



Food Desert Relief Supermarket Initial Operating Cost Tax Credit

Application Checklist

The NJ Food Desert Relief Tax Credit Program, created under the Economic Recovery Act (ERA) of 2020, incentivizes the development and long-term operation of supermarkets/grocery stores in Food Desert Communities. The program will provide financial assistance in the form of tax credits to supermarkets/grocery stores in the 50 Food Desert Communities (FDCs) previously designated by NJEDA. The list of FDCs is available [here](#). A [Searchable Map](#) can be used to determine if a specific location is within the boundaries of an FDC.

There are two tax credits available:

- The **Financing Gap Tax Credit** for developers of supermarkets/grocery stores, and
- The **Initial Operating Cost Tax Credit** for the operators of those stores.

The information provided below **only pertains to the Initial Operating Cost Tax Credit application**. This document is meant to guide you through the application process. Below you will find a list of all the documents you will need to complete or have available for the application. For an overview of the full application process please refer to the [Initial Operating Cost Sample Application](#).

Required Application Documents

1. Applicant Organization:

- Certificate of Alternative Name:** If applicable.
- Formation Document(s)** to verify applicant entity type.
 - Sole Proprietor: Provide a [Certificate of Trade Name](#) (filed with the County Clerk)
 - LLC: [Certification of Formation](#)
 - Corporation: [Certificate of Incorporation and Bylaws](#)
 - Not-for-profit: [Certificate of Incorporation and Bylaws](#)
 - Out of State: If your entity was formed out of state but operates within the State of NJ, you must file a Certificate of Authority when registering the business in NJ and provide that certificate.
- Current Tax Clearance Certificate:** Must be issued by the NJ Division of Taxation within 180 days of application submission.
 - [Directions for securing your tax clearance certificate.](#)
- Religious Affiliation Form:** If applicable.

2. Organization Details:

- Organizational Chart:** Depicting ownership at time of application and detailing percentage and level of ownership.
- Additional materials detailing corporate capabilities and experience with similar projects** (optional)

3. **Affiliate Documentation:** Only if applicant has one or more affiliates to report.
 - Formation documents:** Verification of the affiliate’s entity type.
 - Tax Clearance Certificate:** From the NJ Division of Taxation.
 - Religious Affiliation Form:** If co-applicant is religiously affiliated.

4. **Co-Applicant Documentation:** Only if applicant has co-applicants to report.
 - Participation Agreement:** Specifies co-applicant’s participation in project.
 - Formation documents:** Verification of the co-applicant’s entity type.
 - Tax Clearance Certificate:** From the NJ Division of Taxation.
 - Religious Affiliation Form:** If co-applicant is religiously affiliated.

5. **General Project Documentation:**
 - Additional Project Materials:** Documentation to help NJEDA understand more about the project.
 - Food Desert Community Mapping Tool Screenshot:** screenshot of mapping tool evidencing project is located in an FDC.
 - Documentation Evidencing Site Control:** If applicable.
 - Letter of Intent:** If applicant does not own and intends to acquire the site parcel(s)
 - Documentation Evidencing Site Ownership:** If applicant owns site parcel(s)
 - Layout Documentation:** E.g., a floor plan, planogram of supermarket or grocery store. Must show square footage of retail space, space for food and related products, space for fresh and/or frozen fruits and vegetables, space that will be subleased and/or licensed.
 - Letter of Support:** From the governing body of the municipality/municipalities in which the project is located.

6. **Building Eligibility:**
 - Rehabilitation Description:** If project is a rehabilitation of an existing building, rather than new construction. Documentation must demonstrate that the work will meet the criteria for rehabilitation under the Food Desert Relief Tax Credit program.

7. **Supermarket Developer/Landlord:** (Only applicable if applicant is not the developer/landlord.)
 - Binding Agreement:** Between the applicant and landlord, including verification of the proposed rent for the new supermarket. The term of the agreement must be at least seven years from when the store is expected to open for business to the public.
 - Landlord Verification:** Proof that the landlord is aware that the applicant is applying for a tax credit for supermarkets.

8. **Project Economics:**
 - Sources and Uses:** Use template provided.
 - Funding Source Supporting Documentation:**
 - For debt financing: commitment letters or other documentation evidencing bank financing commitment. This document should include information on the lender, duration of validity of loan commitment, and key loan terms.
 - For grants, subsidies, tax credits, etc.: documentation should include the source, date of commitment, term of validity of commitment, amount of commitment, etc.
 - For applicant equity: bank statement for a private company or most recent Form 10-K and Form 10-Q (for publicly traded companies).

- Market and/or Feasibility Study:** Must be completed by an independent third party. This study must include the third party's position regarding the marketability and underwriting of the revenue and expense components of the project for the duration of the eligibility period. It must also be dated within 12 months of the application.
 - Projected Income Statement:** Use template provided.
9. **Project Timeline:** (Only applicable if store is not yet open.)
- Anticipated Project Schedule/Timeline:** Include a timeline that shows key project milestones and their anticipated timing from present through the opening of the supermarket or grocery store for business to the public.
10. **Notice Regarding Affirmative Action/Prevailing Wage Form:** Complete provided form.
11. **Documentation Detailing Diversity Initiatives:** If applicable.
12. **NJEDA Required Documentation:** The NJEDA requires that the following information be completed by designated personnel: For any applicant, by the General Counsel or Chief Legal Officer (recommended). Or, for a corporation, by a principal executive officer at least the level of vice president. For a partnership, by a general partner. For a sole proprietorship, by the proprietor. For a governmental entity, by the contact person (business administrator, manager, mayor, etc.). For other than above, by the person with legal responsibility for the application.

If the application is being completed by someone with the appropriate authority, the application itself will contain these questions and certifications. If not, PDF forms must be downloaded, completed by someone with the appropriate authority, and uploaded.

- [Legal Questionnaire](#)
- [Certification of Non-Involvement in Prohibited Activities in Russia or Belarus](#)
- [Certification of Application](#)
- [Legal Questionnaire Addendum](#) (if applicable)