



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: April 12, 2023

SUBJECT: Supplemental funds for New Jersey Asset Activation Planning Grants and Awards

Summary

The Members are asked to approve:

- 1) Allocation of funds from Fiscal Year 2023 Appropriations Act, L. 2022, c. 49 (“Appropriations Act”) “Planning Grant” appropriation transferred by the New Jersey Department of Treasury to the New Jersey Economic Development Authority and designated to the Economic Recovery Fund, in the amount of \$57,800.00 to supplement the New Jersey Asset Activation Planning Grant Program.
- 2) Grant award to LTD, Unlimited in the amount of \$49,800 to conduct a remediation needs assessment, community visioning, and feasibility study for three historic downtown properties owned by the city of Salem, NJ.
- 3) Grant award to Financial Wellness Institute in the amount of \$50,000 to undertake structural due diligence, community visioning, and a redevelopment feasibility study of a vacant historic theater in Woodbury, NJ, known as the "Old Sketch Club building."

Background

On March 9, 2022, the NJEDA Board approved the New Jersey Asset Activation Planning Grant (NJAAP). With an award pool of up to \$400,000. This program offers grants to New Jersey public, private, and nonprofit entities of up to \$50,000 for pre-development planning activities, such as conceptual design, feasibility studies, economic or market analyses, etc., for projects that activate distressed and under-utilized assets owned by a New Jersey municipality, county, independent authority, bureau, commission, or other public body.

Funded projects must be completed within six months following an executed grant agreement (with a possible two-month extension). Funds are disbursed in portions of 50% upon execution, 25% following a mid-point report, and 25% upon completion.

As part of the review process, an application must meet the minimum scoring threshold of 65 out of 100 possible points to demonstrate the ability to successfully complete the proposed planning activities and gage the improved utilization of a proposed or investigated public asset. The program scoring committee, composed of various subject matter experts among NJEDA staff, determined scores for each of the applications based on five components:

- 1) Asset Impact (40 points)
- 2) Project Purpose and Merits (20 points)
- 3) Previous Experience (20 points)
- 4) Community Engagement (10 points)
- 5) Municipal Revitalization Index Score (10 points)

Applications for the program are reviewed, scored, and recommended for awards in the order in which they were submitted. The program began accepting applications on July 26th, 2022, and the 90-day acceptance window ended October 24th, 2022. Eleven (11) applications were received for the program in total, which were reviewed on a first-come, first served basis. One (1) application was withdrawn in October, two (2) applications received approval at the November board meeting, and six (6) more applications were approved at the February 2023 board meeting.

As a result of those eight (8) awards there remains \$42,000 in funds from the original \$400,000 pilot program award pool. This amount is insufficient to fully fund the next eligible application as proposed and would leave one last eligible application unfunded.

As those two final applications are among the highest scored within the program and are located within municipalities ranked in the top 10% of the Municipal Revitalization Index, the Asset Activation team believe it would best serve the objectives of the program to allocate supplemental funds to award grants to these two projects.

The Board are therefore requested to approve allocation of funds from the Appropriations Act “Planning Grant” appropriation, in the amount of \$57,800, as supplemental funding to the New Jersey Asset Activation Planning Grant Program.

Subsequent to those funds, the board are requested to consider the following applications.

The scoring committee determined that the next application (Application #10) from LTD, Unlimited received 85.7 out 100 points, (detailed in Appendix B), which was the highest among all applicants, and exceeds the requisite overall score. The Board are therefore requested to approve grant award of \$49,800.

The scoring committee determined that Application #11 from Financial Wellness Institute, Inc. received 76.3 out 100 points, (detailed in Appendix B), which exceeds the requisite overall score. The Board are therefore requested to approve grant award of \$50,000.

Project Descriptions

LTD Unlimited is a real estate development firm with extensive background and experience in downtown revitalization. The applicant requests grant funding of \$49,800 to conduct a remediation

needs assessment and feasibility study for 3 city-owned properties on Broadway and Market Streets in downtown Salem. One of the properties at 113 Market Street is a key historic landmark in the community which has operated as a tavern since the 1730's. A visioning and community planning campaign will engage the community and stakeholders with at least three focus group meetings. The feasibility study will summarize community visioning, renovation, investments, and operation costs, and include an implementation strategy.

Financial Wellness Institute is a 501(c)(3) community-based organization (CBO) operating in New Jersey and the Delaware Valley providing financial education, small business technical support, career services, and affordable housing, with the stated mission to “Strengthen families and move communities towards economic stability.”

The applicant requests \$50,000 to undertake structural due diligence, community visioning, and a redevelopment feasibility study of a vacant 3,832 square foot historic theater at 433 Glover Street in Woodbury, known as the "Old Sketch Club building." It is anticipated that a committee of municipal, private, and public interest groups will be formed to oversee community engagement and visioning through focus groups and local meetings. The feasibility study will compile the due diligence findings, community visioning, funding opportunities, economic impacts, implementation strategy, and redevelopment costs.

Recommendations

- 1) Allocation of funds from the Fiscal Year 2023 Appropriations Act, L. 2022, c. 49 (“Appropriations Act”) “Planning Grant” appropriation transferred by the New Jersey Department of Treasury to the New Jersey Economic Development Authority and designated to the Economic Recovery Fund, in the amount of \$57,800.00 to supplement the New Jersey Asset Activation Planning Grant Program.
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Tim Sullivan
Chief Executive Officer

Attachment:
Appendix A – Product Specifications
Appendix B – Scoring Summaries

Appendix A
New Jersey Asset Activation Planning Grant Specifications
Approved: March 2022

Funding Source	NJEDA Economic Recovery Fund. \$200,000 for initial pilot program. Authority for additional \$200,000 contingency.
Program Purpose	The New Jersey Asset Activation Planning Grant Program will award grants of up to \$50,000 to public, private, or non-profit entities, for early-stage planning and analysis that will demonstrate viability of projects that activate distressed or under-utilized public assets that benefit their communities and the regional economy
Eligible Applicants	<p>Qualified applicants are defined as a New Jersey:</p> <ul style="list-style-type: none"> • Municipality, • County, • Municipal, county, regional or state redevelopment agency, • Municipal, county, regional or state independent authority, • Non-profit entity • Private, for-profit entity that meet additional criteria detailed below and holds a valid New Jersey tax clearance certificate. <p>An Applicant in a lead role is the entity that is the sole recipient of grant funds and responsible for all terms of the grant agreement. The lead role applicant will serve as the primary point of contact with the Authority, submit any requests for fund disbursement, and provide reports to the Authority.</p> <p>An applicant may only submit one application each in a lead role but can be included as a partner in additional applications where they play a non-lead role. Any named strategic partner or partners included in the proposal cannot be changed without the prior written consent of the Authority.</p> <p>Applicants may add strategic partners whose experience, knowledge, skills, and ability may provide an advantage in the production of analyses and reports.</p> <p>The strategic partnership must be recognized by a signed memorandum of understanding or a written agreement between the partner and the applicant and included in the completed application.</p> <p>Private and nonprofit entities proposing projects in relation to public properties must provide a letter of approval from the chief executive of the public entities that hold ownership of the subject property. Assets owned by The State are not eligible for project applications, however assets owned by Independent State Authorities are eligible when accompanied by a letter of approval.</p> <p>A proposal on behalf of a county or independent authority does not preclude a municipality within that county; or municipality or county within boundary of independent authority; or independent authority whose boundaries overlap a municipality or county from submitting their own proposal.</p>

<p>Eligible Uses</p>	<p>The New Jersey Asset Activation Planning Grant Program will provide grants of up to \$50,000 directly to grantees for pre-development planning that will demonstrate viability of projects. Proposed plans may include, but are not limited to:</p> <ul style="list-style-type: none"> • Conceptual design • Feasibility studies • Economic analysis • Market analyses <p>Proposal plans must demonstrate to what extent the utilization of a public asset will be improved by the proposed project and how development of an asset will benefit the regional economy and the community.</p> <p>Projects should target deficient, under-utilized, or vacant land, buildings, or infrastructure owned by a county, municipality, district, public authority, public agency, or other political subdivision or public body.</p> <p>Plans should demonstrate a strong connection to the State’s development objectives through project elements, such as:</p> <ul style="list-style-type: none"> • Creating or catalyzing a new business sector, or target industry <ul style="list-style-type: none"> ○ As defined by the NJEDA Emerge program, “Targeted industry” means any industry identified from time to time by the Authority which shall initially include advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-retail food and beverage businesses including food innovation, and other innovative industries that disrupt current technologies or business models • Driving economic growth and equity • Creating an innovative use for distressed public assets, unutilized or underutilized public property or unutilized public lands • Expanding access to public transportation or public services • Attracting employers and a diverse, talented workforce • Expanding entrepreneurial opportunities and support local businesses • Improving land use efficiency and sustainability
<p>Application Process and Board Approval/ Delegated Authority</p>	<p>Applications for the New Jersey Asset Activation Planning Grant will be accepted on a rolling basis.</p> <p>EDA anticipates notifying each applicant within five business days of receipt if the application has been deemed complete. Applicants whose applications have been deemed incomplete will be given five business days to cure any deficiencies. If at the end of the five-day period, the applications are still incomplete, they will be notified the application will not be advancing and a new application would need to be submitted for further consideration.</p> <p>Applications will be evaluated and scored on a first in, first out basis using the date and time that the Authority receives a completed application. Applications that meet the minimum score requirement of 65 will be recommended to the Board for award approval in that order.</p> <p>Applications will be accepted during a 90-day window publicized in the Notice of Funding Available. Delegated authority is requested to allow the Chief Executive Officer to draw down additional funding of up to \$200,000 from ERF for the purposes of making additional awards should the application volume, received prior to the initial deadline, exceed the original funding amount.</p>

	<p>Applications must include plans for specific deliverables that can be fully completed (with copies provided to EDA appropriate for public consumption) six calendar months after the execution of funding agreement between EDA and the recipient. Upon written request by the grantee an extension of up to two months may be authorized for the plan’s final delivery, at the sole discretion of the Authority.</p>
<p>Scoring</p>	<p>Applications will be reviewed and scored by staff of the Authority formed as a scoring committee.</p> <p>The scoring committee may utilize the advice of subject matter experts from both the Authority and other New Jersey state departments, agencies, councils, offices, and boards to advise scoring decisions.</p> <p>Grants will be scored on a scale of 0-100 points, with 100 points being the highest score possible. Grants award recommendations will be limited to applications that meet or exceed the Minimum Score Requirement of 65 points.</p> <p>Applications will be evaluated and scored on each of the criteria below.</p> <p><u>Criteria #1 - Asset Impact</u> (Up to 40 points) – Proposals must demonstrate how projects will improve the utilization of a public asset and contribute to the community and regional economy. Example of these may include, but are not limited to:</p> <ul style="list-style-type: none"> • Projects that look to innovative uses of underutilized, distressed, or vacant public land, improvements or structures that will provide possibilities for local equitable economic growth • Projects that develop publicly owned parking lots into ratable businesses, or mixed-use neighborhoods infill. • Projects that activate use of public rights-of-way for multi-modal trail connections. • Designs for innovative and transformative new buildings on unused public lands. • Development of vacant, under-utilized, or distressed public land, improvements or structures for a targeted industry research, development, workforce training or manufacturing hub. <p style="padding-left: 40px;">Scoring measure: 0 - 10 points: Demonstrates minimal impact 11 - 20 points: Demonstrates marginal impacts 21 - 30 points: Demonstrates significant impacts 31 - 40 points: Demonstrates superior impacts</p> <p><u>Criteria #2 – Identification of Project Purpose and Merits</u> (Up to 20 points) – Proposals should identify community benefits of the project, and challenges that have precluded prior development of the asset. Considerations may include, but are not limited to:</p> <ul style="list-style-type: none"> • Ability to address locality-specific needs and challenges. • Emphasis on long term viability and adaptability of a given concept. • Ability to consider and mitigate any past difficulties that created challenges for a given asset/grouping of assets. • Ability to identify and balance local needs with those of the region and state. <p>Scoring measure:</p>

	<p>0 - 5 points: Little or no demonstration of features 5 - 10 points: Features are present but show deficiencies. 11 - 15 points: Features are well demonstrated. 16 - 20 points: Significantly exceeds requirements.</p> <p><u>Criteria #3 - Previous Experience</u> (Up to 20 points) – Preference will go to entities who are able to display a strong record of early-stage project planning and analysis that lead to development. Applications should demonstrate a commitment to engage in development projects by a record of past project involvement. Applications may bolster these criteria through strategic partnerships and detailing those partners’ records. Preference will go to applicants who can demonstrate a track record of:</p> <ul style="list-style-type: none"> • Partnership and engagement with public entities for development and redevelopment. • Adherence to state and local development plans. • Dedication to principles of environmental sustainability. • Previous investments in business sector or innovation projects. <p>Scoring measure: 0 - 5 points: Little or no demonstration of features 5 - 10 points: Features are present but show deficiencies. 11 - 15 points: Features are well demonstrated. 16 - 20 points: Significantly exceeds requirements.</p> <p><u>Criteria #4 - Community Engagement</u> (0 to 10 points) - Preference will go to applicants that are able to display efforts to engage local residents and businesses in planning efforts. Local interest may be shown in the form of both past and present support, whether formal (municipal resolutions) or informal (community discussion and engagement).</p> <p>Scoring measure: 1-5 points: Feature is present but shows deficiencies 5-7 points: Meets requirements 7-10 points: Significantly exceeds requirements</p> <p><u>Criteria #5 - Municipal Revitalization Index Score</u> (0 to 10 points) – The Municipal Revitalization Index (MRI) serves as the State’s official measure and ranking of municipal distress. The MRI ranks New Jersey’s municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. Most recent MRI scores will be applied based on time of application submission and physical location of proposed project’s municipal host community.</p> <p>Scoring measure: 2 points: MRI Distress Score 30 – 34.9 4 points: MRI Distress Score 35 – 39.9 6 Points: MRI Distress Score 40 – 49.9 8 Points: MRI Distress Score 50 – 69.9 10 Points: MRI Distress Score 70 or higher</p>
Grant Amounts	Grant awards will be up to \$50,000

<p>Funding Disbursement</p>	<p>Grant disbursements by the Authority will only be made to the lead role entity. The lead role entity shall be responsible for assuring the compliance of any strategic partners and/or subcontractors with all terms and conditions of this application - and assumes the sole and absolute responsibility for any payments due to any municipal, county, or strategic partners.</p> <p>All Applicants who are successfully awarded a grant will follow a uniform disbursement schedule. The lead entity will receive 50% of the grant amount upon execution of grant agreement, and 25% upon completion and submission of a mid-way progress report, and 25% upon completion and submission of a final plan and final progress report. At a minimum, the progress reports must include:</p> <ul style="list-style-type: none"> • Summary of funds expended to date, and • Narrative detailing milestones achieved and overall progress toward completion of final plan.
<p>Reporting requirements</p>	<p>A monthly call with the Designated Authority Project Manager and the Grantee’s assigned Account Manager or Back-Up Account Manager will be held monthly for the first three months of the grant term, up until the halfway point of the grant term.</p> <p>During and following that time, additional calls may be held on an as needed basis until the grant term has ended.</p> <p>At the end of the grant term, the awarded grantee must provide a copy of the final report to the Authority for review and public dissemination.</p>
<p>Fees</p>	<p>A non-refundable fee of \$ 1,000 shall accompany every application for Authority assistance.</p>

Appendix B

New Jersey Asset Activation Planning Grant
Scoring Summary
Applicant #10: LTD, Unlimited (PROD-00308526)

Criteria	Committee Average Score	max score
#1 Asset Impact	34.3	/40
#2 Project Purpose and Merits	16.7	/20
#3 Previous Experience	16.3	/20
#4 Community Engagement	8.3	/10
#5 MRI Index	10.0	/10
Final Score	85.7	

New Jersey Asset Activation Planning Grant
Scoring Summary
Applicant #11: Financial Wellness Institute, Inc. (PROD-00308545)

Criteria	Committee Average Score	max score
#1 Asset Impact	30.3	/40
#2 Project Purpose and Merits	13.7	/20
#3 Previous Experience	16.7	/20
#4 Community Engagement	7.7	/10
#5 MRI Index	8.0	/10
Final Score	76.3	/100