



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 12, 2023

SUBJECT: New Jersey Indoor (NJ) Amusement Park Grant Program- Product Revision

Summary

The Members are asked to approve:

- 1) A revision to the New Jersey Indoor (NJ) Amusement Park Grant Program to expand eligibility to businesses that are primarily engaged in activities described in Code 713110 or 713120 of the North American Industry Classification System.
- 2) An increase in the maximum award up to \$500,000 for Applicants that are not in an Opportunity Zone eligible census tract and up to \$550,000 for Applicants in an Opportunity Zone eligible census tract.
- 3) Delegation to the CEO to award additional funds to eligible Applicants if available.

Background

At the February 8, 2023, Board meeting, the Members approved the creation of the NJ Indoor Amusement Park Grant, which made the grant funding available for for-profit establishments that operate indoor amusement parks, arcades and entertainment facilities and demonstrate a minimum 50 percent reduction in indoor gross revenue for the 12-month period beginning April 1, 2019.

This funding was specific to NJ businesses engaged in activities under specific North American Industry Classification System (NAICS) codes (code 713110 – Amusement and Theme Parks or 713120 – Amusement Arcades) as of April 1, 2020. Eligible applicants had to provide their federal tax returns starting from year 2019 up to their current tax filing. NJEDA looked to their 2020, 2021, and current filing to ensure the eligibility was met by having the two specific NAICS code identified in the budget language. This ensured consistency in filing and use of NAICS code year over year. If someone has changed their NAICS code in any one of the identified years and it is different from the two identified, then the applicants would be deemed ineligible for this grant.

Grant awards were calculated by the amount of decrease in the applicant's self-declared gross

revenue from April 1, 2019, to March 31, 2020, and April 1, 2020, to March 31, 2021, or \$100,000, whichever is less, unless the applicant is located in an Opportunity Zone eligible census tract. If the applicant was in an Opportunity Zone eligible census tract, the award cap was \$150,000. New Jersey Indoor Amusement Park Program Application launched on Thursday, June 15, 2023, and closed on July 31, 2023. At this time staff has not identified any eligible applicants.

Product Revision

The NAICS code 713100 is for a broad category classification for amusement parks and arcades as per the Bureau of Labor and entities with this code may engage in activities under NAICS code 713110 or 713120. The amusement park NAICS (713-110) and arcade NAICS (713-120) are the only two sub-codes that sit under the broad umbrella NAICS of 713-100 as per US Census revisions from 2012 and 2017. Applicants have applied for the Grant with the NAICS code 713100 which may be eligible given it is the category classification for amusement parks and arcades. These entities are engaging in activities described in NAICS code 713110 or 713120 which would be eligible per the NJ Indoor Amusement Park Grant budget language¹.

The loss sustained by Indoor Amusement Parks during COVID19 is far greater than the initial grant request previously approved by the board. Therefore, we are seeking approval for the award to be increased from \$100,000 to \$500,000 for applicants that are not in an Opportunity Zone eligible census tract and from \$150,000 to \$550,000 for applicants in an Opportunity Zone eligible census tract. However, if there are more eligible applicants than anticipated with unmet needs greater than the total available funding, the amount provided to each eligible applicant will be reduced such that all applicants receive a share of the funding pool proportional to their eligible unmet need.

Recommendation

The Members are asked to approve:

- 1) A revision to the New Jersey Indoor (NJ) Amusement Park Grant Program to expand eligibility to businesses that are primarily engaged in activities described in Code 713110 or 713120 of the North American Industry Classification System.
- 2) An increase in the maximum award up to \$500,000 for Applicants that are not in an Opportunity Zone eligible census tract and up to \$550,000 for Applicants in an Opportunity Zone eligible census tract.
- 3) Delegation to the CEO to award additional funds to eligible Applicants if available.



Tim Sullivan, CEO

¹ Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Recovery Grants to Indoor Amusement Parks shall be used to provide grants to businesses that are engaged in activities described in Code 713110 or 713120 of the North American Industry Classification System, as that code read on April 1, 2020, and that are able to demonstrate a minimum 50 percent reduction in gross revenues from indoor operations for the 12-month period beginning April 1, 2019, pursuant to an application process administered by the New Jersey Economic Development Authority, subject to the approval of the Director of the Division of Budget and Accounting. P.L. 2022, c.49, p. 193