

NJ Ignite

One of the pillars of Governor Murphy's vision of a stronger fairer economy is recreating New Jersey as a home for innovation. Fostering emerging businesses and helping them overcome barriers to commercial success is critical to achieving that vision.

NJ Ignite supports entrepreneurs by providing rent support grants. In addition, this program provides collaborative workspaces with a new tenant attraction tool.

Questions?

The EDA Technology & Life Sciences Team will be hosting a series of informational webinars on this new program. Please check www.njeda.com/NJIgnite for further updates on the dates/times of these webinars.

If you have any questions about NJ Ignite, please email NJIgnite@njeda.com.

Program Details

- Grants that support rent of early stage technology and life science companies in New Jersey collaborative workspaces.
- EDA's grants will cover rent payments for 2, 4 or 6 months.
- A collaborative workspace must match EDA's grant to the tenant company on a 1:2 basis (e.g. if EDA provided a grant for 2 months, the collaborative workspace would need to provide a grant for 1 month).
- The start-up tenant company must commit to continuing to work from the collaborative workspace (paying rent) for a period no less than EDA and the collaborative workspaces combined months of support.
- EDA will provide an additional month of support if the workspace is located in an Opportunity Zone, affiliated with a hospital system or New Jersey university, or is recently established. These months can be added together for a total of three additional months. These months do not count toward the workspace match requirement or the tenant commitment requirement.

Eligibility:

Collaborative Workspaces:

- Located in New Jersey
- Have A Division of Taxation Tax Clearance Certificate. Certificates may be requested through the State of New Jersey's Premier Business Services (PBS) portal online.
- Have an NJ Business Registration Certificate
- Have a minimum of 5 unique paying tenants over the last 2 years * (Tenants must have an arms-length relationship with the collaborative workspaces owners and operators)
- Have an operating cost (e.g., rent or mortgage or internal corporate charge-back)
- Offer at least one type of work space - private office space, hot-desks or dedicated desks
- Commit to hosting at least 8 innovation ecosystem building events in a year. Examples of ecosystem building events include: meet-ups, speaker series, office hours for lawyers/ accountants/ consultants/ investors)
- Certify that the workspace charges rent to tenants and that the rent that would be charged to the startup and supported by EDA is market-rate.
- Commit to matching EDA's grant to the tenant company on a 1:2 basis

* Workspaces formed less than 90 days prior to the approval request may qualify for the program on a case-by-case basis, if they have at least 3 signed prospective lease agreements.

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Startup Companies:

- Be registered to do business in New Jersey
- Provide a two-page executive summary of their business
- Are a technology or life sciences company (qualifying industries include: advanced computing, advanced materials, biotechnology, electronic device technology, information technology, food technology, life sciences, medical device technology, health care technology, logistics technology, mobile communications technology, agriculture technology, and renewable energy)
- Are applying within three years of earliest date of formation
- Have fewer than 10 employees (1099 or W2)
- Have less than \$1,000,000 in trailing 12-months gross sales from date of application submission
- Have at least one full-time NJ employee that will be working in the facility (1099, W2, and common law employees are eligible)
- Have not previously utilized another collaborative workspace in NJ (use of out-of-state collaborative workspaces does not disqualify the tenant)
- Commit to working at the facility beyond the grant term for 1x the length of the total grant. (For example, if the grant covers 2 months of rent from EDA and 1 month of rent from the collaborative workspace, the company must commit to an additional 3-months beyond the term of the grant.)

Fees:

There are no fees associated with the NJ Ignite program.

Link to application: https://application.njeda.com/application_information_IGNITE.aspx



@NewJerseyEDA

Application Process:

Step 1: Collaborative Workspace Becomes an Approved Space

A collaborative workspace must meet the above qualifications to be an approved workspace.

Documents:

- A. Signed self-certification
- B. NJ tax clearance
- C. NJ business registration
- D. Tenant/Member List completed
- E. Rent, mortgage or corporate charge back payment for one month evidencing a cost to run the space

Step 2: Apply for a Grant

Once a workspace is approved, it can start to market the rent support program to prospective tenants. When the workspace identifies a start-up it would like to offer support to (e.g. provide 1, 2 or 3 months of rent support), the workspace can apply for an EDA grant.

Online grant applications will include basic information about the tenant company and a signed lease (can be contingent on grant funding) to start within 30 days +/- from grant application submission date).

Link to application: https://application.njeda.com/application_information_IGNITE.aspx

Documents:

- A. Signed self-certification certificate
- B. NJ business registration
- C. 2-page executive summary
- D. Articles of incorporation (evidencing that the company is not more than three years in existence)
- E. Employee verification form (form available at www.njeda.com/njignite)
- F. Financial statements since incorporation (management prepared P&L and Balance Sheet)
- G. Signed lease/membership agreement (draft prepared will be accepted- with executed copy to follow within 30 days)
- H. Right of Entry Form
- I. Certificate of Insurance naming the NJEDA as additional insured on the collaborative workspace's general liability insurance policy

Step 3: Submitting a Disbursement Request

- A. Collaborative workspace provides rent-free spaces as per the agreement and grant application
- B. Tenant company agreed upon tenancy required
- C. Collaborative workspace submits disbursement request to EDA (NJIgnite@njeda.com) with supporting documentation
 - 1. Signed disbursement request
 - 2. Rent/fee payments from tenant/member (cancelled check, wire payments, receipt of payment)
 - 3. Executed lease/membership agreement (if not already submitted)
- D. EDA reviews request and if requirements have been met disburses grant to the collaborative workspace

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Step 4: Annual Collaborative Workspace Review

- A. EDA requests documentation from collaborative workspace on 10 community events
 - 1. Community events form
 - 2. Tenant/member duration form
- B. EDA request documentation from collaborative workspace to prove tenant/member stayed for grant period
 - 1. Rent/free payments, swipes into space or satisfactory documentation
 - 2. EDA reviews documentation and reapproved participation or addresses issues (clawback funds/program removal)

List of Collaborative Workspaces:

For a list of collaborative facilities approved under the NJ Ignite Program please visit <https://www.njeda.gov/njignite/>

Entrepreneurship



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