)	Equity IRR 4.74 %

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. The law requires a unique IRR due to the level of subsidy in the project. Jones Lang LaSalle completed an analysis of the project and Hurdle Rate. **With the benefit of the ERG, the Equity IRR is 4.74% which is significantly below the Hurdle Rate Model provided by EDA's contracted consultant Jones Lang LaSalle's report dated December 18, 2020 which indicates a maximum IRR of 14.00% for a comparable subsidized project located in the City of Paterson.**

### **Other Statutory Criteria**

In order to be eligible for the program, the Authority is required to consider the following items:

**The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project.**

EDA staff received RPM Development Group's Financial Statements as of December 31, 2018 and 2019 audited by PKF O'CONNOR DAVIES, LLP. EDA staff also received internally

generated interim financial statements as of June 30, 2020. Staff reviewed these statements and determined that the Applicant has the financial capacity to complete this project. A more detailed review of staff's analysis of the Applicant's financial capacity to complete the project can be found in the Confidential Memorandum of Financial Analysis. RPM has developed approximately 4,500 units of housing of which approximately 3,300 are affordable housing. RPM has secured permanent financing from HMFA to fund approximately 20 low income housing projects; however, they maintain a portfolio of nearly 50 affordable housing developments across the State.

**The degree to which the redevelopment project within a municipality which exhibits economic and social distress, will advance State, regional, local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.**

The project site is located in Paterson, an urban aid municipality. The project site's surrounding area has a median family income of less than \$28,000 per year. The site's surrounding population is over 95% minority with owner-occupied homes comprising 3% of the housing within the area. The average age of the homes in this area is over 50 years old and nearly 10% of the available housing remains vacant. Paterson City's unemployment rate is currently 9.1%, more than double the national average and only 10% of the City's population has a college degree. Paterson City's violent crime rate is roughly double the national average and triple the average crime rate of New Jersey as a whole.

The project has a combination of economic development, housing, public facilities, and resource conservation through historic preservation and re-use, which revitalizes the City of Paterson. The Project is located within the First Ward Redevelopment Area and achieves various goals and objectives of the First Ward Redevelopment Plan. It generates a substantial impact by virtue of its size; reduces the blighting impact of abandoned and vacant properties; provides high-quality housing options for residents; promotes mixed-use development; reduces impacts of flooding from storm events.



**Recommendation**

Authority staff has reviewed the application for Hinchliffe Master Urban Renewal, L.P. and found that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue an approval letter to the Applicant.

Issuance of the Mixed-Use Parking ERG tax credits is contingent upon the Applicant meeting the following conditions within one year:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Mixed-Use Parking ERG.
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.

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a Certificate of Occupancy (no later than December 31, 2023; and
2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA;

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

**Total Estimated Eligible Project Costs: \$ 79,241,662.**

**Eligible Actual Credits and Recommended Award:** The recommendation is to award 100% of actual eligible parking costs and 80% of the total actual eligible project costs allocable to residential housing and stadium uses, not to exceed \$67,206,004.



Tim Sullivan

**Prepared by: Matt Boyle**

## **GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)**

## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** February 10, 2021

**SUBJECT:** Grow NJ COVID-Related Relief Implementation and Delegations

**Request:**

Delegate to staff [Level 2: CEO/COO] the authority to amend approved Grow NJ awards in accordance with the COVID relief provisions recently enacted by amendment to the Grow NJ law (P.L. 2020, c. 156, eff. January 7, 2021 to be codified as N.J.S.A. 34:1B-247 et al).

All approvals under delegated authority will be reported to the Members quarterly.

**Background:**

The Economic Opportunity Act of 2013 (as amended in 2017) provides that projects must evidence that investment and employment requirements at the Qualified Business Facility (“QBF”) are met within three years of the date of Board approval, but for approved extensions. Each year following the certification of project completion, projects must evidence continued compliance with employment requirements both at the QBF and State-wide. Failure to meet minimum employment requirements results in the business forfeiting tax credits, and potentially recapture of previously issued tax credits.

In response to the unprecedented circumstances presented by the COVID-19 pandemic, Governor Murphy declared a Health Emergency and imposed a stay at home order that was in effect from March through June 2020 and was followed by the issuance Executive Orders (“EO’s”) that required businesses meet certain safety standards to return to work and open to the public. *See* EOs 107, 152, 192. In recognition of the potential negative effects that the emergency may have on businesses, legislative and agency actions were taken within the first few months of the Emergency to ensure that Grow NJ businesses were not penalized due to the safety measures needed to respond to the pandemic. These included legislative amendments allowing projects to request additional time to certify project completion and rule waivers to allow employees to work remotely, additional time for the filing of 2019 annual compliance reports, and the exclusion of months from the average employment calculation for the 2020 reporting year.

On January 7, 2021, the legislature amended the Grow NJ law to provide flexibility to Grow NJ businesses that had been impacted by the Health Emergency while reducing or deferring the state’s financial obligations.

## **AMENDMENTS TO THE GROW NJ LAW:**

### **SUSPENSION OF 2020/2021 COMPLIANCE AND TAX CREDITS N.J.S.A. 34:1B-247(c)(1) (P.L. 2020, c. 156 effective January 7, 2021)**

*A business may elect to suspend its obligations for the 2020 tax period and, if the public health emergency or state of emergency declared due to the COVID-19 pandemic extends past March 2021, the 2021 tax period, provided that the business shall make such election in writing to the authority before the date the annual report is due and such suspension shall extend the term of the eligibility period by a corresponding amount of time. The authority shall amend the incentive agreement, and the business shall execute the amended incentive agreement within the time period provided by the authority. The amended incentive agreement shall provide that the failure to submit the annual report due to the suspension shall not be a forfeiture or an uncertified tax period.*

This suspension is available for all certified projects for tax year 2020 and/or 2021 (provided the Health Emergency extend past March 2021). Suspension of tax year 2020 must be requested before the date the annual report is due. If available, suspension of 2021 may be requested after the end of the business's 2021 tax year but before the 2021 annual report due date. Incentive Agreements will be amended to reflect suspended years and extended duration period .

### **JOB RESET N.J.S.A. 34:1B-247(h) (P.L. 2020, c. 156 effective January 7, 2021)**

*A business that has entered into an incentive agreement may request to reduce the number of new or retained full-time jobs specified in the incentive agreement based on a certification of the business of the eligible positions at the qualified business facility commencing with the 2020 tax period and each subsequent tax period remaining in the eligibility period, provided that the business maintains the minimum number of new or retained full-time jobs required to be eligible pursuant to subsection c. of section 3 of P.L.2011, c.149 (C.34:1B-244). The reduction in employment shall first apply to the number of new full-time employees, and then shall apply to the number of retained full- time employees.*

*The authority shall calculate a new tax credit total amount for the 2020 tax period and the remainder of the eligibility period based on the reduced employment and shall amend the incentive agreement to reflect the recalculated award amount. In no event shall the modification result in an increase in employment or tax credit amount.*

This Election is available to all projects regardless of whether they have or have not certified project completion. Job reduction modifications pursuant to this provision will be limited to the reduction of the number of incented jobs and elimination or reduction of bonuses if the business is no longer eligible for the awarded bonus. A reduction in required employment will result in a reduction to the annual tax credit award amount for the full 2020 tax year and all subsequent years.

Updated jobs and salary information will be obtained with these Elections. If actual capital investment has been certified, and used to determine the per job award, that same figure will be used to recalculate the award.

Upon receipt of the Election form and supporting documentation, staff will recalculate the Grow NJ award using the calculation methodology as is stated in the existing Grow NJ regulations at N.J.A.C. 19:31-18.8 so long as job eligibility thresholds continue to be met. Recalculation would require staff to: determine the base amount, determine the applicable bonuses, apply a per job dollar cap, apply a per retained job cap based on capital investment, and apply an annual award cap, which includes consideration of the Net Benefit Test “NBT”. As is consistent with EDA’s current policy, approved by the Board on December 13, 2016, the NBT is run only if the modification requests a change of more than 25% (or 10% for those already capped by the NBT).

For awards over \$4M annually, apply an annual cap determined by the heightened analysis of the economics of the location decision. The location decision occurred at the time of application and approval, so it does not need to be redone.

For GSGZ projects, use the greater of the calculated award or the award determined by dividing the jobs into the capital investment. However, the regulations specifically states that this is done once at project certification. Once this is done, that per job amount is set and used in any future reduction of jobs.

Neither the new per job award, the retained per job award, the annual award or the total maximum award can be increased as a result of this modification. Garden State Growth Zone projects that were otherwise able to increase their number of incented jobs over the credit duration will no longer be eligible to do so.

**CEO TO NEGOTIATE DEFERRAL OF ANNUAL TAX CREDITS N.J.S.A. 34:1B-247(c)(4) (P.L. 2020, c. 156 effective January 7, 2021)**

The statute allows for the CEO to negotiate other deferrals of tax credits. Any such negotiations would be brought to the Board for consideration.

**TERMINATION N.J.S.A. 34:1B-247(g) (P.L. 2020, c. 156 effective January 7, 2021)**

*A business that has entered into an incentive agreement may request before December 31, 2022 to terminate the incentive agreement due to the COVID-19 public health emergency; provided that the business shall submit a certification from the business's chief executive officer or equivalent officer stating that the termination is due to the public health emergency and describing the impact of the public health emergency on the business. All credits for the tax period in which the termination occurs and all subsequent tax periods shall be forfeited, provided however that any credits of the business shall remain unaffected.*

Termination is available for all projects demonstrating changes to business model, real estate decisioning, and job declines related to COVID-19 and may be requested through the end of 2022 with no recapture resulting from the termination. Businesses that have certified but not yet

received any tax credits may terminate the Grow Incentive Agreement with no ongoing compliance requirements. Businesses that have received tax credits can terminate with no recapture or ongoing compliance requirements. Any requested but uncertified or unissued tax credits would be forfeited in consideration of the termination.

Applicants must explain that the impacts of the Health Emergency resulted in changes to the business, the business model, or the continued desire to participate in the Grow Incentive Agreement.

Termination letters will be executed by both parties and will include a provision allowing EDA the ability to seek recapture of any tax credits issued should it be determined that the business decisioning was made without consideration of COVID.

### **PROCESS/FEEES:**

Staff will require a COVID-Relief Election Form to be completed by the businesses that are requesting to suspend, amend, or terminate their Grow NJ awards under these provisions. The form will require that the CEO or equivalent officer certify that no events of default have occurred prior to EO 103 (Health Emergency) in March 2020, and that the QBF remains operational.

Fees for these amendments will follow existing Grow NJ program regulations. Modifications that can be approved under delegated authority will require payment of a minor modification fee; those that require Board approval will require a major modification fee.

### **DELEGATED AUTHORITY:**

Staff requests delegated authority [Level 2: CEO/COO] from the Members to approve COVID Relief Elections and resulting modifications to Grow NJ Incentive Agreements. However, Board approval will be sought for Elections that do not provide a clear or credible connection to the Emergency, if required, and any declinations.

Historically, staff has brought modifications requesting a greater than 25% decrease in jobs to Board for consideration to determine whether the project remained consistent with approval as well as certifications that evidenced a decrease greater than 10% of jobs or salaries for projects that had previously been capped by the NBT. Here, the law permits companies to make elections as to their Grow NJ award and does not require any further consideration.

Because the recalculation and reduction to the award is mathematical and does not change other essential elements of the Grow NJ project, staff is recommending delegated authority to approve these amendments.

All requests for termination will be presented to the Members for consideration. Also, because the law allows companies to elect COVID relief options, any staff recommendations to decline an Election will be presented to the Members for consideration.

All approvals under delegated authority will be reported to the Members quarterly.

**Recommendation:**

Delegate to staff [Level 2: CEO/COO] the authority to amend approved Grow NJ awards in accordance with the COVID relief provisions recently enacted amendments to the Grow NJ law (P.L. 2020, c. 156, eff. January 7, 2021 to be codified as NJSA 43:1B-247 et al), as shown above.

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

Tim Sullivan, CEO

Prepared by: Susan Greitz  
Daniel T. Weick

**GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)  
MODIFICATION**





**MEMORANDUM**

To: Members of the Authority

From: Tim Sullivan  
Chief Executive Officer

Date: February 10, 2021

Subject: Professional Disposable International, Inc. – PROD# 128529  
Grow New Jersey Assistance Program (“Grow NJ”)

**Request**

Consent to 45.7% reduction in the number of new jobs from 265 at approval to 144 new jobs.

As a result of the request change, the approved award will decrease from \$7,990,290 to \$6,206,250. All other terms and conditions of the GrowNJ award will be consistent with the original approval.

The Members are asked to approve this action because it exceeds the criteria for staff delegations to approve these matters.

**Background**

Professional Disposables International, Inc. (“PDI”), established in 1977, and based in Orangeburg, NY, is a manufacturer of infection prevention and sanitization products, provider of contract manufacturing and R&D services that serves customers in the medical, and food service industries.

On May 11, 2017, the members approved a 10-year \$7,990,290 Grow NJ award for the creation of 265 new employees and retention of 43 existing employees at an existing 89,200sf Qualified Business Facility (“QBF”) in Woodcliff Lake Borough. PDI proposed at the time would relocate its 43 R&D employees from its Montvale, NJ facility and 85 headquarter positions from Orangeburg, NY to the QBF. At approval, PDI anticipated making a capital investment of \$12,659,124 for the Grow NJ project.

Subsequently, the company was approved for two six-month certification extensions through May 11, 2021. PDI has spent \$23,952,055 to complete the facility, which opened in February 2019.

PDI represents that it was advised by its consultant at approval to commit to an anticipated new job count based on the full capacity of the QBF. However, PDI has an extended hiring plan beyond certification. The company requests to reduce its new job commitment from 265 to 144. To date, they have 162 total employees at the QBF, of which 119 are new.

As a result of these changes, staff reran the grant calculator and determined that PDI will lose its \$500 bonus per employee for a large number of full-time employees due to the decrease in jobs. The updated award is \$6,206,250. While the QBF is in a priority area subject to a 90% annual withholding limit, the company provided updated salaries results in no projected withholding limit. Therefore, the award remains at \$6,206,250.

Given the change in job numbers has exceeded more than 25% reduction from what was approved, the net benefit to the State over 20 years was recalculated with the updated award. Staff reran the net benefit test using the current model and the salaries recently provided by the company and determined that the project as modified demonstrates a \$70,212,579 net positive benefit to the State over 20 years, which is twice the net benefit estimated at approval. This is likely due to the fact that staff used current salaries, which are considerably more than anticipated at approval in the net benefit calculation. The reduced amount continues to be over 110% of the award.

The project aligns with approval in size and use and has significantly exceeded the expected capital investment and median salary to date. Staff has reviewed the proposed project and determined that it is the same project, albeit with less jobs.

The Members are asked to approve the decrease in jobs exceeds the 25% decrease in jobs threshold for staff delegations to approve these matters.

### **Summary of Project Changes**

	<b><u>At Approval</u></b>	<b><u>Proposed</u></b>
	265 (New)	144 (New)
	<u>43 (Retained)</u>	<u>43 (Retained)</u>
Proposed Jobs	308	187
Median Salary	\$102,125	\$100,000
Mean Salary	\$85,000	\$122,903
Base Award per Employee	\$3,000	\$3,000
Bonus Increases:		
Salary in Excess of Avg	\$250	\$250
Large # of FT Jobs	\$500	\$0
Targeted Industry (Mfg)	\$500	\$500
Square Footage	89,200	89,200
Capital Investment at QBF	\$12,659,124	\$12,659,124
Gross Benefit to the State (Over 20 Years, Prior to Award)	\$43,116,651	\$77,233,837

Net Benefit to the State (Over 20 Years, Net of Award)	\$35,126,361	\$70,212,579
Total Award Amount	\$7,990,290*	\$6,206,250

*\* The applicant had selected the total annual award based on the estimated 90% withholding limit rather than the statutorily calculated award.*

**Recommendation**

Consent to 45.7% reduction in the number of new jobs from 265 at approval to 144 new jobs.

As a result of the requested changes, the approved award will decrease from \$7,990,290 to \$6,206,250. All other terms and conditions of the Grow NJ award will be consistent with the original approval.




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Tim Sullivan, CEO

Prepared by: Vincent Man

## **NJ FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM**

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

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the 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 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

**APPLICANT:** Listen Film LLC

PROD-00187511

**APPLICANT BACKGROUND:**

Listen Film LLC is the production company responsible for “Listen”. The story involves a dedicated and bright intelligence operative in Israel’s elite 8200 unit following in the footsteps of her father who was killed in a terrorist attack.

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

**ELIGIBILITY AND TAX CREDIT CALCULATION:**

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

1. Total Film Production Expenses: A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2023 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	\$864,940
B. Total Post-Production Expenses	\$159,042
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	\$705,898
Percentage Calculation = $C/(A-B)$	100%
<b>Criterion Met</b>	<b>Yes</b>

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than \$1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup,

wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a “qualified film production expenses” unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). “Qualified film production expenses” shall not include: expenses incurred in marketing or advertising a film; and payment in excess of \$500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Total Qualified Film Production Expenses incurred in NJ in two privilege periods, of which at least \$1 million is incurred in a single privilege period after July 1, 2018.	\$705,898
<b>Criterion Met</b>	<b>No</b>

#### AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Qualified Film Production Expenses	$\$705,898 \times 30\% =$	\$211,769.40
<b>Bonus Criteria Met</b>		
Submission of Diversity Plan (attached) deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	$\$705,898 \times 2\% =$	\$14,117.96
5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$\$0 \times 5\% =$	\$0
<b>Total Award</b>		<b>\$225,887.36</b>

<b>APPLICATION RECEIVED DATE:</b>	4/4/2019 (Application #17)
<b>DATE APPLICATION DEEMED COMPLETE:</b>	6/10/2019
<b>PRINCIPAL PHOTOGRAPHY COMMENCEMENT:</b>	5/1/2019
<b>PRINCIPAL NJ PHOTOGRAPHY LOCATION:</b>	East Rutherford, NJ
<b>ESTIMATED DATE OF PROJECT COMPLETION:</b>	12/1/2020
<b>APPLICANT'S FISCAL YEAR END:</b>	12/31/2021
<b>TAX CREDIT VINTAGE YEAR(S):</b>	2021
<b>TAX FILING TYPE:</b>	Corporate Business Tax
<b>ANTICIPATED CERTIFICATION DATE:</b>	2/28/2021

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to

N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act originally provided a total of \$75 million in tax credits for State Fiscal Year 2019 and increased to \$100 million as amended by law on 1/21/2020. The program amendment also allows \$50 million of unused allocation to carry over to the subsequent State Fiscal Year. As a result, \$150 million of film tax credits are available for State Fiscal Year 2021. After today's approvals, \$145.8 million remains in the program for State Fiscal Year 2021 which may be available to 20 additional applications in the pipeline totaling \$70.2 million.

**APPROVAL REQUEST:**

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

**APPROVAL OFFICER:** S. Novak

## **COVID-19 PROGRAM**





## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** February 10, 2021

**RE:** Sustain and Serve NJ

### **Summary**

The Members are asked to approve:

1. A Memorandum of Understanding (MOU) with the New Jersey Department of the Treasury (Treasury) whereby the EDA will reallocate funds received from the Coronavirus Relief Fund for the New Jersey Small and Micro Business PPE Access Program, the Small Business Emergency Assistance Grant Program and COVID19 Emergency Assistance Programs and General Administrative Expenses and accept \$2,400,000 (with delegated authority to the Chief Executive Officer to accept an additional \$2,000,000) from the Coronavirus Relief Fund for the purposes of funding eligible grant requests under the Sustain and Serve NJ Program, and agree to comply with federal requirements for the use of those funds, and delegated authority to the Chief Executive Officer to amend existing CRF MOUs to reallocate the funds;
2. An extension to the deadline for Sustain and Serve NJ grant recipients to incur eligible expenses from participating restaurants that can be paid for using Sustain and Serve NJ grant funding, with delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Senior Vice President) to further extend the deadline if necessary, contingent upon the timeframe complying with applicable federal and Treasury requirements for the use of those funds; and
3. Delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Senior Vice President) to accept other governmental (Federal, State or County) funding and/or unrestricted gifts or grants, or dedicate previously received unrestricted gifts or grants, to fund the Sustain and Serve NJ Program.

## **Background**

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. Governor Murphy has continued to extend the Public Health Emergency since that date. Subsequent containment measures were implemented, including restrictions on public gatherings and mandated closure of non-essential businesses. While these measures are consistent with similar measures being taken nationally that are expected to limit the public's exposure to COVID-19, there has been and will continue to be a significant adverse impact on our state's economy.

Businesses classified as "Food Services and Drinking Places" under NAICS code 722 (described in this document as "Restaurants"), have been disproportionately impacted by COVID-19, because of caps on location dining and unusual costs incurred to adapt business models for safe operations.

With the Public Health Emergency in place and millions of New Jerseyans abruptly staying home, restaurant revenue plummeted or disappeared, and many restaurants have had little choice but to change – or abandon – their operating model overnight, with some having to close their doors completely and lay off or furlough all staff. Many restaurants that have changed their model have rapidly shifted to a takeout-only model, which resulted in a significant reduction in staff.

In response to the economic challenges facing these restaurants, the Members approved the creation of Sustain and Serve NJ on November 13, 2020. Sustain and Serve NJ is a pilot program that provides grant funding to entities to support prospective expenses directly tied to bulk purchasing of meals from New Jersey-based restaurants. Sustain and Serve NJ provides urgently needed revenue to restaurants to offset direct losses due to COVID-19, and grant recipients must distribute meals purchased from these impacted restaurants for free.

The approval from the Members in November 2020 included the utilization of \$2 million in funding from Economic Recovery Fund, which would be divided amongst all eligible entities to ensure that any eligible applicant received some amount of grant funding, be it either exactly what they requested, or an amount proportional to their request if the program was oversubscribed, but no less than the minimum grant award of \$100,000.

Upon announcing the program shortly after the Members' approval and furthermore after launching the grant application on December 16, 2020, it was apparent that there was significant interest in the program from both potential grant applicants as well as potential participating restaurants. When the application period finally closed on January 8, 2021, the Authority had received applications from 43 entities for more than \$17 million in funding requested, far surpassing the \$2 million program pool. These entities proposed to purchase meals from more than 350 New Jersey-based restaurants. If all applicants were found to be eligible, this would also far exceed the Authority's ability to make minimum grants of \$100,000 with a \$2 million grant pool. Furthermore, more than 420 restaurants have volunteered to be listed on a registry to

publicly express interest in being involved in the program as a participating restaurant from which grant recipients would purchase meals.

Upon a preliminary review of the applications, the Authority determined that some applicants did not meet the eligibility requirements. Based on the applicants that are currently undergoing a more thorough review, the total funding requested for Sustain and Serve NJ currently stands at \$14,207,850 for 28 applicants, still far surpassing the available funds. This number is subject to change as additional applicants may be determined to be ineligible following a more thorough review process that is still underway.

### **Additional Funding/Programmatic Change**

The Authority has entered into MOUs with Treasury for the purposes of utilizing CRF funding across a number of assistance programs, and to date, the Authority anticipates having \$10-11 million in CRF funding available after these programs are funded. Given that there is CRF funding still remaining, and that the Sustain and Serve NJ program is so significantly oversubscribed, staff is requesting the Members' approval to execute an MOU with the New Jersey Department of the Treasury to fund eligible grant requests under the Sustain & Serve program by reallocating and utilizing this unused CRF funding, and accept up to \$2.4 million in additional funding. This funding would be in addition to the \$2 million in ERF funding previously approved by the Members in November 2020. The ERF funding will be used if the CRF funding is fully exhausted without satisfying all eligible grant requests. Because additional CRF funds may become available, staff is requesting delegated authority to the Chief Executive Officer to accept up to \$2 million in additional CRF moneys. Staff is also requesting delegated authority to the Chief Executive Officer to enter into necessary amendments to the existing MOUs with Treasury for CRF funds for the small and medium business grant program, the PPE program, and administrative costs to reallocate the unused funds.

While staff believe that this combination of CRF and ERF funding will be sufficient to fully satisfy all eligible grant requests, we are requesting delegated authority for the Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Senior Vice President to accept other governmental (Federal, State or County) funding and/or unrestricted gifts or grants, or dedicate previously received unrestricted gifts or grants, to fund Sustain and Serve NJ, which will enable the Authority to more quickly secure additional funding if necessary to fully satisfy the eligible grant requests.

If no additional funding sources are available, the Authority will prorate grant awards based upon the amount determined by staff for each eligible applicant, reducing all grant awards to reflect an eligible applicant's share of the eligible pool, as was outlined in the November 2020 memorandum. This will ensure that all eligible entities receive a Sustain and Serve grant, even if it is not the full amount that was requested on the application.

In its initial memorandum to the Board, the Authority had anticipated the potential use of CRF funds for this program and included at that time some requirements and provisions necessary to comply with the use of Federal funding. The Members' approval also included delegation to the Chief Executive Officer or any Senior Vice President to impose additional requirements as may

be required by law as a condition of accepting any available governmental (Federal, State or County), provided that the requirements are consistent with the parameters of the program.

In addition to the provisions already in the program related to utilization of Federal funding, staff intends to include some additional requirements. Specifically, the Authority expects to check the applicants and participating restaurants against the Federal System for Award Management (SAM) to ensure these entities are not debarred and will also request information from applicants and/or participating restaurants to comply with Federal duplication of benefits provisions. These specific changes do not require the Members' approval as they are authorized under the delegated authority that was granted in the November 2020, but staff wishes to highlight these additional requirements in this memorandum for public transparency purposes.

Members are requested to approve a programmatic change to the deadline by which Sustain and Serve NJ grant recipients must incur their expenses in order to be considered an eligible use of grant funding. Given that the utilization of CRF may delay the ability for the Authority to enter into grant agreements from the timeframe the Authority had originally expected, staff is requesting an extension to the deadline for all grant recipients to incur eligible expenses from participating restaurants that can be paid for using Sustain and Serve NJ grant funding. Grantees will be required to submit requests with sufficient time for staff to review and disburse by no later than June 30, 2021. This additional time will account for any delays tied to the utilization of CRF, while also ensuring that grant recipients have additional time to incur expenses and utilize their full approved grant award. Staff is also requesting delegated authority for the Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Senior Vice President to further extend the deadline if needed by the grantees, contingent upon the timeframe complying with federal and Treasury requirements for the use of those funds.

### **Recommendation**

Approval is requested for:

1. A Memorandum of Understanding (MOU) with the New Jersey Department of the Treasury (Treasury) whereby the EDA will reallocate funds received from the Coronavirus Relief Fund for the New Jersey Small and Micro Business PPE Access Program, the Small Business Emergency Assistance Grant Program and COVID19 Emergency Assistance Programs and General Administrative Expenses and accept \$2,400,000 (with delegated authority to the Chief Executive Officer to accept an additional \$2,000,000) from the Coronavirus Relief Fund for the purposes of funding eligible grant requests under the Sustain and Serve NJ Program, and agree to comply with federal requirements for the use of those funds, and delegated authority to the Chief Executive Officer to amend existing CRF MOUs to reallocate the funds;
2. An extension to the deadline for Sustain and Serve NJ grant recipients to incur eligible expenses from participating restaurants that can be paid for using Sustain and Serve NJ grant funding, with delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Senior Vice President) to further extend the deadline if necessary, contingent upon the timeframe complying with applicable federal and Treasury requirements for the use of those funds; and

3. Delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Senior Vice President) to accept other governmental (Federal, State or County) funding and/or unrestricted gifts or grants, or dedicate previously received unrestricted gifts or grants, to fund the Sustain and Serve NJ Program.



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Tim Sullivan, CEO

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Prepared by: Tara Colton/Pat Rose

Attachments

Exhibit A – Proposed Memorandum of Understanding

Exhibit B – Revised Program Specifications

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE TREASURER OF THE STATE OF NEW JERSEY  
AND  
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
FOR  
NJEDA SUSTAIN AND SERVE NJ PROGRAM**

This **MEMORANDUM OF UNDERSTANDING** ("MOU") made by and between the TREASURER ("Treasurer") of the New Jersey Department of the Treasury ("Treasury") and the NEW JERSEY ECONOMIC AUTHORITY ("Authority"), an instrumentality of the State of New Jersey (the "State"). The Authority and the Treasurer may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

**PREAMBLES**

**WHEREAS**, due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

**WHEREAS**, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States declared a national state of emergency; and

**WHEREAS**, in response to the COVID-19 Pandemic, Congress enacted the "Coronavirus Aid, Relief and Economic Security Act," P.L. 116-136, codified at 134 Stat. 281 (the "CARES Act"); and

**WHEREAS**, the CARES Act provides, among other thing, some fiscal relief to the states; and

**WHEREAS**, in response to the continuation of the COVID-19 Pandemic, Congress enacted the Consolidated Appropriations Act, 2021 P.L. 116-260; and

**WHEREAS**, the Consolidated Appropriations Act, 2021 provides, among other things, an extension to December 31, 2021 of the deadline for use of CARES Funds; and

**WHEREAS**, pursuant to the Fiscal Year 2020 Appropriations Act, L. 2020, c. 97 (the "FY 2021 Appropriations Act"), monies received from the federal government pursuant to a federal economic stimulus bill are appropriated to the applicable State entity to be spent on the purposes authorized by the federal economic stimulus bill; and

**WHEREAS**, the State received \$2.4 billion (the "CARES Funds") from the federal government under the CARES Act, which monies must be used in conformance with the requirements of the CARES Act; and

**WHEREAS**, the Authority and Treasurer entered into MOUs, and amendments, for the Small Business Emergency Assistance Grant Program and for the NJ Small and Micro Business PPE Access Program, which

included funding for some administrative costs for those programs, and subsequently entered into an MOU for COVID19 Emergency Assistance Programs and General Administrative Expenses, which MOUs have been amended and extended a number of times (collectively "Existing MOUs"); and

**WHEREAS**, the Authority launched the Sustain and Serve NJ Program in December 2020, which program supports restaurants and other businesses classified as "Food Services and Drinking Places" under NAICS code 722, which were disproportionately impacted by COVID-19 because of caps on location dining and unusual costs incurred to adapt business models for safe operations; and

**WHEREAS**, as approved by the Authority's Board originally, the program made up to \$2,000,000 from the Economic Recovery Fund (ERF) available for grants to eligible public or private entities, including eligible 501(c) non-profit organizations, of at least \$100,000 to support prospective expenses directly tied to bulk purchasing of meals from New Jersey-based restaurants negatively impacted by COVID-19; and

**WHEREAS**, the Notice of Funding Availability was posted on December 9, 2020; applications were accepted from December 16, 2020 through January 8, 2021; the Authority received 43 applications, requesting \$17,660,500; of those, 13 applications (totaling \$3,252,650) did not pass the initial eligibility review; the remaining 30 applications (totaling \$14,407,850 million) are undergoing a more in-depth review; and

**WHEREAS**, the Authority has requested (1) the funds remaining under the Existing MOUs after all applications and administrative costs have been processed be reallocated to fund the Sustain and Serve NJ Program, which amount is approximately \$10,000,000; (2) Treasury provide an additional \$2,000,000 to use for grant funding, plus \$400,000 to use for administrative costs for the Sustain and Serve NJ Program. These funds would be used prior to the \$2 million in ERF funding for eligible applications; and

**WHEREAS**, the Treasurer has determined that it would be in the best interests of the State to use a portion of the CARES Funds, in an amount not to exceed \$12,807,850.00, to fund the Authority's Sustain and Serve NJ Program; and

**WHEREAS**, pursuant to this MOU, the Parties wish to set forth their understandings with respect to providing reimbursement to the Authority; and

**WHEREAS**, N.J.S.A. 52:14-1 et seq. authorizes State agencies to enter into agreements to provide assistance to each other.

**NOW, THEREFORE**, the Treasurer and the Authority agree as follows:

#### Section 1. Grant Award.

Subject to the terms and conditions of this MOU, the Treasurer, as recipient of the CARES Funds, shall make available to the Authority funds in the amount not to exceed Twelve Million, Eight Hundred and Seven Thousand, Eight Hundred Fifty Dollars (\$12,807,850.00) (the "Grant Funds") for the purpose of funding the Program and administrative costs. Treasury shall provide the amount of Two Million, Four Hundred Thousand Dollars (\$2,400,000) upon execution of this MOU, and NJEDA shall reallocate an amount not to exceed Ten Million, Four Hundred and Seven Thousand, Eight Hundred Fifty Dollars

(\$10,407,850) from Existing MOUs.

- Approximately \$12,407,850 to be used for grants to eligible applicants for the Sustain and Serve NJ Program, which final amount shall be determined by NJEDA and provided in writing to the Treasurer based on the amount of unused funding under the Existing MOUs after all applications and administrative costs have been processed; and
- \$400,000 in administrative costs incurred in connection with the Authority's implementation of the Sustain and Serve NJ Program, including staff time that is not included in the Existing MOUs.

#### Section 2. Terms of the Grant Award

The Authority will use Grant Funds for grants to eligible applicants for the Sustain and Serve NJ Program and up to \$400,000 in administrative costs incurred in connection with the Authority's implementation of the Sustain and Serve NJ Program, as set forth in Exhibit A, attached hereto and made a part hereof. Any material changes to the use of Grant Funds must be approved by the Treasurer prior to implementation of any such changes, except to the extent such changes are required to conform to federal requirements or conditions of funding.

#### Section 3. Responsibilities of the Authority

3.1 All Grant Funds must be disbursed by the Authority no later than June 30, 2021. Based upon reports submitted by the Authority to the Treasurer prior to June 30, 2021, the Treasurer may extend the disbursement date to December 30, 2021. To ensure compliance with the CARES Act and U.S. Department of the Treasury requirements, all Grant Funds must be expended by grantees no later than December 30, 2021.

3.2 The Authority shall comply with the CARES Act, including, but not limited to, the U.S. Department of the Treasury Guidance and Frequently Asked Questions, as they may be updated.

3.3 In the event that the Authority does not disburse all of the Grant Funds by the time set forth in Section 3.1 above, the Authority shall promptly remit to the Treasurer the balance of the remaining Grant Funds.

3.4 If the CARES Funds allocated to the Sustain and Serve NJ Program are fully exhausted without satisfying all eligible grant applications, or if eligible grant applications have not yet been funded when any remaining Grant Funds are returned to Treasury pursuant to subsection 3.3, the Authority will utilize the \$2 million in ERF funding previously allocated to this program.

3.5 The Authority shall be responsible for using the Grant Funds in accordance with all applicable State and federal laws and regulations. It shall be the Authority's responsibility to require that all of its grantees adhere to all applicable State and federal laws and regulations. The Authority shall conduct all necessary monitoring for such compliance. To the extent that the U.S. Department of the Treasury audits the use of the Grant Funds, the Authority shall respond to such audit(s). The Authority shall also be responsible for any recoupment of the Grant Funds that the U.S. Department of the Treasury may require.



3.6 The monitor for the Authority for this MOU is the Chief Legal and Strategic Affairs Officer, who shall be responsible for overseeing the successful performance and completion of the Authority's obligations as provided in this MOU. The Authority shall submit a report of project progress to the Treasurer on a schedule and dates to be provided by the Authority. The Authority shall be required to obtain any necessary information from recipients of the Grant Funds to indicate compliance by recipients with Program and federal requirements.

3.7 The Authority will provide the New Jersey Office of Emergency Management ("NJOEM") documentation in its NJEMgrants.org grant tracking system showing a full itemized accounting of 100% of the eligible costs. The Authority is responsible for tracking and verification of all costs.

3.8 The Authority is responsible for ensuring the Grant Funds do not constitute a Duplication of Benefits as defined by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. The Authority shall establish appropriate policies and procedures to prevent Duplication of Benefits and shall cooperate with other State departments and agencies to prevent and rectify Duplication of Benefits, which may include, but is not limited to, recoupment of Grant Funds.

#### Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either the Authority or the Treasurer upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below. The term of this MOU shall be for a period of two (2) years from the Effective Date unless extended by agreement of the Parties.

4.6 The Treasurer and the Authority shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

**IN WITNESS WHEREOF**, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

**Treasurer of the State of New Jersey**

\_\_\_\_\_ Date: \_\_\_\_\_  
By: Elizabeth Maher Muoio

**New Jersey Economic Development Authority**

----- Date: -----  
By: Tim Sullivan, Chief Executive Officer

Attachment: Exhibit A – Sustain and Serve NJ Program Specifications

DRAFT

<b>Sustain and Serve NJ Revised Program Specifications February 10, 2021</b>	
<b>Funding Source</b>	<ul style="list-style-type: none"> <li>Approximately \$13,400,000 – Coronavirus Relief Fund <ul style="list-style-type: none"> <li>\$10-11 million reallocated from other EDA CRF uses</li> <li>\$2.4 million in new CRF funds with delegated authority to the CEO to accept an additional \$2 million</li> </ul> </li> <li>Up to \$2,000,000 – Economic Recovery Fund</li> </ul>
<b>Program Purpose</b>	To provide urgently needed revenue to New Jersey-based restaurants to offset direct losses due to COVID-19. This included restaurants that had temporarily closed; were preparing to close; and/or reduced their staff through layoffs or furloughs.
<b>Eligible Applicants</b>	<p>Any public or private entity, including all 501(c) non-profit organizations, that can demonstrate as applicable:</p> <ul style="list-style-type: none"> <li>Legal registration to do business in New Jersey, as evidenced by a NJ Business Registration Certificate</li> <li>Check against the Federal System for Award Management (SAM) to ensure entity is not debarred.</li> <li>Good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor; and</li> <li>A tax clearance certificate from the New Jersey Division of Taxation, prior to execution of grant agreement.</li> <li>Must be able to demonstrate capacity to bulk purchase meals, as evidenced by purchases of a minimum of 3,000 meals and \$50,000 during the time period of March 9, 2020 – date of program application launch (expected to be December 2020).</li> <li>Restaurants cannot apply directly for grants.</li> <li>Grant recipients are prohibited from reselling meals that are purchased using grant funding.</li> </ul> <p>Grant applications must also demonstrate, as part of the grant application, the following requirements were met by restaurants from which the grant applicants will be bulk purchasing meals:</p> <ul style="list-style-type: none"> <li>Restaurant is classified as “Food Services and Drinking Places” under NAICS code 722</li> </ul>

<b>Sustain and Serve NJ Revised Program Specifications February 10, 2021</b>	
	<ul style="list-style-type: none"> <li>• 50 or less full-time equivalent employees at time of application, based on the company's most recently filed WR-30 with NJDOL.</li> <li>• Physical commercial location in New Jersey</li> <li>• Legal registration to do business in New Jersey, as evidenced by a NJ Business Registration Certificate</li> <li>• Good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor</li> <li>• Check against the Federal System for Award Management (SAM) to ensure entity is not debarred.</li> <li>• If the restaurant is regulated by the Division of Alcoholic Beverage Control (ABC), then it must also be in good standing with ABC, with all decisions of good standing at the discretion of the ABC.</li> <li>• Current and valid certification from municipal and/or county government inspection that the restaurant has received a rating of Satisfactory as per New Jersey Retail Food Establishment Rating system</li> <li>• Satisfaction of the requirement by the New Jersey Division of Taxation with regard to taxes, which may be through a tax clearance certification or verification from the Division of Taxation that the restaurant is in good standing and does not have tax debts due to the State</li> <li>• Attestation from the restaurant that they were in operation on February 15, 2020, and that they have been negatively impacted by the COVID-19 declared state of emergency on March 9, 2020 (e.g., was temporarily shut down, was forced to reduce hours, has had a drop in revenue, has been materially impacted by employees who cannot work due to the outbreak, or has a supply chain that has materially been disrupted and therefore slowed firm-level production). Grant applicants/recipients will be responsible for providing to the Authority any necessary supporting information and documentation from on behalf of the restaurants to verify eligibility – whether that be as part of the application process, prior to grant agreement, or following execution of a grant agreement as part of an audit the Authority, U.S. Treasury, or any other relevant State or federal entity</li> </ul>

<b>Sustain and Serve NJ Revised Program Specifications February 10, 2021</b>	
	<p>reserves the right to may conduct against the certifications provided at application.</p> <p>Prohibited businesses include, but are not limited to: gambling or gaming activities; the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes.</p>
<b>Eligible Uses</b>	<p>Grant funding can only be used for direct costs associated with bulk purchasing of meals that are projected to be after the date of grant execution. Grantees will be required to submit requests with sufficient time for staff to review and disburse by no later than June 30, 2021. These direct costs include:</p> <ul style="list-style-type: none"> <li>• Cost of food and ingredients</li> <li>• Costs incurred by the restaurant for labor, packaging, and facilities</li> <li>• Any profit margin for the restaurant</li> </ul> <p>No other expense incurred by the applicant, whether in support of the meal purchase from the restaurant or otherwise, is eligible. This includes, but is not limited to: indirect/overhead costs incurred by the applicant (e.g. rent, insurance), transportation, distribution, marketing, communications, sales tax and gratuity.</p>
<b>Application Process and Board Approval/ Delegated Authority</b>	<ul style="list-style-type: none"> <li>• Online application. Applications will be accepted during a defined application period, and all applications will be reviewed following the closure of the application period.</li> <li>• Delegation to Authority staff (any Managing Director or Senior/Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications to the Sustain and Serve NJ Program, and because the specifications are streamlined and will result in non-discretionary decisions, the</li> </ul>

<b>Sustain and Serve NJ Revised Program Specifications February 10, 2021</b>	
	<p>delegated authority requested includes the authority to decline and issue final administrative decisions</p> <ul style="list-style-type: none"> <li>• Businesses 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 3 days but no longer than 10 days). The CEO or any Senior/Executive Vice President will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which must be approved, and a Final Administration Decision issued, a Senior Vice President, Executive Vice President, Vice President, Managing Director, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.</li> <li>• Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept reimbursement of the Authority funding for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program.</li> <li>• Delegation to Authority staff (Chief Executive Officer or any Senior Vice President) to accept unencumbered gifts for the purposes of expanding the funding pool of the Sustain and Serve NJ program.</li> </ul>
<b>Grant Amounts</b>	<ul style="list-style-type: none"> <li>• Minimum Grant Amount: \$100,000</li> <li>• Specific grant awards to be calculated based on the projected number of meals to be purchased and estimated cost (per meal), excluding sales tax and gratuity. All meal purchases must be based on and supported by a flat rate per meal.</li> <li>• While there is no exclusion for entities purchasing meals at more than \$10/meal, grant funding will be capped at \$10/meal.</li> </ul>

<b>Sustain and Serve NJ Revised Program Specifications February 10, 2021</b>	
	<ul style="list-style-type: none"> <li>Once the Authority receives all applications, if the total amount grant funding requested among all eligible applications exceeds the \$2 million available for this program, the Authority will prorate grant awards based upon the amount determined by staff for each eligible applicant, reducing all grant awards to reflect an eligible applicant's share of the eligible pool.</li> </ul>
<b>Funding Disbursement</b>	<ul style="list-style-type: none"> <li>The total grant award will be disbursed incrementally as eligible projected expenses are incurred and disbursement is requested from the Authority by the grantee.</li> <li>These disbursement requests must be evidenced by documentation supporting that the expenses were actually incurred and consistent with eligible uses of grant funding (i.e. the quantity of meals purchased, the cost per meal, and the restaurant from which the meals were purchased).</li> </ul>
<b>Fees</b>	<ul style="list-style-type: none"> <li>Due to the financial hardship experienced by restaurants, there will be no fees associated with the Sustain and Serve NJ Program.</li> </ul>

## **AUTHORITY MATTERS**





## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** February 10, 2021

**RE:** Delegation of Authority Update and Clarification

### **Summary**

The Members are asked to approve an update and clarification to prior delegations of authority. To the extent that prior approvals have delegated authority to one or more Senior Vice Presidents, approval is sought to include four new titles in those delegations: Chief Operations and Compliance Officer, Chief Community Development Officer, Chief Economic Growth Officer, and Chief Legal and Strategic Affairs Officer.

### **Background**

On January 14, 2021, the Chief Executive Officer announced a realignment to better orient the organization to deliver on the Authority's mission statement and maximize the impact of the new programs authorized by the Economic Recovery Act of 2020, P.L. 2020, c. 156. Four of the Authority's Senior Vice Presidents were named as Chief Operations and Compliance Officer, Chief Community Development Officer, Chief Economic Growth Officer, and Chief Legal and Strategic Affairs Officer.

Over the years, the Members have approved delegations of authority to one or more Senior Vice President. For example, on May 16, 2014, the Members approved Administrative Operating Authority that delegated authority to Senior Vice Presidents to initiate and execute expenditures with a vendor or a contractor up to \$150,000, to the Senior Vice President – Operations to sign administrative checks up to \$1,000,000 and initiate or confirm outgoing wire transfers in any amount, and to the Senior Vice President – Operations to establish investment policy and practice. By way of another example, during 2020 in connection with the Authority's COVID relief programs, the Members delegated authority to Senior Vice Presidents to:

- accept other governmental (Federal, State or County) funding and/or unrestricted gifts or grants, or dedicate previously received unrestricted gifts or grants approve appeals;

- impose additional requirements as may be required by law as a condition of accepting governmental (Federal, State or County) funding, provided that the requirements are consistent with the parameters of the program; and
- decline applications for non-discretionary reasons and issue final administrative decisions.

In order to clarify these prior delegations and ensure implementation of the Board's prior approvals proceeds uninterrupted, staff recommends that the Members delegate authority to persons holding the four new titles – Chief Operations and Compliance Officer, Chief Community Development Officer, Chief Economic Growth Officer, and Chief Legal and Strategic Affairs Officer – consistent with prior delegations to persons holding the title of Senior Vice President.

### **Recommendation**

The Members are asked to approve an update and clarification to delegations of authority. To the extent that prior approvals have delegated authority to one or more Senior Vice Presidents, approval is sought to include four new titles in those delegations: Chief Operations and Compliance Officer, Chief Community Development Officer, Chief Economic Growth Officer, and Chief Legal and Strategic Affairs Officer.



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Tim Sullivan  
Chief

Executive

Officer  
Prepared by: Christine Baker



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Kevin A. Quinn  
Chairman

**DATE:** February 10, 2021

**RE:** Extension of Memorandum of Understanding Capital City Redevelopment Corporation

**Request:**

The Members are asked to approve the extension of a Memorandum of Understanding ("MOU") between the Capital City Redevelopment Corporation ("CCRC") and the New Jersey Economic Development Authority ("Authority" or "NJEDA") as an inter-department governmental agreement confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority's support services to CCRC. This extension will also be considered by the CCRC at its Annual Board of Directors meeting on February 16, 2021.

**Background:**

CCRC was created in 1987 as an instrumentality of the State pursuant to N.J.S.A. 52:9Q-9 et seq to plan, coordinate, and promote the public and private development within a Capital District defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located. CCRC is governed by a Board of Directors consisting of the Commissioner of Community Affairs, the Commissioner of Transportation, the State Treasurer, and the Mayor of the City of Trenton, all ex-officio, and seven public members, four of whom are appointed by the Mayor of the City of Trenton and three of whom are appointed by the Governor. CCRC has redevelopment powers, including the authority to manage redevelopment projects and act as a municipal redevelopment entity or redeveloper for the City of Trenton, as well as limited bonding authority in support of economic development.

CCRC has and will continue an existing Memorandum of Understanding with the State Department of the Treasury under which Treasury provides accounting and financial reporting support to CCRC.

Per the original MOU (executed August 5, 2014 for one year with a one year renewal option) the CCRC has requested that the Authority provide key support services. In particular, the Authority will provide staff and administrative services in support of CCRC, including but not limited to corporate governance, public information, and Board support; legal services through the Attorney General's office; and policy and development assistance. The Authority will continue to work with CCRC and the City of Trenton to support specific project development. In these efforts, the Authority will partner with additional state and county agencies and other stakeholders in support of the overall revitalization of the Capital District. Future transactional real estate activity may result in fee for service work, as agreed to by the parties and consistent with how the Authority's Real Estate Division customarily charges for its assistance.

**Recommendation:**

The Board Members are asked to approve the extension of the current Memorandum of Understanding between the Authority and CCRC through February 2022.

A handwritten signature in black ink, appearing to read 'K. Quinn', is positioned above a horizontal line.

Kevin Quinn, Chairman

Prepared by Danielle Esser

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CAPITAL CITY REDEVELOPMENT CORPORATION AND  
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

This Memorandum of Understanding (MOU), made as of August 5<sup>th</sup>, 2014, will confirm the mutual understanding and intention between the Capital City Redevelopment Corporation ("CCRC") and the New Jersey Economic Development Authority ("NJEDA", and collectively, CCRC and NJEDA are referred to as the "Parties") as to the following:

**WHEREAS**, CCRC was created pursuant to N.J.S.A. 52:9Q-9 et seq. (the "CCRC Act") to plan, coordinate, and promote the public and private development within a capital district defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located; and

**WHEREAS**, NJEDA was created pursuant to N.J.S.A. 34:1B-1 et seq. to issue tax exempt and taxable bonds, make direct loans and guarantees, operate a real estate development program, among other things, for the purpose of promoting employment and increasing tax ratables in the State of New Jersey (the "State") ; and

**WHEREAS**, in support of the purposes of CCRC and in an effort to assist CCRC, NJEDA will provide office staff and support services required to carry out the policies set forth by CCRC; and

**WHEREAS**, NJEDA staff has expertise in financial analysis, loan review, loan closing, real estate project development, marketing services and other related activities necessary to CCRC carrying out its mission; and

**WHEREAS**, NJEDA staff has provided loan review, closing, and post-closing services from time to time to CCRC; and

**WHEREAS**, it is in the best interest of the Parties to enter into this MOU regarding the provision of NJEDA staff and administrative services in support of CCRC; and

**WHEREAS**, it is CCRC's intent to continue its existing MOU with the State Department of the Treasury ("Treasury") under which Treasury provides accounting and financial reporting support to CCRC including, but not limited to procurement of an independent auditor and necessary insurance; and

**WHEREAS**, the Parties enter into this MOU as an inter-department governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

**NOW, THEREFORE**, NJEDA and CCRC, in order to effectively and efficiently carry out their respective statutory mandates, agree to the following:

1. NJEDA will make available on an as-needed basis NJEDA staff who will utilize a portion of their time as follows:
  - a. Carrying out the policies and directions of CCRC with respect to activities for which CCRC has statutory authority, including, but not limited to, undertaking activities as a municipal redevelopment entity or redeveloper, and
  - b. Providing administrative and support services to meet the needs of CCRC, including but not limited to, corporate governance and public information support services such as CCRC Board meeting support, liaison with Governor's Office and Authority's Unit, records custodian and assistance with Open Public Records Act information requests, guidance on ethics matters and liaison with State Ethics Commission, media outreach and management, and legislative support.
2. As part of the services provided by NJEDA in paragraph 1 above, NJEDA will provide legal services to CCRC from NJEDA-assigned Deputy Attorneys General.
3. NJEDA agrees to provide written reports as needed, and upon request, to the CCRC Board detailing any staff services provided for in paragraph 1 above. Both Parties anticipate that the CCRC Board will meet on a quarterly basis unless more frequent meetings become necessary.
4. It is the intent of the Parties that CCRC will not compensate NJEDA for the costs incurred on behalf of CCRC for the services provided for in paragraph 1.b above. Any compensation for NJEDA for the costs incurred on behalf of CCRC for the services provided for in paragraph 1.a will be mutually agreed upon in writing before beginning the activity.
5. NJEDA will cooperate with Treasury's accounting and financial reporting support for CCRC, including, but not limited to, completing all necessary audits of CCRC.
6. Staff services set forth in paragraph 1 will be conducted from NJEDA's main or satellite offices or as otherwise allowed by NJEDA policy for NJEDA personnel.
7. NJEDA will make available conference room(s) at NJEDA's main or satellite offices for regular and special meetings of the CCRC Board and will provide conference room space at NJEDA's main or satellite offices so that CCRC Board members may transact the business of CCRC.

8. NJEDA will identify a NJEDA staff who will be the primary contact staff for the public and the CCRC Board regarding CCRC matters.
9. The CCRC Board, as constituted by statute, will continue to function as the exclusive entity empowered to make discretionary decisions for CCRC, including the selection of independent auditors, except as delegated from time to time.
10. All expenses related to the Capital City Redevelopment Loan and Grant Fund and all other assets carried on the CCRC balance sheet will be paid for by CCRC and will be reflected in CCRC's financial statements.
11. This MOU shall not take effect unless approved by the Boards of the NJEDA and CCRC and executed by the authorized representatives of NJEDA and CCRC. This MOU becomes effective immediately upon execution and shall remain in effect for one (1) year, unless terminated sooner pursuant to Section 13 below. This MOU may subsequently be extended for one year upon mutual written consent of the Parties.
12. The Parties are entering into this MOU for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the provision of NJEDA support services to CCRC. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees. This MOU may also be terminated by the Board of either Party upon 60 days prior written notice to the other. There are no third party beneficiaries of this MOU.
13. The Parties acknowledge that they are both public entities of the State of New Jersey. Therefore, the Parties agree that each entity shall be liable for its own conduct and any claims against it without indemnification from the other.
14. All notices, demands or communications to any party to this MOU shall be sent to the addresses set forth below or as may be otherwise modified in writing:

NJEDA:

Kim Ehnlich  
NJEDA  
P.O. BOX 990  
Trenton, NJ 08625

CCRC:

Senator Peter Inverso  
2500 Blk B  
Robbinsville, NJ 08691

15. This MOU may be signed in counterparts, which, when taken as a whole, shall constitute one and the same document.

**IN WITNESS HEREOF**, NJEDA and CCRC have executed this MOU on the dates below:

For the New Jersey Economic Development Authority:

Name:

Signature:

Title:

Date:

NICHELE BROWN  
Nichelle Brown  
CEO NJEDA  
8/5/14

For the Capital City Redevelopment Corporation:

Name:

Signature:

Title:

Date:

PETER A. INVERSO  
Peter Inverso  
CCRC - PRESIDENT  
8/5/14



## **REAL ESTATE**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**RE:** Higher Education Public Private Partnership Program  
New Jersey City University  
Second Amended Application for West Campus Blocks 4A and 6  
(Crossroads Companies)

**DATE:** February 10, 2021

**Summary**

I request the Members approve New Jersey City University's ("Applicant") second amended application, under Higher Education Private Public Partnership Program (the "Program") established by P.L. 2009, c. 90, as amended (the "Act"), to grant Crossroads Companies, LLC ("Private Partner") an extension of the construction and completion of the project from December 31, 2021, to on or before December 31, 2022.

The Applicant requests this extension of time due to two delay factors. First, the proposed project did not receive its Economic Redevelopment and Growth Grant (ERG) commitment until September 2019. The Crossroads Companies ("Private Partner") anticipated receiving the ERG commitment letter shortly after the end of the Governor's veto period for the ERG approval. In addition, the City of Jersey City required the applicant to proceed through its redevelopment agency as the lead entity for the payment in lieu of taxes. A redevelopment agreement also was required as a condition precedent to City approval of a PILOT. Both the PILOT and the redevelopment agreement were delayed due to the COVID-19 pandemic. The amended application is required because the project's schedule has been revised and the Authority retains "the right to revoke approval if it determines that the project has deviated from the plan submitted" in the approved application. *Id.* Staff performed a substantive review of the amended application and supporting documentation in accordance with the Act and pursuant to the Authority's Higher Education Institution Public-Private Partnership Program Guidelines (the "Guidelines") and recommends its approval. The Authority's approval will be subject to the Applicant submitting additional items that are outlined below.

## **Background**

### *A. Approvals*

#### *1. September 2015 Approval*

In September 2015, the Members approved the Applicant's a public-private partnership between the Applicant and Private Partner for commercial development consisting of 110,000 square foot commercial space that would include  $\pm 600$  structured parking spaces,  $\pm 62,000$  SF supermarket,  $\pm 37,500$  SF fitness center,  $\pm 8,000$  SF rooftop restaurant and 6 NCAA compliant roof top tennis courts on Blocks 4 and 6 on the West Campus with an estimated development cost of  $\pm \$58.12$  million.

The Private Partner would develop the Project and lease the L.A. Fitness, and supermarket and sell the parking structure to the Hudson County Improvement Authority ("HCIA"). HCIA would: 1. issue bonds that would be repaid from parking fees, and 2. lease the rooftop tennis courts to the Applicant and the restaurant to an operator at current market rates.

#### *2. March 2019 Approval (First Amendment)*

In March 2019, the Members approved the following amendments to the application

- Supermarket increased to  $\pm 73,413$  square feet on Block 6 of the revised West Campus Master Plan ("Master Plan"),
- $\pm 221$  parking spaces on Block 6
- $\pm 120$  surface parking spaces on Block 4A. The parking is in lieu of approximately 600 structured parking spaces
- An extension of time to complete the development until December 31, 2021

These amendments to the application were required:

- to keep building development out of the "area of concern" on Block 6 as part of the resolution of the Riverkeeper Litigation
- to modify the project because the Private Partner could not come to terms with the Hudson County Improvement Authority regarding the development of the proposed 600 space parking deck included in the August 2015 application

### *B. Application Timeliness*

The original application was filed within the existing deadline (August 1, 2015). An application amendment may be filed after the deadline. However, the project must be completed within five years of the Authority's final approval. Real Estate Division Staff has reviewed the amended application and considered the application complete.

### *C. Private Financing and Ownership of the Land*

Staff has reviewed the second amended application to confirm that the Private Partner continues to assume full financial responsibility for the construction of the Project and that the Applicant has no financial responsibility for the Project's construction. The Applicant currently owns the  $\pm 3.68$

acres that will be leased to the Private Partner controlled entity(ies) for the Project. As required by the Act, the Applicant will continue to own the land during the entire lease term.

*D. Revised Project Description, Encouraging Green Building and Project Schedule*

*1. Revised Project*

The project continues to proceed as proposed in the approved first amendment to the application, which is summarized in the charts below:

Uses	Sep. 2015 Approval SF or Units	Mar. 2019 Approval SF or Units	Approved SF or Units
Supermarket	62,000	11,413	73,413
Fitness Center	37,500	(37,500)	0
Restaurant	8,000	(8,000)	0
Tennis Courts	6	(6)	0
Parking Structure Spaces	600	(600)	0
Surface Parking Spaces	0	341	341

Summary of Uses	Sept 2015 SF or Units	Mar. 2019 SF or Units	Approved SF or Units	% Change
Commercial SF	107,500	(34,087)	73,413	-31.71%
Tennis Courts	6	(6)	0	-100.00%
Parking Spaces	600	(259)	341	-43.17%

The supermarket and 221 parking spaces will be on Block 6, with an additional 120 surface parking will be available on Block 4A. The Private Partner will lease the supermarket, for a 25-year term, to Inserra Supermarkets which will operate a ShopRite, which is unchanged from the initial application.

The Applicant has retained the right to construct a one-level parking structure above the 120 spaces on Block 4A. The Applicant's future parking structure is not within the scope of the amended application and will be developed at the Applicant's own cost and expense.

*2. Green Building and Project Schedule*

The Project initially was approved by the Board for completion by September 9, 2020, which would have been within the five-year statutory completion deadline of September 10, 2015. However, the Project could not be completed by this deadline due to the Riverkeeper Litigation. The Applicant and Private Partner believed they had designed the Project to comply with the environmental restrictions of the Honeywell environmental cleanup. When their plans became an issue the Applicant and the Private Partner then agreed to revise the Project's design in order to resolve the Riverkeeper Litigation.

Since the resolution of the Riverkeeper Litigation, the Applicant and the Private Partner prepared revised site plans, which the City of Jersey City reviewed, under the Municipal Land Use Law's Capital Plan Review section on November 15, 2018.

In March 2019 the ERG application was approved by the Authority. Subsequently, in July 2019 the Attorney General's office completed its review and approval of the commitment letter. Thereafter, once the process of submitting information and the scope required by Treasury was understood and complied with by the Applicant, a letter of support from Treasury was obtained in September 2019. The Authority then issued an ERG commitment. later that same month.

Between September 2019 and March 2020, the private partner commenced negotiations with the City of Jersey City regarding the payment in lieu of taxes and redevelopment agreements. Unfortunately, the COVID-19 pandemic intervened in concluding those negotiations, which also delayed the finalization of design, financing commitments, and the commencement of construction.

Applicant has submitted a revised project development schedule, which estimates the project completion in November 2022. Much of the design work to improve the traffic and circulation at the project has been undertaken. The coordination with PSE&G and Honeywell continues as to utility design and environmental issues, respectively.

Staff further recommends that the Board provide the Applicant and the Private Partner until December 31, 2022, to complete the Project, which provides an additional 1 month for any construction delays (e.g., weather or unforeseen conditions) that may occur.

Based on the foregoing and subject to the conditions of approval set forth in this memo, Staff recommends that the Members approve the amended project completion schedule as being a permitted extension under the statute. Neither the Applicant nor the Private Party was the cause of the delay. The pause in the Project as described above was due to the COVID-19 pandemic, which was not in the Applicant or Private Partner's control.

The Project will continue to be constructed in a manner that meets or exceeds the 2007 PBU Standard of Pay for Performance as required by the Economic Redevelopment and Growth Grant. The Private Partner proposes to commence construction in August 2021 and complete in the core and shell by November 2022.

*E. Revisions to the Partnership Documents*

The Lease between the Applicant and the Private Partner ("Parties") will be amended as follows to recognize the following "Unavoidable Delay" for the completion of the Project:

- "any action, suit, proceeding, injunction or other item filed in connection with the Riverkeeper Litigation, the Consent Decree, Chromium Deed Notice, Non Chromium Deed Notice, or any other action taken by or on behalf of the Hackensack Riverkeeper, Inc. that delays Developer

- Honeywell International Inc., Hackensack Riverkeeper, Inc. or any other person fails to promptly approve any item or person (including, without limitation, an [sic] contractor or subcontractor) submitted for approval by or on behalf of Developer for which such person's approval is required under any recorded document, the Consent Decree, the Chromium Deed Notice, the Non Chromium Deed Notice, the Riverkeeper Litigation, the Ground Lease or the Developer's Agreement
- the closure of any Governmental Authority or governmental office that is required for the issuance of permits, conducting inspections or issuing, reviewing or authorizing any of the Approvals, which results in actual delay to Developer
- the issuance of any governmental order related to a public health emergency, prohibiting, suspending or closing construction activities at the Project Site."

*F. Private Partner's Experience and Qualifications*

The Private Partner has not proposed any changes to the development team. Staff concludes that the Project's development team, as previously proposed, has sufficient experience to own, develop, construct, operate and maintain the Development.

*G. Project Financing and Feasibility*

*1. Uses and Sources of Funds*

The following charts summarizes the revisions to the project's financing, which the Applicant represents still apply:

Uses	Sep. 2015	Mar. 2019	Difference	% Difference
Acquisition	\$585,000	\$1,125,000	\$540,000	92.3077%
Improvements	\$50,556,390	\$24,604,318	(\$25,952,072)	-51.33%
Professional Services	\$2,398,469	\$2,289,250	(\$109,219)	-4.55%
Financing and Other Costs	\$3,123,801	\$1,022,011	(\$2,101,790)	-67.28%
Contingency	\$0	\$1,000,000	\$1,000,000	NA
Development Fee	\$1,452,419	\$1,089,555	(\$362,864)	-24.98%
<b>TOTAL</b>	<b>\$58,116,079</b>	<b>\$31,130,134</b>	<b>(\$26,985,945)</b>	<b>-46.43%</b>

Sources	Sep. 2015	Mar. 2019	Difference	% Difference
Financing of Deck/Rec space by HCIA	\$29,000,000	\$0	(\$29,000,000)	-100.00%
Redevelopment Area Bond	\$4,000,000	\$0	(\$4,000,000)	-100.00%
1st Lien Debt	\$12,558,040	\$24,904,107	\$12,346,068	98.31%
Equity	\$12,558,040	\$6,226,027	(\$6,332,013)	-50.42%
<b>TOTAL</b>	<b>\$58,116,079</b>	<b>\$31,130,134</b>	<b>(\$26,985,945)</b>	<b>-46.43%</b>

Except for the ERG commitment, the amended application did not include any financial commitments. Currently, the application assumes that the initial permanent loan will have a 30-year term, with a 30-year amortization at 4% interest rate. The terms of the equity return to any private investor is currently undisclosed. Providing commitment letters as a condition to approval construction is listed as a condition below.

## *2. Operating Proforma*

The operating expense where within typical market conditions, with annual increases estimated at 2%, and reflects the deposits and uses of the long-range maintenance reserve, and the debt service as summarized in section G.1. above with a debt service coverage ratio of 1.70 in year 1 of the Lease.

## *3. Market Study*

The market conditions for the supermarket have not changed. The area continues to be a “food desert,” in which the area is served by .92 supermarket square foot per person, while the national average is approximately 5.29 supermarket square feet per person. With the addition of the ShopRite, the area will have 1.42 supermarket square feet per person, still leaving the market underserved. An update the original study finds that this is still the case. Staff has reviewed the study and the update and concludes that study’s conclusions and recommendations are still valid at this time.

## *4. Long-Range Maintenance Plan*

The long-range maintenance plan remains the same for the Project. The plan submitted complies with industry standards for replacement reserve accounts and capital maintenance plans and the long-range maintenance guidelines prepared by the Authority’s consultant and adopted by the Authority. Accordingly, staff concludes that Applicant has submitted an adequate long-range maintenance plan for the Project.

## *H. DPMC Classification*

The Division of Property Management and Construction within Treasury has classified Del-Sano Construction under general construction with a bonding capacity of \$150 million.

## *I. Other Requirements of the Act*

In accordance with the requirements of the Act, the Applicant has produced evidence and has certified to comply with the following requirements of the Act:

1. *Prevailing Wage.* The Private Partner will pay prevailing wage as required by the Act (“Each worker employed in the construction, rehabilitation, or building maintenance services of facilities by a private entity that has entered into a public-private partnership agreement with a State or county college . . . shall be paid not less than the prevailing wage rate”)

2. *Project Labor Agreement.* The Private Partner will enter into the required project labor agreements during the construction, operation, and long-range maintenance of the Project (the Applicant included a draft agreement in its submission)
3. *Bond.* The Private Partner will post the required payment bond or have the bond posted on its behalf.

*J. Recommendation*

After reviewing the project's budget, operating proforma, market study update, and supporting information, the Real Estate Division's staff has assessed the soundness of the financial plan and concludes that the Project continues to be financially feasible and has a supported need. Staff additionally concludes that the Project's development cost, accounting for prevailing wage, and projected operating expenses continue to be reasonable and are within current market conditions.

Staff recommends that the Members approve the second amended application subject to the following conditions being met to the satisfaction of appropriate staff (e.g., Chief Executive Officer, Senior Vice President Finance and Development, or the Executive Vice President of the Real Estate and Community Development):

1. Providing a copy of the executed Lease and Development Agreements with attachments (excluding the plans and specifications, if applicable)
2. Submitting, in final form, the development and operating budgets in the Authority's Excel template (substantially the same as the documents reviewed by the Authority)
3. Submitting, in final form, project labor agreements for the construction (prior to construction start) and contracts to implement the long-range maintenance plan (at the end of construction), which require not paying less than prevailing wage and to the greatest extent possible, enhances employment opportunities for individuals residing in the county of the project's location
4. Submitting, in final and satisfactory form, posted bonds guaranteeing prompt payment of moneys due to the contractor (and/or subcontractors)
5. Submitting a final copy of the Project's financing commitments:
  - a. The City of Jersey City approval resolution for PILOT and the executed PILOT agreement executed private financing commitment (construction and permanent)
  - b. Executed private equity financing commitment letter
  - c. Executed loan commitment letters
  - d. The Project owner's current financial statement, no older than 30 days from the date of submission, evidencing the Project Owner's equity in the Project (if any)
  - e. Copy of the binding lease commitment for the supermarket



6. Submitting other items (i.e., any other document which may contain a material business term to the “partnership agreement” between the parties) that the Applicant must provide in order to obtain the Authority’s final approval
7. Providing quarterly reports commencing upon the Authority providing a letter stating the conditions of this memo have been met for the Project and ending upon the receipt of an initial certificate(s) of occupancy (or equivalent) for the Project

The Applicant and Private Partner will have until December 31, 2022, to complete the Project.

The Applicant **shall not** permit the Private Partner or project owner to commence construction of the Project until Authority Staff receives and reviews the requested items listed above and Authority Staff issues a letter stating that conditions in this memo are met.

**Recommendation**

In summary, I request the Members approve the second amended application extending the period to complete the proposed project until December 31, 2022.



---

Tim Sullivan, CEO

Prepared by: Juan Burgos

## **BOARD MEMORANDUM**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** February 10, 2021

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

The following projects were approved under Delegated Authority in January 2021:

**Small Business Fund Program:**

- 1) King George Partners, LLC (PROD-00257841), located in Green Brook Township, Middlesex County, was founded in 2006 as the real estate holding company to own the project property. The operating company, Greenbrook Sports & Fitness, LLC (“GSF”) DBA Crunch Fitness, is a health club and fitness center. GSF offers a wide variety of exercise options including racquetball, indoor basketball, and children’s dance and karate classes. The NJEDA approved a \$350,000 loan for the purpose of retiring bridge financing from two former shareholders. The Company currently has seven employees.

**Micro Business Loan Program:**

- 1) A & R Ventures, Inc. (PROD-00224237 & 00257898), located in Pennsville Township, Salem County, was formed in 2007 to own and operate Jersey Fitness, a full-service fitness center. The facility includes a cardio room, aerobic room, free weight room, treadmills, ellipticals and other various gym equipment. The facility offers group classes including aerobics, Zumba, Pilates, yoga and boot camp. The NJEDA approved a \$45,000 working capital loan and a \$5,000 forgivable working capital loan. Currently, the Company has five employees. USED funds will be utilized for the non-forgivable portion of this loan.
- 2) Allegría Corp DBA Waxing the City Madison (PROD-00224552 & 00257993), located in Florham Park Borough, Morris County, was formed in 2015 as an exclusive studio dedicated to the art of better body waxing and lash and brow tinting. The Company offers head-to-toe waxing services for men and women. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has four employees. USED funds will be utilized for the non-forgivable portion of this loan.
- 3) Bal Veer LLC (PROD-00224244 & 00257862), located in North Brunswick Township, Middlesex County, was formed in 2013 as a store that sells inexpensive general items priced from a dollar to a few dollars. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has one employee. USED funds will be utilized for the non-forgivable portion of this loan.

- 4) Creative Leasing Solutions, Inc. DBA CLS Management (“CLS”) (PROD-00224219 & 00257958) is located in North Brunswick Township, Middlesex County. CLS is a company that provides information technology consulting services specializing in web technologies, system integration, database services, big data technologies and business analytics. The NJEDA approved an \$18,000 working capital loan and a \$2,000 forgivable working capital loan. Currently, the Company has one employee. USED A funds will be utilized for the non-forgivable portion of this loan.
- 5) Faina Jyoti Corporation DBA 7-Eleven #14860 (PROD-00224333 & 00257924), located in Aberdeen Township, Monmouth County, was formed in 2005 to own and operate a 7-Eleven convenience store in Cliffwood Beach, NJ. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has six employees. USED A funds will be utilized for the non-forgivable portion of this loan.
- 6) Greenlight Auto Specialist Corporation DBA Green Light Auto Insurance Specialist (“Greenlight”) (PROD-00224379 & 00257939) is located in Oaklyn Borough, Camden County. Greenlight is an independent, full-service insurance brokerage agency that sells personal and commercial insurance products (auto, flood, renters, condo, commercial, workers compensation) to families and businesses in NJ and PA. The NJEDA approved a \$44,100 working capital loan and a \$4,900 forgivable working capital loan. Currently, the Company has six employees. USED A funds will be utilized for the non-forgivable portion of this loan.
- 7) Piv Train, Inc. DBA Rockstar Cheer (PROD-00224297 & 00257896), located in Southampton Township, Burlington County, was established in 2015. Rockstar Cheer offers tumbling, competitive all-star cheerleading teams, private training, strength training, choreography, special needs tumbling, Olympic weightlifting, physical therapy, chiropractic and pole vault/high jump. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable loan. Currently, the Company has one employee. USED A funds will be utilized for the non-forgivable portion of this loan.
- 8) Plagge Enterprises L.L.C. DBA Rita’s Italian Ice (PROD-00224249 & 00257873), located in Pennsville Township, Salem County, was formed in 2004 to own and operate a Rita’s Italian Ice franchise that serves water ice and custard desserts. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has two employees. USED A funds will be utilized for the non-forgivable portion of this loan.
- 9) Royals Learning Center LLC DBA Royals Academy (PROD-00224373 & 00257861), located in Stratford Borough, Camden County, was formed in 2017 as a childcare provider and educational facility. The NJEDA approved a \$45,000 working capital loan and a \$5,000 forgivable working capital loan. The Company currently has four employees and plans to create one new position within the next two years. USED A funds will be utilized for the non-forgivable portion of this loan.
- 10) Seven Cleaners Inc. (PROD-00224398 & 00257989), located in Freehold Township, Monmouth County, was formed in 2016. The Company, which is located in the Metro Plaza shopping center, provides dry cleaning and tailoring/alteration services. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has one employee. USED A funds will be utilized for the non-forgivable portion of this loan.

- 11) The Delaware River Mill Society at Stockton (PROD-00224531 & 00257903), located in Stockton Borough, Hunterdon County, is a not-for-profit formed in 1976 for the purpose of preserving and maintaining the Prallsville Mills, a 10-acre, 10 building historic site. The Society's mission is to preserve the Mills' structures and land, through interpreting its history and fostering its use for cultural, educational, recreational and community activities. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has one employee. USEDAs funds will be utilized for the non-forgivable portion of this loan.
- 12) The Harwill Corporation DBA Harwill Express Press (PROD-00224443 & 00258024), is located in Robbinsville Township, Mercer County. Harwill Express Press is a modern family-managed commercial printing company with the ability to provide both digital and traditional printing services, as well as ancillary design and finishing services. The NJEDA approved a \$43,290 working capital loan and a \$4,810 forgivable working capital loan. Currently, the Company has six employees. USEDAs funds will be utilized for the non-forgivable portion of this loan.
- 13) Vineyard Christian Fellowship of Northern New Jersey, Incorporated DBA North Jersey Vineyard Church (PROD-00224280 & 00258044) is located South Hackensack Township, Bergen County. North Jersey Vineyard Church is a multi-ethnic, multi-socioeconomic, multi-generational church. They offer casual atmosphere worship services and active children and youth ministries. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has six employees. USEDAs funds will be utilized for the non-forgivable portion of this loan.
- 14) Xavier Court LLC DBA Supercuts Hair Salon (PROD-00224337 & 00258003), located in Bayonne City, Hudson County, was formed in 2014. Xavier Court LLC owns and operates three NJ Supercuts franchise hair salons and offers a wide range of hair services including haircuts, color services and waxing. The NJEDA approved a \$22,500 working capital loan and a \$2,500 forgivable working capital loan. Currently, the Company has five employees. USEDAs funds will be utilized for the non-forgivable portion of this loan.



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**Prepared by:** G. Robins

**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** February 10, 2021

**SUBJECT:** Bond Modifications – 4th Quarter 2020  
(For Informational Purposes Only)

The following Post-Closing Bond action was approved under delegated authority in the 4th quarter ending December 31, 2020:

**Stand Alone and Refunding Bonds - (EDA has no Credit Exposure)**

<b>Applicant</b>	<b>Modification Action</b>	<b>Bond Amount</b>
Uncommon CP Properties II, LLC	Change in additional project location to house students in grades 10-12.	\$29,800,000
The Village Charter School	Consent to the deferral of principal and interest payments for 3 months due to COVID-19 related issues.	\$6,000,000
Wyckoff Family YMCA	Consent to the deferral of principal payments for 1 month due to COVID 19 related issues.	\$3,500,000
YMCA Camp Ralph S. Mason, Inc.	Consent to the deferral of principal and interest payments for 3 months due to COVID-19 related issues.	\$1,235,000
Cong Bnos Devorah	Consent to amend First interest reset rate formula to a fixed rate equal to the Tax-Exempt Equivalent of 4% with a tax-exempt floor of 3.35%.	\$5,752,500
Oaks Integrated Care	Consent to modify both interest rate and amortization schedule and to add a call option exercisable on September 1, 2025.	\$4,391,733

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: K. Hall



### MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** February 10, 2021

**SUBJECT:** Post Closing Credit Delegated Authority Approvals for 4th Quarter 2020  
*For Informational Purposes Only*

The following post-closing actions were approved under delegated authority during the fourth quarter of 2020:

Name	EDA Credit Exposure	Action
Community Asset Preservation Corp. (Community Loan Fund of New Jersey, Inc.)	\$ 369,829 SBF	Extend loan maturity to June 1, 2025.
Altyla Realty, LLC (Hop-To-It, LLC)	\$ 117,684 SLP	Short-term loan maturity to January 1, 2021 in conjunction with a corresponding extension from the participating lender, Ocean First Bank.

#### **COVID-19 Moratoria**

The following loan product was approved for an additional three-month principal and interest moratorium to provide cash flow relief from the disruption caused by COVID-19. It should be noted that Members approved an original three-month principal and interest moratorium for all direct and premier lender participation loans at the March 26, 2020 Special Board Meeting.

Name	EDA Credit Exposure
Bayshore Holdings LLC & Tre Belle Figlie, LLC	\$ 541,295 SLP

#### **Loans Written off with Recourse**

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved, are to be written off. Special Loan Management conducts a quarterly portfolio review, and with concurrence from management, recommend loans to be written off with recourse pursuant to delegated authority. EDA retains legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

<b>Name</b>	<b>Credit Exposure</b>	<b>Description</b>
Malusa and Son's Inc. (Nino's Family Restaurant)	\$ 1,425,893 SBL	EDA has not received payments since August 2019.
Edison Solutions, LLC	\$ 316,034 DIR	EDA has not received payments since July 2019.
Arthur Weiler (Pirates Cove Marina)	\$ 113,534 SBL	EDA has not received any payments since October 2019.

---

 Tim Sullivan, CEO

**Prepared by:** Jennifer Bongiorno and Mansi Naik





**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** February 10, 2021  
**SUBJECT:** Incentives Modifications – 4th Quarter 2020  
(For Informational Purposes Only)

Since 2001, and most recently in June 2014, 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 Incentive Modifications that were approved in the 4th quarter ending December 31, 2020.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan, CEO

Prepared by: F. Saturne

## ACTIONS APPROVED UNDER DELEGATED AUTHORITY

FIRST QUARTER ENDING December 31, 2020

**Business Employment Incentive Grant Program**

<b>Applicant</b>	<b>Modification Action</b>	<b>Approved Award</b>
Barclays Capital Services, Inc.	Consent to the relocation of the project site from 70 Hudson Street, Jersey City to 115 South Jefferson Road, building 400, Whippany resulting in a reduction of the award percentage from 80% to 65% effective January 1, 2014; and approve the merger of Barclays Capital Services, Inc. into and with Barclays Services Corporation and subsequent name change of grantee to Barclays Services Corporation effective January 1, 2016.	\$3,185,416

**GROW NEW JERSEY ASSISTANCE PROGRAM**

<b>Applicant</b>	<b>Modification Action</b>	<b>Approved Award</b>
1661, Inc. dba GOAT	Consent to approve a first six-month extension of the certification deadline from July 13, 2020 to January 13, 2021.	\$2,566,000
Clean-tex Services, Inc.	Consent to approve a first six-month extension of the certification deadline from December 12, 2020 to June 12, 2021.	\$18,648,000
Infinite Herbs LLC	Consent to the addition of TriNet HR II, Inc ("TriNet") as a Professional Employer Organization ("PEO") to the GROW NJ Agreement	\$6,250,000
Mars Wrigley Confectionery US, LLC	Consent to approve a first six-month extension of the certification deadline from November 14, 2020 to May 14, 2021	\$31,539,200
Samuel Coraluzzo Co., Inc.	Consent to approve a first six-month extension of the certification deadline from January 9, 2021 to July 9, 2021.	\$5,417,500



**MEMORANDUM**

**For Informational Purposes Only**

**COVID Programs Compliance Plan - 2021**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** February 10, 2021

**RE:** Federal CRF-funded Compliance Plan for NJEDA COVID-19 Programs

**Summary**

Authority staff would like to brief the board on planned activities and costs to support our post-approval compliance functions for the various 2020 federally funded COVID-19 programs to assist small businesses.

**Background**

With approval from the Board, NJEDA staff implemented several programs in 2020 to address the challenges caused by the COVID-19 pandemic. These programs have been central to New Jersey's response to the pandemic's economic impact. The Authority's relief efforts have focused specifically on helping the smallest and hardest-hit businesses weather the pandemic's immediate impacts and prepare for a strong and equitable recovery. To date, we have assisted nearly 55,000 small businesses. The Authority's core COVID-19 relief package consists of these programs:

- the Small Business Emergency Assistance Grant Program;
- the Small Business Emergency Assistance Loan Program;
- the NJ Small and Micro Business PPE Access Program;
- the New Jersey Entrepreneur Support Program;
- partnerships with Community Development Financial Institutions;
- the Sustain and Serve NJ program; and
- various technical assistance programs.

The NJEDA has received Coronavirus Relief Fund (CRF) federal funding for some but not all of these programs. This memo focuses on programs that have received CRF funding.

The Authority received total CRF funding of \$215,650,000 for program support and has disbursed over \$210,650,000 to date to over 55,000 applicants. Additional funds received for administrative costs totaled \$13,206,000, of which \$5,039,000 has been disbursed to date.

To facilitate the federal funding, NJEDA executed several Memoranda of Understanding with the Department of the Treasury. Those agreements required all CRF funds be expended by December 30, 2020. Treasury will be extending that deadline until March 31, 2021. The NJEDA will utilize that time to finish disbursing grants and move into the post-approval compliance stage of program implementation. During that stage, the Authority will:

- utilize Division of Taxation data to validate a year-over-year 2019-2020 revenue decline (after 2020 tax filings are due)
- utilize Department of Labor and Workforce Development (DOLWD) data to ensure employment levels returned to pre-pandemic levels (after that data is due and submitted to DOLWD) or ask for the business' plan to get back to pre-pandemic levels if they have not yet returned to operation
- use a risk-based approach to sample and verify representations made by approved applicants through legal reviews
- verify duplication of benefits utilizing various methods, including cross-checking data posted by other State entities in the SharePoint Information Sharing page created for that purpose

Staffing for the compliance phase will consist of:

- 14 temporary agency employees that worked on the COVID programs
- 4 part-time temporary employees that also worked on the COVID programs
- 4 NJEDA interns
- 2-3 NJEDA full-time staff

The NJEDA plans to utilize a portion of the remaining CRF funds (\$1.8 million) for the post-approval compliance stage of program implementation. Because some of the post-approval verification cannot be completed by March 31, 2021 (for example, because it requires using 2020 tax returns to verify revenues), we anticipate requesting an extension for use of some portion of the funds.



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Tim Sullivan, CEO

Prepared by: Fred Cole



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** February 10, 2021

**SUBJECT:** Office of Economic Transformation - Delegated Authority Approvals for Q4 - 2020 - For Informational Purposes Only

### **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 a 10% to 20% with a 5% bonus for either investing in NJ certified women or minority owned businesses or if the business is located in an Opportunity Zone or New Markets Tax Credit census tract. This increase is effective for all investments made on or after January 1, 2020. Most recently, as part of the recent New Jersey Economic Recovery Act, the Angel Tax Credit program cap was increased from \$25MM to \$35MM for the 2021 program year and going forward.

For calendar year 2020 the Authority approved 142 Angel Tax Credit applications, down slightly from the 2019 calendar year as a mid-year re-assignment to assist COVID19 Program efforts postponed application processing. The total investment amount for the approved applications in calendar year 2020 increased by \$2.7 million to \$35,852,117 million for a total tax credit amount of \$3,792,974 million, representing investments in 21 unique NJ based emerging growth technology companies, and combined employment of 348 full-time jobs. The 2020 program year has experienced an increased interest and activity, with applications exceeding 700, approximately 3x higher than the average compared to previous program years. Several sizable company deals led to the transaction cap of \$25MM being reached in October 2020, with excess applications subsequently

rolling into the 2021 Program Year for processing as directed by legislation. Of note, applications submitted up to November 1<sup>st</sup>, 2020 (up to the \$25 million program cap), will be approved for the 2020 Program Year.

### Angel Tax Credit Approvals for Program Year 2020

Sector	Investment Amount	Angel Tax Credit	Applications	# of Companies in Each Sector	% of Total Investments	% of Total Applications
Technology	\$8,700,193	\$919,517	48	12	24%	34%
Life Sciences	\$22,151,924	\$2,373,457	93	8	62%	65%
Clean Technology	\$5,000,000	\$500,000	1	1	14%	1%
<b>Total</b>	<b>\$35,852,117</b>	<b>\$3,792,974</b>	<b>142</b>	<b>21</b>		

Life Science company investors submitted more applications compared to Technology & Clean Tech company investors (65% / 35%) in 2020. Additionally, more Technology & Clean Tech companies participated overall in the program than Life Sciences (13 / 8). The 2020 program year saw an increase of \$46,839 in the average investment size, which grew to \$252,479 from \$205,640 in 2019. In comparison the average tax credit also grew from \$20,560 in 2019 to \$26,711 in 2020 indicating increased investment support for expanding technology and life science industries in New Jersey.

### Angel Investor Tax Credit Program – Q4 2020 Review

In the fourth quarter of 2020, seventy-two Angel Tax Credit applications for \$2,009,070 in tax credits were approved. This represented \$18,375,718 in private investments into 14 unique technology and life science companies employing over 265 full-time personnel. The Technology sector represented 39% of applications while Life Science companies were 61% of the overall applications. The fourth quarter added one new participating company, Bionex Pharmaceuticals, whose investor qualified to receive the additional 5% bonus for investing in a certified woman owned business.

### Angel Tax Credit Approvals for Q4 2020

Sector	Investment Amount	Applications	# of Companies in Each Sector	% of Total Investments	% of Total Applications
Technology	\$6,362,497	28	9	35%	39%
Life Sciences	\$12,013,221	44	5	65%	61%
<b>Total</b>	<b>\$18,375,718</b>	<b>72</b>	<b>14</b>		

The following fourteen companies were approved program participants for the 4<sup>th</sup> quarter of 2020, which are also outlined in Exhibit A:

- Acuitive Technologies, Inc.: Based in Allendale, NJ. Acuitive Technologies is pursuing the development of novel biomaterial technologies to improve the repair and regeneration of musculoskeletal tissue.
- Agilis Chemicals, Inc.: Based in Newark, NJ. Agilis Chemicals offers a cloud-based Commerce Platform-as-a-Service to chemical producers and distributors, which consolidates supply chain fragmentation and brings efficiency to the chemical procurement process.
- Angel Medical Systems, Inc.: Based in Eatontown, NJ. Angel Medical is a medical device company that has developed the first ever implantable, patient alerting systems for the early detection and prevention of heart attacks.
- AptaResearch, LLC: Based in Pennsauken, NJ. AptaResearch is a biotechnology-based pharmaceutical company focusing on developing immediate release and controlled-release oral solid and liquid formations and complex formulations that present competitive barriers to entry.
- Bionex Pharmaceuticals, LLC: Based in North Brunswick, NJ. Bionex is a specialty pharmaceutical development company, focused on applying its novel drug delivery technologies to address unmet medical needs.
- CircleBlack, LLC: Based in Hamilton, NJ. CircleBlack provides a Software as a Service (SaaS) based platform that delivers portfolio analytics, performance reporting, risk analysis, goal tracking and personalized content to individual investors.
- Elucida Oncology, Inc.: Based in Bound Brook, NJ. Elucida Oncology is a biotechnology company focused on clinical research, development and subsequent commercialization of life-changing products based on the Target or Clear<sup>TM</sup> technology of the novel, ultra-small nanoparticle delivery platform.
- Fusion Recruiting Labs: Based in Red Bank, NJ. Fusion Provides human resource departments and staffing agencies software tools to simplify and humanize the hiring process.
- Hope Portal Services, Inc.: Based in Holmdel, NJ. Hope Portal Services is health-tech/fin-tech startup that provides planning, concierge and fiduciary services to the special needs community.
- Inspirit Group, LLC: Based in Bedminster, NJ. Inspirit Group, LLC d/b/a STOPit is the

leading technology company providing a comprehensive software platform that mitigates, deters and controls bullying, including cyberbullying, harassment and other harmful or inappropriate conduct.

- Leap Insurance LLC: Based in Jersey City, NJ. Leap Insurance acts as an institutional co-signer of apartment leases, providing access to apartments to renters while guaranteeing landlords against rent default.
- Radius8, Inc.: Based in Princeton, NJ. Radius8 is a technology - based data analytics company which provides retailers with insights on local in-store and online buying trends.
- Truefort, Inc.: Based in Weehawken, NJ. TrueFort offers comprehensive mission-critical application protection for real-time visibility and analysis, and better communication across business, IT, and security teams.
- Vydia Inc.: Based in Holmdel, NJ. Vydia offers a centralized technology solution for video creators to manage their content, digital rights, earnings, and social trending through one centralized platform.

Since program inception in 2013 through Q4 2020, the Authority has approved 1,464 applications for investment totaling more than \$584 million invested in 98 New Jersey based technology businesses.\*

\*Due to a typo in the Q3 memo the approved applications read 1321 when the figure should have been 1392; the correction has been captured in the yearend total of 2020.

Please find a detailed list of all ATC applications that were approved under delegated authority during the fourth quarter of 2020 on Exhibit A.

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### **NJ Ignite Program**

NJ Ignite offers grants to support the rent of early stage technology and life science companies located in an NJ Ignite approved collaborative workspace. Grants vary in amount and the start-up must commit to work for a specified time at the collaborative space under established agreements in which the workspace will partner to forego an element of the rent to support the business. As of December 31st, 2020, there were 23 approved collaborative spaces in New Jersey, some of which have multiple locations.

### **NJ Ignite Program – Q4 2020 Review**



The following information indicates activity for the NJ Ignite program in the 4th quarter, as well as, for the year 2020. With the Governor's Executive Order to Work from Home, most of the NJ Ignite sites were temporarily closed during Q2 2020. Even after the stay-at-home order was lifted in June, interest by companies that might otherwise locate at collaborative workspaces remained low. Feedback from several approved collaborative workspaces continue to show the financial stress in the sector. As such, there were no new Tenant Approvals for the 4th Quarter. However, staff approved three new collaborative workspaces in Q4 2020.

#### **Workspace Approvals – Q4 2020**

<b>Workspace Name</b>	<b>Workspace Location</b>
Industrious	Short Hills
Worksocial	Jersey City
Launchpad	Newark

#### **Tenant Approvals**

There were no tenant approvals in Q4 2020.

#### **Total Workspace Approvals for Calendar Year 2020**

<b>Workspace Name</b>	<b>Workspace Location</b>
The (Co) WorkingSpace of North Brunswick	North Brunswick
Equal Space – Market St	Newark
Mission Fifty LLC	Hoboken
Industrious	Short Hills
Worksocial	Jersey City
Launchpad	Newark

#### **Total Tenant Approvals for Calendar Year 2020**

<b>Tenant Name</b>	<b>Workspace Name</b>	<b>EDA Grant</b>	<b>Number of Employees</b>
Helix Wireless	Kearny Point	\$14,350.00	2
<b>Total</b>		<b>\$26,750.00</b>	<b>6</b>

-\* There were 3 approved tenant applications that were subsequently withdrawn following staff review.

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#### **NJ Entrepreneur Support Program**

On March 26, 2020, the NJEDA Board approved the NJ Startup Entrepreneur Support Program (NJESP) to help support New Jersey entrepreneurial businesses with limited funding to navigate COVID-19 related cashflow constraints by giving them access to investor support. Under the program, existing investors of the entrepreneurial businesses (operating in Innovation Economy sectors) receive a guarantee (up to 80%, not to exceed \$200,000 per company) for a new, qualified bridge loan/convertible note into the NJ entrepreneurial business. The total program budget is \$5 million.

Applications for the program opened on April 22, 2020. For the year 2020, a total of 96 applications were received - representing \$6.31 million in combined (promissory notes) investments in 29 businesses and a requested guarantee amount of \$5.11 million. From this total, 47 applications were approved under delegated authority as of 12/31/20. The approved applications represent a total investment amount of \$2.54 million in 13 unique businesses and NJEDA guarantee amount of \$2.03 million. These 13 businesses employed 85 full-time employees in NJ. Of these 13 companies, two companies are in an Opportunity Zone, one company is Woman Owned, and four companies are Minority Owned.

Of note, 21 applications were declined for not meeting program criteria and an additional 28 applications were withdrawn.

<b>Sector</b>	<b># of Businesses in the Sector</b>	<b># of Applications</b>	<b>% of Total Approved Applications</b>	<b>Approved Guarantee Amount</b>	<b>% of Total Approved Guarantee Amount</b>
Finance and Insurance	1	10	21%	\$200,000	10%
Advanced Manufacturing	2	8	17%	\$344,000	17%
Food and Beverage	1	2	4%	\$184,000	9%
Information Technology	7	24	51%	\$1,108,000	54%
Life Sciences	2	3	6%	\$200,000	10%
<b>Total</b>	<b>13</b>	<b>47</b>	<b>100%</b>	<b>\$2,036,000</b>	<b>100%</b>

Please note, the NJ Entrepreneur Support Program application updates are also reported to the COVID committee on a monthly basis.

### **NJ Entrepreneur Support Program (ESP) – Q4 2020 Review**

During Q4 2020, twelve applications were received for investments in two New Jersey based businesses. Under delegated authority, ten applications were approved for a combined Promissory Note investment of \$250,000 and NJEDA Guarantee amount of \$200,000 for one of these businesses.

Of note, one application was declined, and another application was withdrawn.

The following details approved Q4 applications:

<b>Sector</b>	<b># of Businesses in the Sector</b>	<b># of Applications</b>	<b>% of Total Approved Applications</b>	<b>Approved Guarantee Amount</b>	<b>% of Total Approved Guarantee Amount</b>
Finance and Insurance	1	10	100%	\$200,000	100%
<b>Total</b>	<b>1</b>	<b>10</b>	<b>100%</b>	<b>\$200,000</b>	<b>100%</b>

In Q4, the following company participated in the NJESP program.

- Credibility Capital, Inc.: Newark, NJ based Credibility Capital is a digital platform that matches small businesses with institutions to provide access to capital. Credibility's tech-enabled process quickly and efficiently helps small businesses find fair, transparent term loans to help them grow. Credibility Capital, Inc. employed fifteen full-time NJ employees at the time of application and is located in an Opportunity Zone.

A list of all NJESP investor applications that were approved under delegated authority during the fourth quarter of 2020 is attached as Exhibit B.

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### **NJ Accelerate Program**

On February 11th, 2020, the NJEDA Board approved the pilot program NJ Accelerate. The total program budget is \$2.5 million. Through NJ Accelerate, the NJEDA seeks to provide early-stage businesses access to best-in-class Accelerator programs, enabling the tools and support to grow their businesses in the Garden State. The program provides up to \$250,000 of direct loan funding and up to 9 months of free rent to Approved Accelerator Graduates located in New Jersey. Approved Accelerators may also receive up to \$105,000 to encourage their on-the-ground engagement in the State.

### **NJ Accelerate – Q1 2021 Review**

Applications to be an approved accelerator started during Q4, 2020. EDA is finalizing processes to accept participating Graduate Company loan and rent applications in the first half of 2021.

Approved Accelerators:

Accelerator Name	Accelerator Location
Morgan Stanley Multicultural Innovation Lab	New York City

Morgan Stanley Multicultural Innovation Lab: the Morgan Stanley Multicultural Innovation Lab was created in 2017 to drive positive economic outcomes for multicultural and women-led companies in the post-seed to Series B funding rounds by providing content, visibility, technical support, and connectivity with important stakeholders who can accelerate the growth of participants' businesses. The accelerator is built around tailored support and expertise entrepreneurs receive from a dedicated Morgan Stanley team. To date, 32 tech or tech-enabled companies have participated in the Lab, with many going on to successful acquisitions and additional funding rounds. Their next Cohort, with 12 companies, will start on February 16<sup>th</sup>, 2021.



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Tim Sullivan, CEO

**Ignite Prepared by:**

Syed Sohaib

**ESP Prepared by:**

Madhavi Bhatia

**NJ Accelerate Prepared by:**

Monica Valenzuela

**ATC and Memo Prepared by:**

Jennifer Toth

# EXHIBIT A

## Q4 2020 Delegated ATC Delegated Approvals

Investors	Employees	Company	Investment	Tax Credit
Douglas Gabel		Acuitive Technologies, Inc.	\$263,850	\$26,385
<b>1</b>	<b>NJ: 20 Total: 20</b>	<b>Acuitive Technologies, Inc.</b>	<b>\$263,850</b>	<b>\$26,385</b>
Divya Vijay Bhatt		Agilis Chemicals Inc.	\$49,980	\$4,998
<b>1</b>	<b>NJ: 4 Total: 4</b>	<b>Agilis Chemicals Inc.</b>	<b>\$49,980</b>	<b>\$4,998</b>
Anne Arbetter Fischell Living Trust		Angel Medical Systems, Inc.	\$372,500	\$37,250
John Friedman		Angel Medical Systems, Inc.	\$75,000	\$7,500
Robert Elentuch Fischell		Angel Medical Systems, Inc.	\$1,890,369	\$189,037
Tim A Fischell		Angel Medical Systems, Inc.	\$265,369	\$26,537
BioInfo Accelerator Fund, LLC		Angel Medical Systems, Inc.	\$2,776,475	\$277,648
Robert Brooks		Angel Medical Systems, Inc.	\$50,000	\$5,000
Gregg Turi		Angel Medical Systems, Inc.	\$470,184	\$47,018
NGE Family Trust (Norman G. Einspruch, Trustee)		Angel Medical Systems, Inc.	\$37,500	\$3,750
The 1997 Corley Family Trust		Angel Medical Systems, Inc.	\$197,000	\$19,700
David Ross Fischell		Angel Medical Systems, Inc.	\$3,007,000	\$300,700
Victor Whitman		Angel Medical Systems, Inc.	\$250,000	\$25,000
Lisken B. and James M Cordes		Angel Medical Systems, Inc.	\$100,000	\$10,000
<b>12</b>	<b>NJ: 21 Total: 23</b>	<b>Angel Medical Systems, Inc.</b>	<b>\$9,491,397</b>	<b>\$949,140</b>
Prahlad Patel		AptaResearch LLC	\$900,000	\$90,000
Ishwar Chauhan		AptaResearch LLC	\$200,000	\$20,000
<b>2</b>	<b>NJ: 8 Total: 8</b>	<b>AptaResearch LLC</b>	<b>\$1,100,000</b>	<b>\$110,000</b>
Siew L. Chung		BIONEX PHARMACEUTICALS LLC	\$200,000	\$50,000
<b>1</b>	<b>NJ: 2 Total: 2</b>	<b>BIONEX PHARMACEUTICALS LLC</b>	<b>\$200,000</b>	<b>\$50,000</b>
Susan Ann Michel		CircleBlack, Inc	\$245,000	\$24,500
John Michel		CircleBlack, Inc	\$41,000	\$4,100
<b>2</b>	<b>NJ: 15 Total: 17</b>	<b>CircleBlack, Inc</b>	<b>\$286,000</b>	<b>\$28,600</b>
John David Carton		Elucida Oncology, Inc.	\$25,000	\$5,000
Richard Alan Graham Hiba T Graham Joint Tenant		Elucida Oncology, Inc.	\$12,500	\$2,500
Michael Edward Sherman		Elucida Oncology, Inc.	\$25,000	\$5,000
Donald E. Hinkle		Elucida Oncology, Inc.	\$12,540	\$2,508
Dominick John Abel		Elucida Oncology, Inc.	\$12,500	\$2,500
James F. Winschel Jr.		Elucida Oncology, Inc.	\$25,000	\$5,000
Michael Fedida		Elucida Oncology, Inc.	\$12,500	\$2,500
Raymond Wong		Elucida Oncology, Inc.	\$75,000	\$15,000
Richard Martin Reiter		Elucida Oncology, Inc.	\$12,540	\$2,508
Stanley M. Marks		Elucida Oncology, Inc.	\$12,500	\$2,500
Henry Scovern & Laura Pakarow TE		Elucida Oncology, Inc.	\$29,450	\$5,890
Robert S. Colman Trust UDT 3/13/85		Elucida Oncology, Inc.	\$125,000	\$25,000
Gideon Emanuel Bollag		Elucida Oncology, Inc.	\$25,000	\$5,000
Stephen Bender		Elucida Oncology, Inc.	\$38,000	\$3,800
The Steven and Kaye Yost Family Trust UAD 2/7/92		Elucida Oncology, Inc.	\$13,300	\$2,660
Robert M. Newsome		Elucida Oncology, Inc.	\$12,500	\$2,500
Robert Ertner		Elucida Oncology, Inc.	\$12,540	\$2,508
Charles L. Dickson & Nancy Ann Gillett 1995 Revocable Trust		Elucida Oncology, Inc.	\$12,500	\$2,500
The R Scott Greer & Michelle Greer Revocable Trust		Elucida Oncology, Inc.	\$38,000	\$7,600
Edgar D. Jannotta Jr. Exempt Family Trust		Elucida Oncology, Inc.	\$125,000	\$25,000
Howard J Worman		Elucida Oncology, Inc.	\$12,500	\$2,500
Beth Dryden		Elucida Oncology, Inc.	\$50,000	\$10,000
William Huff		Elucida Oncology, Inc.	\$26,600	\$5,320

Jonathan Charles Franks		Elucida Oncology, Inc.	\$25,000	\$5,000
Daniel James Grellner		Elucida Oncology, Inc.	\$37,500	\$7,500
Daniel Paul Petro		Elucida Oncology, Inc.	\$50,000	\$10,000
Joshua Gregg Berkowitz		Elucida Oncology, Inc.	\$75,000	\$15,000
Joel L Hochman Revocable Trust		Elucida Oncology, Inc.	\$25,004	\$5,001
<b>28</b>	<b>NJ: 13 Total: 13</b>	<b>Elucida Oncology, Inc.</b>	<b>\$957,974</b>	<b>\$187,795</b>
Andrew J Malik		Fusion Recruiting Labs	\$250,000	\$25,000
David Merrylees		Fusion Recruiting Labs	\$125,000	\$12,500
<b>2</b>	<b>NJ: 40 Total: 49</b>	<b>Fusion Recruiting Labs</b>	<b>\$375,000</b>	<b>\$37,500</b>
Barbara A McGinnity		Hope Portal Services, Inc	\$200,000	\$20,000
Vincent Tizzio		Hope Portal Services, Inc	\$100,000	\$10,000
Daria Placitella		Hope Portal Services, Inc	\$50,000	\$5,000
<b>3</b>	<b>NJ: 7 Total: 8</b>	<b>Hope Portal Services, Inc</b>	<b>\$350,000</b>	<b>\$35,000</b>
2018 Neil Tang Family Trust		Inspirit Group LLC	\$150,000	\$15,000
2018 Emily S Bennett Family Trust		Inspirit Group LLC	\$150,000	\$15,000
<b>2</b>	<b>NJ: 15 Total: 16</b>	<b>Inspirit Group LLC</b>	<b>\$300,000</b>	<b>\$30,000</b>
Kenneth D Fikes		Leap Insurance LLC	\$30,000	\$6,000
Richard and Moira O'Connell		Leap Insurance LLC	\$65,000	\$13,000
The Betsy J Bernard Trust		Leap Insurance LLC	\$50,000	\$10,000
Richard Ray Ritchie		Leap Insurance LLC	\$200,000	\$40,000
John P. Mordach and Carol E. Mordach		Leap Insurance LLC	\$30,000	\$6,000
Adam Benjamin Meshekow		Leap Insurance LLC	\$50,000	\$10,000
Joshua and Lolita Taub		Leap Insurance LLC	\$20,000	\$4,000
Jeffrey Zilberman		Leap Insurance LLC	\$25,000	\$5,000
Ran Zheng		Leap Insurance LLC	\$25,000	\$5,000
<b>9</b>	<b>NJ: 11 Total: 13</b>	<b>Leap Insurance LLC</b>	<b>\$495,000</b>	<b>\$99,000</b>
Tenx Group		Radius8, Inc.	\$50,000	\$5,000
<b>1</b>	<b>NJ: 9 Total: 12</b>	<b>Radius8, Inc.</b>	<b>\$50,000</b>	<b>\$5,000</b>
Chuck A Roberts		Truefort Inc.	\$100,000	\$10,000
Deepak C Khanduri		Truefort Inc.	\$500,000	\$50,000
Emerald Investor 2016-01 LLC (Series CIX 2019)		Truefort Inc.	\$300,000	\$30,000
Adam David Schwartz		Truefort Inc.	\$1,000,000	\$100,000
Emerald Investor 2016-02 LLC (Series CIX 2018)		Truefort Inc.	\$400,000	\$40,000
Emerald Investor 2016-02 LLC		Truefort Inc.	\$1,000,000	\$100,000
Great Road Holdings G LLC		Truefort Inc.	\$750,000	\$75,000
<b>7</b>	<b>NJ: 21 Total: 23</b>	<b>Truefort Inc.</b>	<b>\$4,050,000</b>	<b>\$405,000</b>
Tech Council Ventures II LP		Vydia Inc.	\$406,517	\$40,652
<b>1</b>	<b>NJ: 56 Total: 58</b>	<b>Vydia Inc.</b>	<b>\$406,517</b>	<b>\$40,652</b>
<b>72</b>	<b>NJ: 242 Total: 266</b>	<b>14</b>		

## Exhibit B

### Q4 2020 Entrepreneur Support Program Delegated Approvals:

Entrepreneur Business	Investor	Eligible Bridge Loan / Promissory Note	Guarantee Amount	NJ Employees
Credibility Capital, Inc.	Rull Family Partnership	\$20,000	\$16,000	
Credibility Capital, Inc.	Stanley P. Rull	\$20,000	\$16,000	
Credibility Capital, Inc.	Bruce A. MacFarlane	\$10,000	\$8,000	
Credibility Capital, Inc.	Barry A Brooks	\$50,000	\$40,000	
Credibility Capital, Inc.	Martha P Farrell Gift Trust dated 10/24/2008	\$20,000	\$16,000	
Credibility Capital, Inc.	Richard M Davidson Revocable Living Trust	\$20,000	\$16,000	
Credibility Capital, Inc.	Douglas B. Woodruff, Revocable Trust dtd 12.28.99	\$10,000	\$8,000	
Credibility Capital, Inc.	Garea Family Limited Partnership, L.P.	\$20,000	\$16,000	
Credibility Capital, Inc.	Jonathan A. Sebiri	\$42,500	\$34,000	
Credibility Capital, Inc.	Archetype Investments LLC	\$37,500	\$30,000	
<b>Credibility Capital, Inc.</b>	<b>10</b>	<b>\$250,000</b>	<b>\$200,000</b>	<b>NJ:15 Total:15</b>