

New Jersey Economic Development Authority (“NJEDA”)

Food Retail Innovation in Delivery Grant (“FRIDG”)

NOTICE OF FUNDING AVAILABILITY

The New Jersey Economic Development Authority (“NJEDA” or “Authority”) will begin accepting applications for the Food Retail Innovation in Delivery Grant (“FRIDG”) on April 25, 2023 at 10:00 AM. Applications for this pilot program will be available for 18 months after the opening of the application or until the total funding pool is exhausted. The application can be accessed at: <https://www.njeda.com/fridg/>. Applications will be accepted on a rolling basis and reviewed as they are received. FRIDG will make up to \$2,500,000 available for grants up to \$250,000 for the purchase of self-contained, temperature-controlled lockers (“Lockers”) that allow for flexible grocery delivery and pick-up for New Jersey Food Desert Community (“FDC”) residents. There is a \$1,000 non-refundable application fee required at time of application.

Purpose

FRIDG will make grants of up to \$250,000 available to the below eligible entities (collectively defined as “Food Retailers”):

- Independent supermarkets
- Independent supermarket operators
- Cooperative retailers
- Chain supermarkets
- Mass merchandisers
- Warehouse clubs

Grants will support Food Retailers to purchase Lockers that allow for flexible grocery delivery and pick-up and install them in FDCs. The objectives of FRIDG are to:

- i. Increase the availability of high-quality nutritional food in FDCs.
- ii. Encourage retailers to adopt new business models that can help sustain their business.

Note: This program is not open to Food Retailers without a physical retail location in New Jersey nor to Food Retailers not authorized to accept SNAP for online purchases.

Overview

This funding opportunity is issued as part of Governor Phil Murphy’s commitment to build a stronger and fairer New Jersey by investing in communities and to improve food access and food security for all Garden State residents. FRIDG is one tool that NJEDA will offer as an alternative to FDC residents who often must travel long distances or take multiple forms of transit to access groceries outside their community and leverages existing retailers’ capacity to bring food into FDCs while increasing the reach and potential customer base for the retailer. The grant program will fund the purchase of Lockers to improve and increase food access and food security in the FDCs. Lockers represent an innovative solution to give FDC residents the ability to order online and have groceries delivered to a convenient central location without having to travel long distances to reach Food Retailers, as many FDC residents without a nearby grocer are currently forced to do. Under the model proposed under FRIDG, FDC residents will be able to avail themselves of this new and innovative solution to the last mile of grocery delivery. The Authority will use \$2,500,000 from the Fiscal Year 2022 Appropriations Act for FRIDG.

Program Details

FRIDG grants will cover 30% to 50% of the aggregated cost of eligible Locker (including the cost of equipment, delivery, and installation), up to a maximum award amount of \$250,000.

FRIDG is intended to cover costs for prospective purchases. Existing projects with executed contracts, placed purchase orders, or a deposit made prior to submission of an application is not eligible for FRIDG funding. Grant awards will start at 30% of total project costs, with the ability to stack on bonuses to cover more of the costs for applicants that meet the criteria; however, no grant may exceed 50% of the total project cost or a maximum \$250,000.

Applicants are limited to purchases of Lockers that allow for flexible grocery delivery and pick-up. As part of the application, applicants must specify the location site of the proposed Locker within an NJEDA-designated FDC. Applicants are responsible for ongoing operation and maintenance costs related to the Locker

Bonuses are available to applicants proposing to place a Locker in a top 10 FDC¹, place a Locker on-site at a social service organization, or to waive delivery fees for deliveries made to the Locker, either for all purchases or those placed by individuals utilizing Supplemental Nutrition Assistance Program (“SNAP”) benefits online.

Program Eligibility

The applicant must meet the following eligibility criteria at the time of submission and throughout the application review period:

1. Food Retailers authorized by the United States Department of Agriculture Federal Nutrition Service (“USDA FNS”) to accept SNAP benefits (formerly referred to as ‘food stamps’) for online ordering².
2. Applicants must be a type of Food Retailer as defined below:
 - a. Independent supermarkets (single location with a single owner)
 - b. Independent supermarket operators (single location working with a third-party supplier or franchisor)
 - c. Cooperative retailers (member of a cooperative with similar supermarket owners)
 - d. Chain supermarkets (ten or more supermarkets owned by a single corporate entity)
 - e. Mass merchandisers (large retailers which operate full-service supermarkets within its retail locations)
 - f. Warehouse clubs (large retailers where customers can buy large quantities wholesale)
3. All applicants must have a physical retail location in New Jersey and service and delivery to any Locker located in an FDC. However, orders may be serviced from a non-retail location such as a distribution center.
4. Applicants must be in substantial good standing with the following New Jersey Departments:
 - Division of Taxation, as evidenced by a Tax Clearance Certificate
 - Department of Environmental Protection
 - Department of Labor and Workforce Development (“NJLW”) (“NJLW”)
5. Applicants must commit to place and make deliveries to any locker purchased through FRIDG in an NJEDA- designated FDC³ in an area that is accessible to the public in an FDC for a minimum of 12 hours per day, seven days per week.

Additionally, Lockers purchased through FRIDG must meet the following minimum criteria:

¹ FDC ranking available at <https://www.njeda.com/wp-content/uploads/2022/02/Food-Desert-Communities-Designation-Final-2-9-22.pdf>

² List of USDA FNS online SNAP authorized retailers in New Jersey can be found through the NJ Department of Human Services at [NJ SNAP | Using Your Benefits](#)

³ Map of NJEDA-designated FDCs available at [New Jersey Food Deserts as approved by the NJEDA on 2/9/2022 \(arcgis.com\)](#)

- A temperature span of at least two settings
- An integrative system that sends a special code to the user once the order is delivered, where notification is via text, email or app push
- The ability to be placed outside and withstand the elements
- A minimum of 4 lockers that automatically open when the person inputs their code
- Modular systems so more lockers can be added as necessary
- Mechanisms to ensure food safety, freshness and contamination prevention
- Security features to prevent theft

Construction contracts of \$2,000 or more that include installation are subject to Authority prevailing wage and affirmative action requirements and reporting and must be conducted by a Public Works Contractor registered with NJDOL.

Bonus Eligibility

FRIDG will award bonuses to applicants for the following:

Stackable 5% Bonus Available for:

- Locker located within an FDC ranked within the top ten (10) statewide⁴
- Proof of a partnership contract or agreement with a social service organization (e.g., food pantry, soup kitchen, community center, library) to locate Locker on-site with the organization in a manner that is accessible to the public and in a location where community members may already access services
- Commitment to waive delivery fees for SNAP online purchases for deliveries made to the Locker purchased through FRIDG

Stackable 10% Bonus Available for:

- Applicant commits to waive delivery fees for all deliveries made to the Locker purchased through FRIDG, regardless of payment type

Fees

A non-refundable fee of \$1,000 is due at the time of application.

Funding Levels

Grant awards will start at 30% of total project costs, with the ability to stack on bonuses to cover more of the costs for applicants that meet the following criteria, where no grant can exceed 50% of the total project costs or \$250,000, whichever is the lesser of the two.

One single disbursement will be issued when proof of equipment delivery and installation is provided. All disbursements are subject to availability of funding

Application Process

Applications will be accepted on a rolling basis and reviewed as they are received. After initial review, NJEDA staff may follow up with applicants for missing documents, clarity or additional documentation if needed. Applicants will have up to 10 business days to respond to requests by staff for documentation and clarifying questions, or risk being deemed withdrawn as incomplete or unresponsiveness.

⁴ FDC ranking available at <https://www.njeda.com/wp-content/uploads/2022/02/Food-Desert-Communities-Designation-Final-2-9-22.pdf>

As part of the application, Food Retailers will be required to identify the FDC location for the proposed Locker. Food retailers can submit only one application per FDC. However, Food retailers may submit more than one application if they wish to apply for purchasing multiple Lockers purchases across multiple FDCs. There will be a limit of 1 grant award per FDC awarded to the first completed application that meets all eligibility requirements. However, if there is still funding available after the application is closed, the Authority may approve additional applications received prior to the application closing within an already funded FDC. No single grant award may exceed \$250,000.

At the time of application, applicants are required to submit a purchase quote, order pro forma, equipment listing, or other document from a vendor indicating the total project cost, which should include equipment, delivery and installation. Applicants will also have to provide evidence of agreement with the property owner or tenant for the placement of the locker. Any executed contract, purchase order dated prior to application date, or deposit made prior to application for the purchase of the Locker is not eligible and will be declined.

The Authority will notify an approved applicant of the amount of funding committed to approved applicants and enter into an agreement prior to equipment purchase. The awardee will have 12 months from the date of grant execution for the delivery and installation of the equipment, with the option for up to two 6-month extensions at the request of the grantee and at the discretion of the Authority. The Authority will make one single award disbursement when proof of equipment delivery and installation is provided, along with any necessary permits or agreements for siting the Locker in its designated location within the FDC.

Applicants will be required to provide annual reporting updates to the Authority with supporting documentation on the following information for three (3) years from the date of award disbursement:

- Confirmation of Locker location
- Number of deliveries made to Locker
- Percentage of deliveries to locker that were paid using SNAP
- If a grantee receives one or more of the above bonuses:
 - As applicable, status of partnership with social service organization
 - As applicable, number of delivery fees waived for individuals paying with SNAP
 - As applicable, number of delivery fees waived for all payment types

Additional Information

FRIDG is not a competitive program; each application will be reviewed on its own.

Comprehensive information on Food Desert Community Designation is available [here](#).

Comprehensive information about the Food Retail Innovation in Delivery Grant is available [here](#).