NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Agenda for Special Board Meeting of the Authority February 24, 2025

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Public Comment

Economic Transformation

Incentives

Bond Project

Real Estate

Authority Matters

Board Memoranda

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 19, 2024

MINUTES OF THE MEETING

The Meeting was held in-person and by teleconference call.

Members of the Authority present in person: Chairman Terry O'Toole, Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Elizabeth Dragon representing Commissioner Shawn LaTourette of the Department of Environmental Protection; Public Members Charles Sarlo, Vice Chair; Virginia Bauer, Marcia Marley, Robert Shimko, First Alternate Public Member; and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority present via conference call: Aaron Creuz, Executive Representative; Elizabeth Muoio, State Treasurer; Acting Commissioner Justin Zimmerman of the Department of Banking and Insurance; Public Members Philip Alagia, Fred Dumont, and Massiel Medina Ferrara.

Members of the Authority absent: Aisha Glover, Public Member.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Jamera Sirmans, Governor's Authorities Unit; and staff.

Chairman O'Toole called the meeting to order at 10:00 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the Department of State.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the November 18, 2024 meeting minutes. A motion was made to approve the minutes by Ms. Bauer, seconded by Mr. Dumont, and approved by the fourteen (13) voting members present.

Mr. Alagia joined the call at this time.

FOR INFORMATION ONLY: The next item was the presentation of the Chairman's Remarks to the Board.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board. Tim Sullivan read and present a letter from the Governor to **Virginia Bauer** and thank her for her service over the past several years during the CEO Report.

PUBLIC COMMENT

The next item of business was the public comment portion. Chairman O' Toole asked Ms. Esser to share the NJEDA's public comment policy and process for the Board Meeting.

State Senator Vincent Polistina (R- LD 2), Deputy Conference Leader, addressed the Board regarding the Aerospace Strategic Innovation Center in Atlantic County.

Mr. Jason Torres, Managing Partner, Sana Capital addressed the Board regarding the SSBCI SEDI item.

Mr. Jacob Koppel Egierd, an entrepreneur from Monroe Township, addressed the Board regarding his application to the 2024 New Jersey Innovation Fellows Program.

Mr. Marcos Gonzales, Managing Partner, Vamos Ventures addressed the Board regarding the SSBCI SEDI item.

FOR INFORMATION ONLY: The next item was a summary of the Audit Committee meeting from December 2, 2024.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from December 6, 2024.

ECONOMIC SECURITY

ITEM: Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program
REQUEST: To approve: (1) The creation of the Food Equity and Economic Development in New Jersey (FEED NJ) Pilot Program which will make grants available for projects to strengthen food access and food security focused on New Jersey's most acute Food Desert Communities; (2) Utilization of proceeds from the NJEDA Food Desert Relief Tax Credit Auction to initially fund the Program; (3) Delegation to the CEO to accept additional funds to be deposited into the Economic Recovery Fund for the Program; and (4) Charging no fees in the FEED NJ Pilot Program, due to the nature of the program and the mission of the prospective applicant pool.
MOTION TO APPROVE: Comm. Angelo SECOND: Ms. Bauer AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Ms. Ferrara recused because the City of Trenton has been selected as part of the PILOT program.

REAL ESTATE

ITEM: Approval of Purchase and Sales Agreement between the Authority and Trenton Board of Education for Block 3901, Lot 48, Block 3902, Lot 1, Block 3903 Lot 1, Trenton, Mercer County (Battle Monument Site) to construct the Maternal and Infant Health Innovation Authority
REQUEST: To approve: (1) entering a Purchase and Sale Agreement with the Trenton Board of Education for the purchase of the Battle Monument Site; and (2) The use of Strategic Innovation Center funds for repayment of the equitable lien on the property held by the School Development Authority.
MOTION TO APPROVE: Ms. Marley SECOND: Ms. Bauer AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Ferrara recused because the City of Trenton is reviewing the Maternal and Infant Health Innovation Authority site and the construction plans on behalf of Trenton Planning Board.

ITEM: Grant Agreement with Rutgers, The State University of New Jersey for activities related to the Development of an Academic Health Center Campus in Newark
REQUEST: To approve: (1) enter into Grant Agreement with Rutgers University for specific grant activities in furtherance of the redevelopment of the University Hospital/ Rutgers Biomedical and Health Sciences Academic Health Center Campus in Newark; and (2) the granting of any unused, uncommitted or undisbursed funds, as determined by the Authority, from the Predevelopment Agreement with Rutgers University and University Hospital as approved by the Board in April 2024.
MOTION TO APPROVE: Ms. Bauer SECOND: Mr. Shimko AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Vice Chair Charles Sarlo recused as his firm may become involved with this project in the future.

ITEM: Atlantic City Revitalization Grant Award – Showboat Properties
REQUEST: To approve a grant award to Showboat Properties LLC under the Atlantic City Revitalization Grant Program.
MOTION TO APPROVE: Comm. Angelo SECOND: Ms. Bauer AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Atlantic City Revitalization Grant Program – Update and Reopening of Program
REQUEST: To approve: (1) Updating the Atlantic City Revitalization Grant Pilot Program and reopen the application to utilize the remaining balance of funds from "Atlantic City Initiatives" in the Fiscal Year 2024 Appropriations Act from American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds to provide grants that support up to 50% of the costs for capital projects located within Atlantic City; (2) Accept additional "Atlantic City Initiatives" funding (American Rescue Plan State Fiscal Recovery Funds appropriation) which will also be deposited in Economic Recovery Funds and used for the Atlantic City Revitalization Grant Program; (3) Delegation to the CEO to approve individual applications in accordance with the terms set forth in the memo and program specifications; (4) Delegation to the CEO to update the MOU with the NJ Department of Community Affairs to use the remaining funds from the initial Program approval and the additional Atlantic City Initiative funds for the Atlantic City Revitalization Grant Program, and agree to continue to comply with federal requirements for the use of those funds.
MOTION TO APPROVE: Ms. Dragon SECOND: Ms. Bauer AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ECONOMIC TRANSFORMATION

ITEM: Strategic Innovation Center Investment in Atlantic County NJ Aerospace
REQUEST: To approve: (1) An investment from the Strategic Innovation Centers into the Aerospace Strategic Innovation Center to plan, develop, construct, and manage an approximately a 40,000 square foot innovation hub on the National Aerospace Research Technology Park, adjacent to the Atlantic City International Airport and FAA William J. Hughes Technical Center. The Program will utilize funds appropriated to the Economic Relief Fund to undertake development of or invest in Strategic Innovation Centers following the policy approved by the Board on July 15, 2021; (2) to approve an administrative fee to NJEDA as allowed through the Economic Recovery Fund statute; and
(3) authorization to the CEO to execute all documents required, including the Operating Agreement and Construction Management Agreement.
MOTION TO APPROVE: Ms. Dragon SECOND: Ms. Marley AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

VENTURE

ITEM: Request for Program Updates to the New Jersey Innovation Fellows and Approval for AI-dedicated Cohort Funding
REQUEST: To approve: (1) The utilization of an appropriation from the FY 2025 Appropriations Act to create an artificial intelligence ("AI") dedicated cohort within the NJIF Program; and (2) Utilization by the Authority of funding to cover administrative and mentorship Program expenses that are required to operate this AI-dedicated cohort.
MOTION TO APPROVE: Mr. Bauer SECOND: Mr. Dumont AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: New Jersey State Small Business Credit Initiative ("SSBCI") Life Science and Healthcare Fund Manager Approvals
REQUEST: To approve: investment commitments to investment vehicles under the program; and delegate authority to the CEO to finalize fees and expenses with each fund manager, based on the parameters contained in the memorandum.
MOTION TO APPROVE: Ms. Marley SECOND: Ms. Bauer AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: 2024 State Small Business Credit Initiative (SSBCI) Socially & Economically Disadvantaged Individuals (SEDI) Manager Approvals
REQUEST: To approve: an investment to investment vehicles managed by five fund managers to make investments into a portfolio of New Jersey businesses led by Socially and Economically Disadvantaged Individuals (SEDI) and conforming to the material terms specified in the Program terms, with final terms approved by the CEO; and delegation of authority to the CEO to determine the fund structure (investment commingled with other funds or held in a side-car vehicle) and to finalize fees and expenses with each fund manager, based on the parameters contained in the memorandum.
MOTION TO APPROVE: Ms. Bauer SECOND: Ms. Antoine-Johnson AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: New Jersey Innovation Evergreen Fund: December 2024 Follow-on Investment Approval
REQUEST: To approve a follow-on investment under the New Jersey Innovation Evergreen Program for an application submitted by the previously approved Qualified Venture Firm, with additional associated fees.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Ms. Marley AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Mr. O'Toole recused from voting to avoid a potential conflict of interest given his financial investments in a related fund.

State Treasurer Muoio left the meeting at this time.

ITEM: Aspire Program- Product #00310684 Parkside Camden Urban Renewal LLC ("Applicant") and Cinnaire Solutions Corporation, ("Co-Applicant")
REQUEST: To approve the issuance of tax credits from the Aspire program for a residential project located in Camden, Camden County, New Jersey, up to 60% of the total project cost.
MOTION TO APPROVE: Mr. Shimko SECOND: Ms. Bauer AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Ms. Antoine–Johnson recused from voting to avoid a potential conflict regarding the construction of the project.

ITEM: Aspire Program- Product #00315249 Netflix, Inc. ("Applicant")
REQUEST: To approve the issuance of tax credits from the Aspire program for a single-phased Transformative Film project located in Fort Monmouth, Monmouth County, up to 50% of the total project cost.
MOTION TO APPROVE: Ms. Bauer SECOND: Mr. Sarlo AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Mr. Shimko recused from voting to avoid a potential conflict regarding the construction of the project.

Ms. Antoine–Johnson recused from voting to avoid a potential conflict regarding the construction of the project.

ITEM: Aspire Program - Product #311151 OAHS Brunswick TC LLC ("Applicant"), FFAH VI NJ Res Services, LLC ("Co-Applicant")
REQUEST: To approve the issuance of tax credits from the Aspire program for a residential project located in Trenton, Mercer County, New Jersey, up to 51.09% of the total project cost.
MOTION TO APPROVE: Ms. Dragon SECOND: Ms. Bauer AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

DIGITAL MEDIA TAX CREDIT PROGRAM

Ms. Bauer left the room at this time.

NFL Productions LLC
PROD-00315016
MAX AMOUNT OF TAX CREDITS: $12,727,850
MOTION TO APPROVE: Mr. Shimko SECOND: Ms. Marley AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Ms. Bauer returned at this time.

ERG

ITEM: Parking Authority of the City of Paterson ("PPA") – Modification Mixed-Use Parking Economic Redevelopment and Growth Grant Program ("Mixed-Use Parking ERG") P45229 / Prod-00184674
REQUEST: To approve: (1) the Authority to issue an amended approval letter to the Applicant; (2) An increase in the award amount pursuant to, P.L. 2024, c.71 which amended P.L. 2009, c.90 and P.L. 2022, c.75 by including the funding of a debt service reserve fund as an eligible project cost. The recommendation is to award 100% of actual eligible parking costs and 40% of the total actual eligible project costs allocable to retail uses; (3) An extension of PPA's Conditions to Maintain Approval due date from November 30, 2024 to December 31, 2025, which includes submitting financing commitments for all Project funding sources consistent with the information provided by the Applicant to the Authority for the Mixed-Use Parking ERG in their modification application dated October 29, 2024; (4) Extending the requirement for submission of a temporary certificate of occupancy from June 30, 2026 to June 30, 2028 pursuant to, P.L. 2024, c.71 which amended P.L. 2009, c.90 and P.L. 2022, c.75.; and (5) authorize the CEO to execute any assignment agreements necessary to effectuate this transaction.
MOTION TO APPROVE: Ms. Bauer SECOND: Ms. Antoine-Johnson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

AUTHORITY MATTERS

ITEM: Approval of Grant Agreement between the New Jersey Economic Development Authority and Focus NJ
REQUEST: To approve: (1) entering into a Grant Agreement with Focus NJ providing funds for the creation of a study analyzing the impact of the Coronavirus Pandemic on the New Jersey economy; and (2) approve withholding an administrative fee to the NJEDA for the day-to-day administration of this agreement, in accordance with the appropriation.
MOTION TO APPROVE: Ms. Bauer SECOND: Ms. Antoine-Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Commissioner Angelo recused due to legal matters between Focus NJ and the NJ Department of Labor.

ITEM: FY 2025 Fiscal Plan
REQUEST: To approve the Authority's FY 2025 Fiscal Plan.
MOTION TO APPROVE: Ms. Bauer SECOND: Ms. Marley AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Proposed Amendments to Authority's Disqualification and Debarment Rules and Proposed New Suspension Rules
REQUEST: To approve the proposed amendments to the existing Disqualification and Debarment rules and the proposed new rules related to suspension, and authorize staff to (a) submit for publication in the New Jersey Register and (b) submit as final adopted rules for publication in the New Jersey Register if no substantive comments are received, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Shimko AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Designation of new Ethics Liaison Officer
REQUEST: The Members' approval is requested for the designation of a new Ethics Liaison Officer effective January 1, 2025.
MOTION TO APPROVE: Ms. Marley SECOND: Ms. Antoine-Johnson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

BOARD MEMORANDA FYI ONLY

- NJ Economic Recovery Act (NJERA) Report, December 2024
- Post Closing Credit Delegated Authority Approvals, Q3, 2024

There being no further business, on a motion by Commissioner Angelo, and seconded by Ms. Bauer, the meeting was adjourned at 11:43 AM.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 23, 2025

MINUTES OF THE SPECIAL MEETING

The Meeting was held by teleconference call.

Members of the Authority present via conference call: Chairman Terry O'Toole, Aaron Creuz, Executive Representative; Commissioner Justin Zimmerman of the Department of Banking and Insurance; Keith White representing Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Elizabeth Dragon representing Commissioner Shawn LaTourette of the Department of Environmental Protection; Public Members Charles Sarlo, Vice Chair; Philip Alagia, Massiel Medina Ferrara, Aisha Glover, Marcia Marley, Robert Shimko, First Alternate Public Member; and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority absent: Elizabeth Muoio, State Treasurer; and Public Member Fred Dumont.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Jamera Sirmans, Governor's Authorities Unit; and staff.

Chairman O'Toole called the meeting to order at 10:00 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the Department of State.

MINUTES OF AUTHORITY MEETING

PUBLIC COMMENT

There was no public comment.

FOR INFORMATION ONLY: The next item was a summary of the Incentives and Policy Committee meeting from January 10, 2025.

INCENTIVES

ASPIRE

ITEM: **Aspire Program- Product #312056 Bayfront Partners 32 Urban Renewal, L.P., ("Applicant") Greater Bergen Community Action, Inc., ("Co-Applicant")**
REQUEST: To approve the issuance of tax credits from the Aspire program for a commercial project located in Jersey City, New Jersey, Hudson County, up to 60% of the total project cost.
MOTION TO APPROVE: Ms. Glover SECOND: Ms. Dragon AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Mr. Sarlo recused because the applicant is a client.

RULES

ITEM: Special Adoption New Rules/Concurrent Proposal New Rules for the Cultural and Arts Facility Expansion (CAFE) Program (N.J.A.C. 19:30BB et seq.)
REQUEST: To approve: (1) The special adoption new rules and concurrent proposal new rules for the Cultural and Arts Facilities Expansion (CAFE) Program and to authorize staff to (a) submit the special adoption new rules and concurrent proposal new rules for publication in the New Jersey Register (b) submit the proposed new rules as final adopted rules for publication in the New Jersey Register if no substantive formal comments are received; subject to final review and approval by the Office of the Attorney General, Governor's Rules Office, and the Office of Administrative Law; (2) The creation of the CAFE Program as authorized by P.L. 2023, c. 197 (codified at N.J.S.A. 34:1B-383 through –393); (3) Delegated authority to the CEO to approve administrative changes to approved Café as currently exists for Economic Recovery Act (ERA) products.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Shimko AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

There being no further business, on a motion by Mr. Alagia, and seconded by Ms. Antoine-Johnson, the meeting was adjourned at 10:32AM.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: February 24, 2025

Re: February 2025 Board Meeting – CEO Report

As we celebrate Black History Month, I'm proud that the New Jersey Economic Development Authority (NJEDA) remains at the forefront of ensuring that New Jersey is the best state to live, work, and raise a family, regardless of race or zip code. Specifically, the NJEDA is dedicated to supporting communities of color by providing the resources and opportunities necessary for success. Our commitment to fostering a more inclusive economy has yielded significant results - between 2018 and 2022, the number of Black-owned businesses in the state nearly doubled. And just last year alone, through our Main Street Recovery Program, the NJEDA supported 467 Black-owned small businesses with $7.8 million in funding.

During last month's special board meeting, two particularly exciting approvals were made. First, the Board approved a mixed-use development in Jersey City for Aspire tax credits. The Bayfront Promenade is set to create over 200 residential units, including 74 which will be affordable. In the commercial and retail space of the development, Greater Bergen Community Action, Inc. (GBCA) will operate a child care center and credit union for residents and the surrounding community.

The Board also approved the Cultural and Arts Facilities Expansion (CAFE) Program, which will help bolster New Jersey's arts sector by supporting the development and rehabilitation of cultural arts facilities, such as performing arts centers and museums. Arts and culture serve as a cornerstone of New Jersey's economy and Governor Phil Murphy is providing the resources necessary to help position the industry as a key driver of economic growth.

Over the past month, applications for several of our programs opened, including Phase II of the Atlantic City Revitalization Grant Program. The program aims to address the negative impacts of COVID-19 by investing in downtown vitality efforts, job and office space creation, food insecurity, or small business support, with the long-term goal to help improve overall economic prosperity in Atlantic City.

Applications for Food Equity and Economic Development in New Jersey (FEED NJ) Program opened up late last week. The $30 million program will award grants of up to $500,000 to support innovative projects that strengthen food access and food security in New Jersey's most acute Food Desert Communities.

The Manufacturing Voucher Program (MVP) Phase III also opened applications, and was quickly oversubscribed. The program provides vouchers to manufacturers to purchase and install equipment to help enhance company efficiency and productivity.

To highlight the State's commitment to the manufacturing industry, I attended a stop on the Makers and Creators tour at Trenton High School. Hosted by the New Jersey Manufacturing Extension Program (NJMEP), the Makers and Creators tour offers opportunities for schools and students in New Jersey to learn about and experience modern manufacturing and provides insight into the employment opportunities that the industry offers. Manufacturing is a high-growth sector targeted by the Governor's Economic Development Strategic Plan, and building a pipeline of skilled workers is key to attracting and keeping successful manufacturing companies in the state.

In response to the significant challenges the offshore wind industry is facing, we announced earlier this month that we are accelerating our strategic review of options and alternatives for the New Jersey Wind Port. While recent developments at the federal level and announcements from offshore wind developers are deeply disappointing, they were not unexpected. And while we remain strong believers in the economic and environmental opportunities of offshore wind, we must be prudent in our role as stewards of taxpayer dollars and evaluate all our options that would maximize the economic development, job creation, and financial potential of the site.

In the coming weeks and months, more programs and products will launch, helping build a stronger economy for New Jersey families and businesses. Throughout this year, the NJEDA will continue to make critical investments in our strategic sectors, which will drive economic activity, support job growth, and create stronger communities.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24 2025

SUBJECT: NJ ZIP, the New Jersey Zero Emission Incentive Program: Third Phase of the Voucher Pilot

Request:

The Members are asked to approve:

1. The creation of Phase 3 of the New Jersey New Jersey Zero-emission Incentive Program ("NJ ZIP" or "Program"), the New Jersey Economic Development Authority's ("Authority" or "NJEDA") zero-emission commercial use vehicle voucher pilot.

2. The utilization of $75.5 million from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2020-2022 and 2023-2025 auction proceeds to capitalize Phase 3 of NJ ZIP.

3. Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons.

4. In relation to this third phase of the pilot Program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

   - The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, shift funding allocations;
   - The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers;
   - The CEO or delegate(s) of the CEO to reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program;
   - The CEO or delegate(s) of the CEO to allocate up to $500,000 to extend and modify the existing telematics service plan, as necessary, for the duration of the third phase of the Program.

Background:

The NJ ZIP pilot is structured as a first-come, first-serve voucher program. The pilot is focused on incentivizing the adoption of zero-emission vehicles (ZEV) by New Jersey businesses and institutions,

especially those operating within overburdened communities (as defined by NJ P.L.2020, c.92, and which, for the purposes of the pilot, is used interchangeably with the term “environmental justice communities” specified in the RGGI Strategic Funding Plan), that have been disproportionately impacted by emissions.

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector and therefore allowing for auctioning of emissions rights. States use the proceeds from the CO2 allowance auctions to invest in programs to help further reduce CO2 and other greenhouse gas pollution, spur clean and renewable energy, and provide rate relief on energy bills.

The Authority’s use of this funding is aligned with both its core mission, to foster sustainable and equitable economic growth – in this case, in the commercial-use ZEV ecosystem and value chain within the State – and with the State’s broader clean transportation goals, to transition 75% of medium- and 50% of heavy-duty vehicles to zero emission by 2050 supported by incentive programs, which the Energy Master Plan (Goal 1.1.8) cites as the Authority’s responsibility.

Pilot Phases 1 and 2 Performance To-date:

Phase 1 of the NJ ZIP pilot, launched in April 2021, incentivized the adoption of medium-duty ZEVs within four pilot communities: the Greater Camden, Greater Newark, Greater New Brunswick, and Greater Shore Areas. Phase 2, which launched purchaser applications in April 2023, expanded the eligibility to include heavy-duty vehicle classes and opened applications to entities state-wide, with bonuses awarded for operating and/or domiciling within overburdened communities. In Phase 2, the establishment of a technical assistance mechanism through the Rutgers Help Desk was incorporated, as well as the procurement of state-issued telematics devices intended to monitor the location NJ ZIP funded vehicles–ensuring those emissions reductions remain in New Jersey–throughout the 3-year Compliance Term. Because of delays in procuring telematics devices due to the extended state procurement timelines, shipments of state-issued telematics for NJ ZIP Phase 2 funded vehicles began in January 2025. Geotab telematics devices were acquired through a waiver of advertising for the designated vendor, AT&T, in accordance with New Jersey State Contract #M4006 for consistent reporting with the New Jersey Department of Environmental Protection (NJDEP) across RGGI-funded transportation projects and to monitor post-award compliance requirements.

The primary goals of the pilot, as enumerated in the January 15th, 2021 Board memorandum in which the pilot was initially approved, are:

1. Accelerate the adoption and use of medium-to-heavy duty zero-emission vehicles within New Jersey;
2. Reduce emissions within overburdened communities;
3. Allow the Authority to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

In furtherance of these goals, the pilot has received continuous application flow from applicants. As of the end of Q4 2024, a total of $54.4 million in voucher funding had been committed across 71 Phase 1 applications and 84 Phase 2 applications. Phase 1 vouchers have supported the addition of 134 new ZEVs as of the end of 2024. Phase 2 Waitlisted applications continue to be processed and approved through Q4 2024. Current Phase 2 voucher commitments are projected to support an additional 288 vehicles. The reintroduction of a scrappage bonus for small business applicants in Phase 3 aims to collect valuable data on the economic and environmental impacts of vehicle scrappage and has been increased to incentivize the removal of diesel equivalents, thereby enhancing emission offsets for each project. Upon

evaluation of this phase, a proposal for a longer-term program may be considered, informed by the insights gained from these pilots.

Program Details:

All pilot program goals and rules, as enumerated in the January 2021 and July 2022 Board memorandums in which the first two phases of NJ ZIP were initially approved remain the same, with only proposed changes for Phase 3 detailed in this memo. Exhibit A includes background information and full program details incorporated into Phase 3 from previous phases of the program for reference.

Eligibility:

Purchaser applicant eligibility requirements remain unchanged from NJ ZIP Phase 2. Applicants are not allowed to use NJ ZIP funding to purchase motor vehicles from themselves, related or affiliated entities. Confirmation of charging/hydrogen fueling infrastructure plan or compatible public charging infrastructure will be required at time of application. Applicants must have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure.

In addition to the eligibility parameters already stated, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection (DEP) at the time of application to be eligible for NJ ZIP Phase 3. A current tax clearance will need to be provided at time of application and at time of closing and disbursement to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

For the purpose of the third phase, an “Eligible Vehicle” is defined the same as previous phases but the following additional requirements must also be met:

- Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within eighteen months of execution of the voucher agreement. Proof of such intent to purchase including quotes for an Eligible Vehicle at time of application is required for eligibility.
    - Vehicles may not be registered for personal use..
- Covered by warranty indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
- Compatible with a State-specified telematics device or have the ability to supply equivalent and compatible data at no additional cost to the Authority.
- Procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program (detailed in the following section)
- The following vehicles are not eligible:
    - Retrofits and repowers of pre-owned vehicles

- Used vehicles

Phase 3 Vendor eligibility will be restricted to licensed vehicle dealers in New Jersey as defined in N.J.S.A. 39:10-19. All other Vendor eligibility requirements remain unchanged from Phase 2, as evidenced in the specifications attached hereto, but Vendors will apply to participate in the Program then be required to enter into a participation agreement[1] with the Authority. In the event the Authority determines a Vendor is ineligible, they will have the ability to appeal that decision in accordance with the Authority's appeal process. In addition to accepting the Program's terms and conditions as laid out in the vendor participation agreement, the Vendor agrees to:

- Provide in-state servicing plan for maintenance of Eligible Vehicles aligned with industry norms and current best practices prior to vehicle delivery.
- Manage the installation of state-issued telematics devices prior to vehicle delivery.
- Manage the commercial registration process of vehicles purchased under the Program in compliance with NJMVC.

Diversity, Equity and Inclusion:

Bonuses will continue to be allocated to vouchers for school busses (25%) and applications submitted by small businesses (25%), and/or certified women-, minority-, or veteran- owned businesses (4% per qualification). These bonuses may be stacked with applicants eligible for multiple bonus criteria. Voucher amounts are capped at 100% of vehicle cost.

In addition:

- During any round of funding, 50% of funds will be set aside for applications from small businesses in Overburdened Communities (OBC) as defined in N.J.S.A. 13:1D-158. Remainder of voucher funds will be un-allocated.
  - All set asides expire 6 months after Purchaser application launch date to be rolled into the unallocated pool of funding.
- Applications from small businesses will be eligible for an additional bonus of $3,000 per vehicle scrapped and replaced with NJ ZIP voucher funded ZEV.

For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions.

For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual revenue.

[1] The vendor participation agreement shall be standardized across all RGGI-funded transportation programs. Eligibility for participation in one program shall be deemed sufficient for participation in the others due to the shared vendor pool.

Eligible Funding Uses:

Vouchers may be applied to the purchase price of an approved vehicle procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program.

Ineligible costs include but are not limited to:

- Taxes
- Vehicle registration fees
- Delivery fees
- NJEDA fees
- Vehicle leases by the Applicant (vehicle must be owned by the Applicant)
- Vehicle operating expenses (electricity, hydrogen, maintenance/service costs, etc.)
- Charging or fueling equipment

Application Process:

The general methodology for voucher application and approval from the first two phases of the pilot will be maintained in the third phase, with strategic implementation changes made to minimize administrative burden and increase efficiency. Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal. A sample Phase 3 application flow and timeline can be found in Exhibit B (for informational purposes only).

Program participants (Vendors and Purchaser Applicants) will adhere to the following steps:

1. Vendors apply to the program and, as appropriate, are approved as eligible. Vendors will be approved on a rolling basis. Vendors have the same right to appeal as they did in Phase 2 if declined. Such eligibility must be maintained through voucher payment for each vehicle sold.

2. Purchaser Applicant identifies an approved Vendor and Eligible Vehicle(s). Purchaser Applicant prepares and submits their respective application, including proof of eligibility. Purchaser applications are accepted on a first-come first-serve basis.

3. NJEDA processes the applications and, if the Purchaser Applicant is eligible and funds are available, approves voucher(s), inclusive of qualifying bonuses and sends the Applicant an award notification. Upon award notification, Purchaser has 30 days to confirm their selected Vendor and vehicle. NJEDA then issues a final voucher agreement to the Purchaser that indicates that their selected approved ZIP Vendor will receive funds upon disbursement of the voucher.

4. The voucher funds are reserved for eighteen months from the date of the voucher agreement (Voucher Reservation Term). During this period, the Vendor and the Purchaser Applicant must execute the program requirements and submit documentation of same. Telematics must be installed, and the vehicle must be delivered to and registered to the Purchaser Applicant during this period. Vehicle registrations may not be for personal use.

5. Disbursement documentation is submitted to NJEDA for review.

6. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor.

7. Telematics devices monitor and track RGGI-related emissions data for three years (Compliance Period) following delivery of the vehicles and disbursement of the voucher.

NJEDA Staff will be responsible for reviewing applications, maintaining the program website, and providing program guidance resources, such as FAQs and webinars, to Vendors and Applicants where needed.

Program Funding

The total RGGI-funded NJ ZIP pilot program budget will be $75,500,000.

Of the total program budget, $75,000,000 will be reserved to fund vouchers, utilizing the following allocations:

- A first $37,500,000 allocation round.

- A second $37,500,000 round to be made available no sooner than 1 year after the initial third phase sub-phase application launches.

  - During any round of funding, 50% of funds will be set aside for applications from small businesses in overburdened communities (OBC). Remainder of voucher funds will be un-allocated. OBC set aside expires 6 months after Purchaser application launch date to be rolled into the unallocated pool of funding.

The total funding provided to a single applicant (as determined by EIN) through vouchers including any qualifying bonuses cannot exceed $3,000,000 during a round of funding, to ensure equitable distribution of resources. Applicants who applied in Phase 1 or Phase 2 of the pilot are eligible to apply in Phase 3 (Phase 1 or 2 vouchers do not impact the $3M cap per EIN in Phase 3).
In addition to the voucher budget, NJEDA will continue to implement the technical assistance pilot. Furthermore, up to $500,000 will be allocated towards telematics devices for program compliance monitoring utilizing RGGI monies in the budget noted within this memorandum.

Fees:
NJEDA will charge applicants the following fees unique to the program as a result of RGGI administrative funding to cover program administrative costs: NJEDA will charge Vendor Applicants a non-refundable $1,000 fee to apply into the program. Purchaser applicants will be charged a non-refundable $500 fee for applying for voucher funds; multiple vehicles can be applied for within a single application. For applicants who demonstrate prior inability to utilize their approved voucher from a previous phase due to Vendor default or terminated agreement, this fee may be waived.

Appeals:
Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter. The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final administrative decision to be approved by the Board.

Recommendation:

The Members are asked to approve:

1. The creation of Phase 3 of the New Jersey New Jersey Zero-emission Incentive Program ("NJ ZIP" or "Program"), the New Jersey Economic Development Authority's ("Authority" or "NJEDA") zero-emission commercial use vehicle voucher pilot.

2. The utilization of $75.5 million from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2020-2022 and 2023-2025 auction proceeds to capitalize Phase 3 of NJ ZIP.

3. Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons.

4. In relation to this third phase of the pilot Program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

    - The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, shift funding allocations;
    - The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers;
    - The CEO or delegate(s) of the CEO to reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program;
    - The CEO or delegate(s) of the CEO to allocate up to $500,000 to extend and modify the existing telematics service plan, as necessary, for the duration of the third phase of the Program.

____
Tim Sullivan, CEO

Prepared by**:**
Lina Rivetti, Project Officer
John Wisniewski, Director Clean Energy Products

Attachments:

- Exhibit A – Proposed Product Specifications: New Jersey Zero Emission Incentive Program (NJ ZIP) – Phase 3
- Exhibit B - NJ ZIP Phase 3 Timeline and Process Map
- Appendix A –NJ ZIP, the New Jersey Zero Emission Incentive Program: Second Phase Expansion of the Voucher Pilot | July 13th, 2022

Exhibit A
NJ ZIP – Zero-emission Incentive Program: Third Phase Expansion of the Voucher Pilot Program Specifications

These specifications are provided as a summary of the NJ ZIP Phase 3 Pilot memorandum. In the case Exhibit A does not specify details or requirements or utilizes different language from the memorandum, the memorandum takes precedence.

Proposed Program Specifications February 12, 2025	
Funding Source	Funding for NJ ZIP pilot ("Program") and associated administration will be from eligible Authority funds from the Regional Greenhouse Gas Initiative (RGGI) funds.
Program Budget	$75,500,000 total funding comprised of $75,000,000 voucher pool and up to $500,000 for telematics.
Program Expiration	Program to operate on a pilot basis until such time that the funds are depleted. Funds are anticipated to be committed within an estimated 12 months from acceptance of the first application. The set asides for OBCs expire 6 months after Purchaser application launch date.
Program Purpose	To accelerate the adoption and use of zero-emission medium and heavy-duty vehicles within New Jersey; to reduce emissions within the state; and to allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption. The pilot is being used as a vehicle to support the growth of the NJ zero emission vehicle ecosystem, with accelerated adoption of zero emission vehicles being a critical step to attracting more jobs and investment, as other zero emission vehicle programs and regulations roll out across multiple State agencies.
Technical Assistance	The Authority plans to continue engagement with Rutgers University to provide technical assistance support as part of the NJ ZIP Phase 3 pilot expansion. The technical assistance will serve three distinct programmatic areas: • Facilitate general education on electric vehicles, understanding total cost of ownership, and behavior adaptation. • Support the implementation of electric vehicles by conducting fleet assessments and developing and assisting with infrastructure plans unique to each applicant. • Administrative guidance In addition to the external support to applicants, the University will also be tasked with reporting on the impact of technical assistance, using key performance indicators to measure both the economic and environmental impact of funding.
Applicant Eligibility Requirements	To be eligible, an Applicant must: • Be a commercial, industrial, or institutional organization in New Jersey. As defined in the Global Warming Solutions Fund regulation (N.J.A.C. 7:27D-1.2), "institutional" means serving a non- profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity. The term "government entity" includes

	local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible. • Provide a valid New Jersey Tax Clearance Certificate and/or other documentation deemed acceptable by the Authority, as applicable, to demonstrate business registration or ability to conduct operations in NJ. Updated documentation must be submitted at time of application, and prior to closing and disbursement to ensure documentation remains current. • Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection • Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority • Be the vehicle owner • Have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct a charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure available. Applicants are not allowed to use NJ ZIP funding to purchase motor vehicles from themselves, related or affiliated entities.

Project/Vehicle Eligibility Requirements	To be eligible, Applicant's new vehicle(s) must be:
	• A new zero-emission Class 2b – Class 8 (GVWR 8,501 lbs. – 33,000+ lbs.) vehicle, used for commercial, industrial, or institutional purposes.
	• All zero-emission vehicles, defined as "a vehicle that emits no tailpipe pollutants from the onboard source of power, such as particulates, hydrocarbons, carbon monoxide, ozone, lead, and various oxides of nitrogen", are eligible for vouchers. This includes, but is not limited to, battery-electric (BEV), hydrogen fuel cell-electric (FCEV) vehicles.
	• Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within eighteen months of receipt of voucher agreement. Proof of intent to purchase an Eligible Vehicle at time of application is required for eligibility.
	  o Vehicles may not be registered for personal use
	• Covered by warranty indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
	• Compatible with state-supplied telematics devices or have the ability to supply equivalent and compatible data at no additional cost to the Authority.
	• The following vehicles are not eligible:
	  o Retrofits and repowers of pre-owned vehicles
	  o Used vehicles
	• Procured from a Vendor that meets program eligibility requirements (detailed in the following section)

Vendor Eligibility Requirements	To be accepted as an eligible Vendor, the Vendor must: • Be a licensed vehicle dealer in New Jersey

	• Be registered to conduct business in NJ, as demonstrated by a valid New Jersey Tax Clearance Certificate. Updated documentation must be submitted at time of application and remain current throughout program participation. Valid Tax Clearance Certificate must be submitted with voucher disbursement requests. Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection
	• Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority Manage the registration process of vehicles purchased under this program.
	• Manage the installation of state-issued telematics devices prior to vehicle delivery.
	• Offer at least one Eligible Vehicle and provide required vehicle-associated documentation, including but not limited to:
	  o Listing information related to the vehicles, such as via Vendor website, inclusive of vehicle images, descriptions, and cost
	  o A specification sheet outlining all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to proposed use
	  o Standard warranty for the Eligible Vehicle(s), indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
	• In-state servicing plan for maintenance of vehicles aligned with industry norms and current best practices implemented before vehicle delivery. Vendors must demonstrate in-state Zero Emission Vehicle (ZEV) servicing capability either through their own facilities, equipment, and trained personnel, or via a legally binding agreement with a qualified third-party service provider and must submit appropriate documentation to support this capability to avoid disqualification.
	• Agree to accept the Program's terms and conditions as laid out in the vendor participation agreement, including but not limited to:
	  o Accept the Program's voucher towards Purchaser Applicant vehicle payments, deducting the vehicle's voucher amount from the upfront cost.
	  o Engage with the selected technical assistance provider as necessary, potentially including in-person events when mutually agreed to.

Maintenance of and Amendments to the Approved List of Vehicles	Vehicle models and/or OEMs may be de-listed from the Approved List of Vehicles at the discretion of the Authority for any of the following reasons: • Adequate maintenance support for the vehicle make or model is not available in NJ. A vehicle make or model can be delisted from the Approved List of Vehicles under this subheading if there has been a minimum of [3] documented incidents of a vehicle make or model having been out of service for more than [60] consecutive calendar days, due to repair / maintenance being unavailable in state.

<table>
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There has been a minimum of [3] documented safety or performance issues associated with the vehicle make or model anywhere in the United States. For the purposes of this subsection documentation can consist of reports or notices from the National Highway Traffic Safety Administration documentation, Department of Transportation (state or federal). This includes:

Any catastrophic failures inherent in the design and manufacturing of the vehicle: e.g., battery fires, failure of safety systems.
Safety or performance related recalls that cannot be addressed within 90 days of notice.
The OEM not honoring the provided vehicle warranty in any current or prior phase of the ZIP program.

</td></tr>
<tr><td>Program Funding Level</td><td>
The total RGGI-funded NJ ZIP pilot program budget will be $75,500,000.

Of the total program budget, $75,000,000 will be reserved to fund vouchers, utilizing the following allocations:

A first $37,500,000 allocation round.
A second $37,500,000 round to be made available no sooner than 1 year after the initial Phase 3 sub-phase application launches

During any round of funding, 50% of funds will be set aside for applications from small businesses in overburdened communities. Remainder of voucher funds will be un-allocated.
OBC set aside expires 6 months after Purchaser application launch date and will be rolled into the unallocated pool of funding.

</td></tr>
<tr><td>Project/Vehicle Funding Levels</td><td>
Voucher base funding amounts are based on GVWR laid out in the table below. Qualifying vehicles will be funded at the following levels:

<table>
<tr><th>Vehicle GVWR</th><th>Vehicle Class</th><th>Voucher amount</th></tr>
<tr><td>8,501 - 10,000 lbs.</td><td>Class 2b</td><td>$15,000</td></tr>
<tr><td>10,0001 - 14,000 lbs.</td><td>Class 3</td><td>$50,000</td></tr>
<tr><td>14,001 - 16,000 lbs.</td><td>Class 4</td><td>$65,000</td></tr>
<tr><td>16,001 - 19,500 lbs.</td><td>Class 5</td><td>$75,000</td></tr>
<tr><td>19,501 - 26,000 lbs.</td><td>Class 6</td><td>$90,000</td></tr>
<tr><td>26,001 to 33,000 lbs.</td><td>Class 7</td><td>$135,000</td></tr>
<tr><td>33,000+</td><td>Class 8</td><td>$175,000</td></tr>
</table>
Bonuses:
Eligible applications may receive increased, per-vehicle voucher bonuses through documentation of any of the following:
</td></tr>
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	• Certified woman-, minority-, or veteran-owned business bonus: 4% increase in the base voucher amount per vehicle per qualifying NJ State certification.
	• Small business bonus: A 25% increase of the base voucher amount per vehicle.
	  o For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual revenue.
	• School Bus Bonus: 25% increase in base voucher amount per vehicle if applicant is purchasing a school bus.
	• Small business vehicle scrappage bonus: $3,000 bonus per vehicle scrapped and replaced with a NJ ZIP voucher funded ZEV.
	  o For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions. Scrappage will be verified prior to disbursement.
	Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for an Applicant (as determined by EIN) through vouchers inclusive any qualifying bonuses, cannot exceed $3M per EIN in each round of funding, to ensure equitable distribution of resources. (Phase 1 and 2 vouchers do not impact $3M cap per EIN in Phase 3)

Funding Disbursement	The voucher funds are reserved for eighteen months from the date of the voucher agreement (Voucher Reservation Term). During this period, the vehicle must be delivered and registered, and all disbursement documentation must be submitted to the NJEDA prior to expiration of the voucher. All Applicants will have the 18-month voucher reservation window to submit disbursement requests. For disbursement requests received at the end of the 18-month voucher reservation window, Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor. If applicable, proof of vehicle scrappage must be submitted prior to disbursement.
Conditions of Funding	By accepting the voucher funding, as applicable Purchaser Applicants and Vendors will also agree to the following terms: • Purchaser Applicant will maintain registration of the vehicle in the State of New Jersey for a minimum of the three continuous years o Vehicles must be registered in compliance with NJMVC. Vehicles may not be registered for personal use. • Purchaser Applicant will annually operate at least 75% of vehicle miles traveled (VMT) in the State of the New Jersey

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- NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption and agree to provide responses and data upon request to support such audits and verifications.
- Permit the use by NJEDA of Purchaser Applicant and vehicle data and information that is provided in the application and audit process, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this program, or future alternative programs.
- If the Purchaser defaults in any year within the first three years (Compliance Period) of the executed Voucher agreement, the Authority will impose a recapture of the award on a scaled basis, as outlined below.

<table>
<tr><td>Year of Compliance event of default within:</td><td>Recapture percentage</td></tr>
<tr><td>1 year from date of executed grant agreement</td><td>100%</td></tr>
<tr><td>2 years from date of executed grant agreement</td><td>60%</td></tr>
<tr><td>3 years from date executed grant agreement</td><td>30%</td></tr>
</table>

- The Portion of the voucher award will also encompass a prorated calculation per vehicle, per class, inclusive of any approved bonus. For example, if a purchaser defaults on 3 out of 5 vehicles in the same class, the amount of the voucher award to be repaid will be determined using the formula below:

$$\text{Voucher per vehicle class} = \left(\frac{\text{Total voucher amount (inclusive of bonuses)}}{\text{Number of Vehicles}}\right) * \%\ \text{prorated per year of compliance}$$

Following an event of default, if the awardee does not take corrective action by timely repaying the recapture amount the Authority's SLM team will utilize their established policies and delegated authorities to engage in forbearance and settlement agreements for the NJ ZIP awardee.
</td></tr>
<tr><td>Fee Schedule</td><td>NJEDA will charge applicants the following fees unique to the NJ ZIP program given the availability of RGGI administrative funding to cover program administrative costs: Vendor Applicant will be assessed a non-refundable application fee of $1,000 upon initial vendor application. Purchaser applicant will be assessed a non-refundable application fee of $500 per application. Purchaser Applicant may apply for more than one vehicle voucher in a single application. For applicants who demonstrate their inability to utilize their approved voucher from a previous phase due to Vendor default or agreement termination, this fee may be waived.</td></tr>
</table>

Exhibit B

NJ ZIP Phase 3 Example Timeline and Process Map

The content presented in this exhibit is intended solely for informational and demonstrative purposes.

Timeline

Process Map

Month 1:

Vendor Application Launch

Vendor applications open a minimum of 3 months prior to Purchaser application launch and are approved on a rolling basis. Vehicles are also approved on a rolling bases following initial application period.

Vendor creates vendor entity profile:

- Contact information
- EIN
- Tax clearance (demonstrating business registration in NJ)
- Legal questionnaire
- Proof that they are a licensed vehicle dealership in New Jersey

Vendor Approvals

Vendor submits profile for eligibility determination and pays $1000 fee.

Missing information, please add xyz.

EDA reviews application for completeness and eligibility, including tax clearance, sister agency, good standing, debarment, etc.

OR

Not eligible for pilot but will maintain profile for future programs. Declination email sent.

Appeals process

Month 4:

First Round Purchaser Application Launch

Purchaser creates applicant entity profile

- Contact information
- Business type
- EIN
- Tax clearance
- Legal questionnaire
- Business details for bonus criteria
  - Small business (< 25 FTE or $5M revenue)
  - Women, Minority, or Veteran Owned

Vendor submits information for eligibility determination for at least one vehicle

- Vehicle specification sheet
- Website link
- Warranty information
- In-state maintenance plan

Purchaser Approvals and Ongoing Vendor Approvals

Applicant can create and submit an application; pays $500 fee.

- Vendor drop down selection
- Vehicle make / model drop down selection
- Vehicle count
- Charging plan
- Project cost
- Vehicle use case
- Vehicle domicile location for EJ set aside if applicable
- Replacement or scrappage
  - Past vehicle use information

Note: applicants can save and come back without submitting

OR

Vehicle deemed ineligible

EDA closing services coordinates vendor participation agreement

Eligible vendors and vehicles now appear in a drop down for application

Missing information, please add xyz.

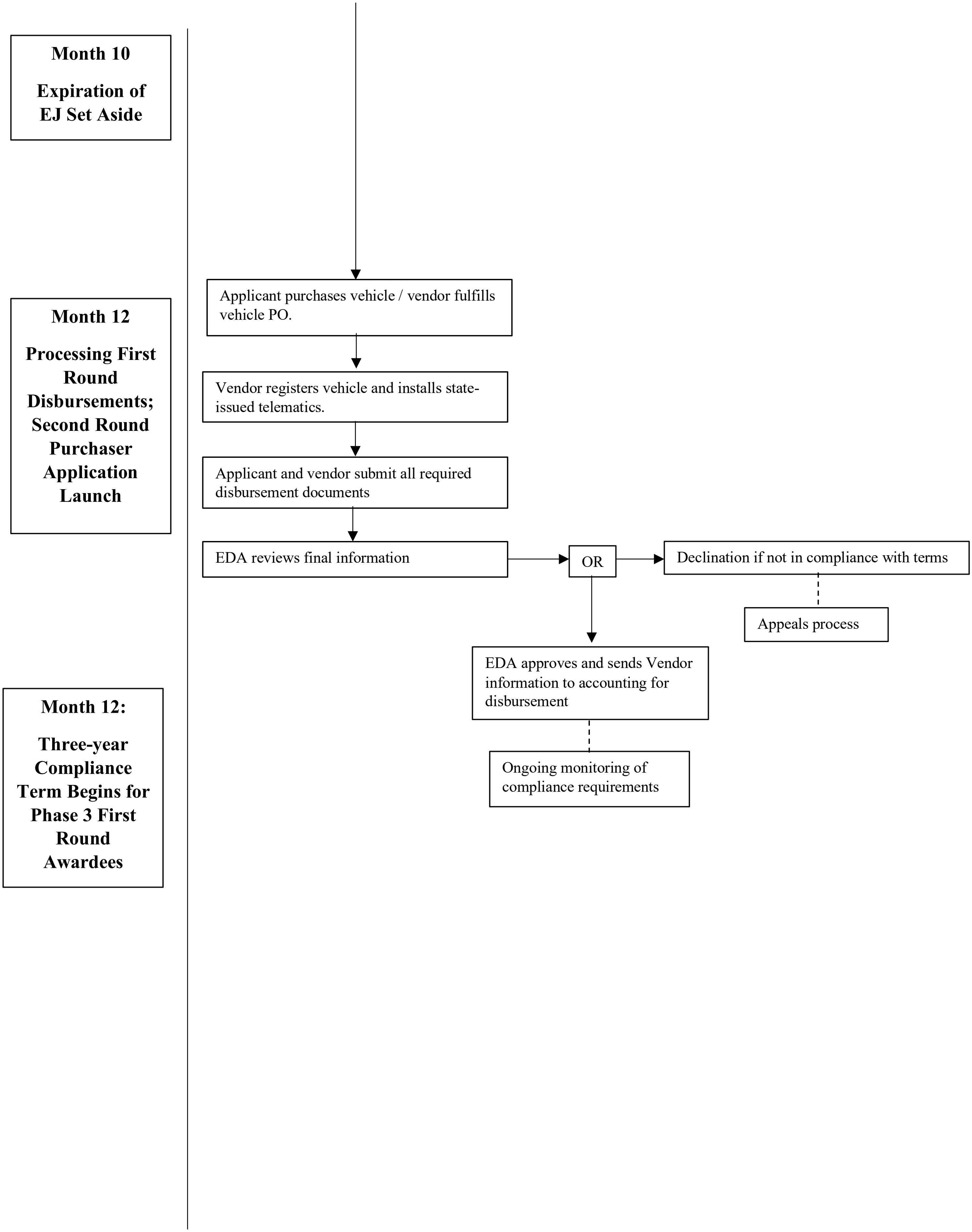
EDA reviews application for completeness and eligibility, including tax clearance, sister agency, good standing, debarment, etc.

OR

Not eligible for pilot but will maintain profile for future programs. Declination email sent.

Appeals process

EDA closing services coordinates purchaser agreement;18 month voucher reservation term begins.


Month 10
Expiration of EJ Set Aside
Month 12
Processing First Round Disbursements; Second Round Purchaser Application Launch
Month 12:
Three-year Compliance Term Begins for Phase 3 First Round Awardees
Applicant purchases vehicle / vendor fulfills vehicle PO.
Vendor registers vehicle and installs state-issued telematics.
Applicant and vendor submit all required disbursement documents
EDA reviews final information
OR
Declination if not in compliance with terms
Appeals process
EDA approves and sends Vendor information to accounting for disbursement
Ongoing monitoring of compliance requirements

Appendix A - MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: July 13, 2022

RE: NJ ZIP, the New Jersey Zero Emission Incentive Program: Second Phase Expansion of the Voucher Pilot

REQUEST

The Members of the Board are requested to approve a $46,575,000 expansion to the New Jersey Economic Development Authority's ("Authority") existing zero-emission commercial-use vehicle voucher pilot, the New Jersey Zero-emission Incentive Program (NJ ZIP). The first phase of the pilot is currently focused on the adoption and use of medium-duty zero-emission vehicles in four selected pilot communities: Greater Camden, Greater Newark, Greater New Brunswick, and Greater Shore Areas. This memorandum proposes the expansion of the current pilot into a second phase, to test new program functions, features, and eligibility, based on learnings from the first phase, with the anticipation of a longer-term program launched after the completion of this second phase, given its success and continued availability of funding. The pilot and related administration will be funded from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) auction proceeds; as such, to remain good stewards of these funds, the Authority must continue prompt allocation of these monies to projects that support commercial, industrial, and institutional businesses' transitions to clean transportation.

In relation to this pilot program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

- The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, (i) shift funding allocations and (ii) adjust voucher amounts;
- The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers or extensions of vouchers reservation term;
- The CEO or delegate(s) of the CEO to, upon recommendation of the reviewing officer, decline eligibility based solely on non-discretionary reasons;
- The CEO or delegate(s) of the CEO to, upon recommendation of the reviewing officer, to waive half the application fee for Applicants upon demonstration by the Applicant that the imposition of the fee would propose undue financial hardship;

- In connection with any appeal from declination based solely on non-discretionary reasons, the CEO or delegate(s) of the CEO to designate a Hearing Officer who has not previously been directly involved in the eligibility determination, to prepare a recommendation to the final decision maker. The CEO or delegate(s) of the CEO shall make a final written decision on the matter, which shall constitute the Authority's Final Administrative Decision. .

OVERVIEW

The NJ ZIP pilot is structured as a first-come, first-serve voucher program. The pilot is focused on incentivizing the adoption of zero-emission vehicles (ZEV) by New Jersey businesses and institutions, especially those operating within overburdened community (as defined by NJ P.L.2020, c.92, and which, for the purposes of the pilot, is used interchangeably with the term "environmental justice communities" specified in the RGGI Strategic Funding Plan), that have been disproportionately impacted by emissions. The Authority's use of this funding is aligned with both its core mission, to foster sustainable and equitable economic growth – in this case, in the commercial-use ZEV ecosystem and value chain within the State – and with the State's broader clean transportation goals, to transition 75% of medium- and 50% of heavy-duty vehicles to zero emission by 2050 supported by incentive programs, which the Energy Master Plan (Goal 1.1.8) cites as NJEDA's responsibility.

Current Pilot Phase Performance To-date

The current phase of the NJ ZIP pilot focuses specifically on incentivizing the adoption of medium-duty ZEV within four pilot communities: the Greater Camden, Greater Newark, Greater New Brunswick, and Greater Shore Areas.

The primary goals of the pilot, as enumerated in the January 2021 Board memorandum in which the pilot was initially approved, are:

1) Accelerate the adoption and use of medium duty zero-emission vehicles within New Jersey;
2) Reduce emissions within the pilot overburdened communities, greater Newark and greater Camden
3) Allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

In service to these goals, the pilot has received continuous application flow from applicants in the eligible communities, in addition to repeated interest for expansion to more parts of the state and for longer-term funding. As of the end of Q2 2022, two hundred twenty-eight (228) purchaser applications have been submitted to the Program, totaling $43.6M in active applications. Of these, one hundred forty-four (144) purchaser applications have been approved for a total of $32.2M in vouchers for zero-emission medium-duty vehicles; with $199,500 in voucher funding requested for disbursement. The remaining applications are in the queue for review (62 applications), or, at Applicant request, have been withdrawn (22 applications).

The vehicles supported by the approved vouchers would result in the reduction of 6,569.2 short tons of carbon emissions annually within the pilot communities they operate in, greater Camden (37 vehicles with vouchers totaling $3,638,000), greater Newark areas (92 vehicles with vouchers totaling $9,542,750), greater New Brunswick (27 vehicles with vouchers totaling $2,786,000) and greater Shore area (140 vehicles with vouchers totaling $16,260,000).

More than 90% of the approved purchaser applicants are small businesses (receiving a 25% funding bonus), with the vast majority being microbusinesses earning less than $1,500,000 annually, and more than 57% of approvals to date are minority- and/or woman-owned businesses.

Pilot Expansion Design Overview and Reasoning

As intended, the first phase of the pilot has provided an opportunity not only to support the accelerated adoption of ZEV, but also to assess the effectiveness of the program design, through both quantitative analysis and external feedback. NJEDA has received both positive and constructive feedback to the program through ad hoc outreach and in more formalized stakeholdering. This analysis and feedback is what is driving the proposed incremental program improvements, ensuring the Authority is continuing to be a good steward of its RGGI allocation and address market needs.

The expansion to the pilot proposed herein is intended to build on the successes and be responsive to the learnings from the first phase. The overarching structure of the pilot will remain unchanged, allowing New Jersey businesses or institutions (“Purchaser Applicants”) to reserve voucher funding for eligible ZEV for commercial, industrial, or institutional use, reducing the upfront cost of the ZEV alternatives. The pilot program has eligibility requirements for the Purchaser Applicant, the vehicle purchased, and the vehicle seller/manufacturer (“Vendor”). Pursuant to the standard operating procedures adopted to support the first phase of the pilot’s launch after January 2021 Board approval, the voucher can then be redeemed by the Vendor after proof of registration of the eligible vehicle(s) by the Purchaser Applicant.

The second phase of this pilot contemplates two major eligibility changes from the first phase – to expand eligibility to include heavy-duty vehicle classes and to Purchaser Applicants statewide – and proposes updated support structures for pilot participants, including the development of a technical assistance mechanism. In addition, a number of small yet impactful changes will be made based on stakeholder feedback, including adjustment of voucher funding levels, extending voucher duration to account for the on-going supply chain crisis, and considering future opportunities for creative vehicle ownership solutions for the program participants.

While the core goals of the pilot remain the same, the goals of this second phase have been updated to reflect new features as well as learnings from the first phase, as outlined below:

1) Accelerate the adoption of zero-emission medium- and heavy-duty vehicles (ZE MHDV) for commercial and institutional use within New Jersey;
2) Expand equitable access to voucher funds to a wider range of fleets interested in electrification, ranging from large national fleet operators to small owner-operator businesses;
3) Reduce emissions within the state of New Jersey, with a focus on benefits to overburdened communities;
4) In response to market demand demonstrated during the first phase of the pilot, test additional or alternative methods to incentivize expanded range of vehicle classes, support new areas while maintaining support for overburdened communities, stimulate market-readiness, and improve business participant’s experience with the Program and in the zero-emission transportation space; and

5) Reduce barriers of entry in the transition to commercial zero-emission vehicles through technical assistance, market-reactive program flexibility, and improved application clarity.

In order to appropriately understand new program functions and features, the second phase of the pilot is merited for several reasons. First, the expansion of eligibility to include heavy-duty vehicles opens the program up to entirely new potential Vendors and Purchaser Applicants. While the Authority has a benchmarked data and stakeholder input relative to what participants have found suitable in other states, the Authority does not yet have the experience with this market in New Jersey to justify a permanent program proposal without direct, local data. Second, expansion to statewide fleets is likely to provide a ‘stress test’ to the systems and procedures that supported the first phase, with an influx of applications within a year of the application opening. Having the flexibility to learn from this increased application flow and improve processes in a pilot stage is critical to inform a long-term, sustainable program model. Third, as the next RGGI Strategic Funding Plan is currently under development, the Authority has not confirmed certainty of continued availability of funding for a more permanent program. Finally, in approving this expansion, the Authority would be approving a commensurate level of funding to the first phase of the pilot, in a single approval rather than over the course of several expansions. Based on this level of funding, it is anticipated that another 200 - 400 ZEVs will be approved for vouchers, which represents approximately 0.1% of medium-duty commercial and institutional vehicles registered in New Jersey – truly a nascent industry, in need of a pilot that can be responsive to changing needs. The insight outlined above, at a pilot stage, will allow NJEDA to appropriately shape both eligibility and compliance requirements. Further, the funding level proposed would allow NJEDA to allocate the majority of its calendar year 2021 RGGI proceeds, acting as good stewards of the auction proceeds, improving access to them and the resultant emissions and economic benefits. After evaluation of the impact of this second phase, a longer-term program with expanded eligibility, improved by the learnings of this pilot, may be proposed.

NJEDA will continue to implement and administer this program and the associated technical assistance for the program, using administrative funds, as permitted by the RGGI statute, "for administrative costs incurred in the administration of programs to reduce the emissions of greenhouse gases", at a rate of 3.5% in addition to the program funds. NJEDA Staff will be responsible for reviewing applications, maintaining a program website, and providing educational resources, such as access to technical assistance, FAQs, and webinars, to Vendors and Purchaser Applicants when needed.

BACKGROUND

The Regional Greenhouse Gas Initiative (RGGI)

RGGI is a multi-state, market-based program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector allowing for auctioning of emissions rights, traditionally referred to as a “cap-and-trade” program. Through its participation in eight quarterly RGGI auctions starting in 2020, New Jersey has received funding that totaled approximately $290 million, with a projection that, by the end of the year, could total another $70 million in proceeds.

Under the Global Warming Solutions Fund at N.J.S.A. 26:2C-51, the Authority is allocated 2% of these funds for administration of programs and, after deduction of administrative funds for the other two participating agencies (the New Jersey Board of Public Utilities, NJBPU, and the New Jersey Department of Environmental Protection, NJDEP), is then allocated 60% of the remaining funds for programs. As mandated in the current RGGI Strategic Funding Plan (2020 through 2022), the Authority must spend its allocation on clean, equitable transportation programs in the commercial, industrial, and institutional sectors, as well as on the creation of a green bank, demonstrating net emission reductions and economic co-benefits. To date, NJEDA has been allocated approximately $146 million in RGGI funds, and has utilized nearly $47 million, primarily through funding phase one of NJ ZIP.

In August 2020, to enable this work, the Board approved hiring a consultant, Guidehouse, to support the development of a data-driven ZE MHDV strategy for the State with the goals of increasing ZE MHDV adoption, decreasing emissions, improving environmental justice, and fostering the creation of new jobs and investments in New Jersey. The second phase of the voucher pilot program proposed herein expands on the first phase as part of a holistic cross-Agency approach, intended to lay the groundwork and stimulate the market to prepare for future programs necessary to meet the broader programmatic goals.

PROGRAM PURPOSE AND POLICY ALIGNMENT

Several State plans call for ZEV adoption. Governor Murphy's 2018 Economic Development Strategic Plan, "The State of Innovation: Building a Stronger and Fairer New Jersey Economy" includes goals for innovation in clean energy and transportation, as a path to catalyze economic growth. The 2019 Energy Master Plan, which outlines the State's goal of 100% clean energy by 2050, includes as its first strategy the reduction of energy consumption and emissions from the transportation sector, establishing as targets that by 2050, 75% of medium-duty and 50% of heavy duty vehicles be ZEV. The 2020 RGGI Strategic Funding Plan, collectively developed by NJDEP, NJBPU, and NJEDA, outlines funding priorities and metrics for ZEV adoption to support clean, equitable transportation with anticipated economic co-benefits, such as increased jobs and investment. In addition, Governor Murphy signed the Multi-state Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding in 2020, agreeing to target converting 30% of all MHDV sales to zero emission by 2030, and 100% of sales to zero emission by 2050. In each of these policies, equity in program planning, access, and impact is cited as a core pillar to meaningfully accomplish the stated goals.

This pilot is being used as a vehicle to not only reduce harmful emissions in the state, but also to support the growth of the NJ ZEV ecosystem, with accelerated adoption of ZEVs being the first step to attracting more jobs and investment, as other ZE MHDV programs and regulations roll out across multiple State agencies.

While transitioning from internal combustion engine MHDVs to zero emission alternatives will align with the above-noted policies, MHDV owners and operators face many barriers to ZEV adoption.

Beyond desktop research, supported by Guidehouse's benchmarking, NJEDA formally gathered stakeholder input on these barriers through a request for information (RFI) in July 2020, and has continued to gather ad hoc feedback, host listening sessions, and schedule workshops with stakeholders throughout the first phase of the pilot to catalog challenges. Although there have been many valuable and varied insights, several major themes of barriers have arisen over the course of the last year and a half:

1. Desired vehicles are not available in the market or are not funded by the program; as such, upfront cost of such ZEV and related financing uncertainties are too high for near term adoption;

2. Charging infrastructure availability, costs, and related interconnection and permitting processes are too uncertain;
3. ZEV MHDV technology, knowledge, or access that meets their business or community needs is unavailable;
4. The program needs to reduce operational friction and increase clarity, especially for small businesses.

The most persistent ad hoc comment was a request for an expansion of eligible vehicle classes and eligible locations. Many would-be applicants noted their interest in the program, but vehicles were not available to suit their business needs or they did not operate in eligible areas. Additionally, based on the internal Authority staff observations, a significant degree of support was necessary to ensure small businesses understood the program and their various obligations and options.

While the first phase of the pilot program primarily addressed the first barrier for medium-duty zero emission vehicles, as they represent the largest percentage of the commercial vehicle population and were more readily available, the second phase strives to address additional barriers.

First, to address the calls for increased access, the second phase will expand to include the whole state and heavy duty vehicles. This expansion will not only increase access to these funds, but will start to target the heavy-duty vehicles that create the largest proportion of harmful emissions (SOx, NOx, and particular matter) as the ZE HDV sector ramps up production. This will more adequately address the breadth and depth of the market, providing the Authority with the opportunity to assess the functionality of the program for the wider range of use-cases, such as drayage, refuse vehicles, and school buses.

Second, to address the knowledge barrier, this second phase will incorporate technical assistance via an MOU with technical experts, detailed on under Technical Assistance section, providing a critical lifeline to small businesses who need specific and technical guidance to support their decision making on ZEV adoption. As outlined in the approval and application statistics previously cited, the first phase of the pilot was utilized primarily by small businesses. This positive outcome, while aligned with program intentions, was supported by significant outreach and education provided by the Authority team. As such, this update will also alleviate NJEDA administrative burden, allowing the team to continue to improve its services directly related to the product and prompt processing of applications.

Third, to address some challenges with user experience, NJEDA will assess and, where appropriate, implement, updates to the application portal and website. Additionally, improvements in efficiency of internal processes will reduce external friction and lower known barriers for small businesses.

This pilot does not include direct support for charging infrastructure but will serve as a way to gather data on charging plans that are included with the application and needs to inform potential future support. Further, the Authority intends to provide improved guidance, via technical assistance, to help NJ ZIP participants access other sources of funding for charging.

Similarly, this program does not itself support the creation of new technologies or workforce initiatives within the state, but it will continue to incentivize local Vendors and manufacturers and gather insights on knowledge gaps, which are critical first steps to creating a ZE MHDV knowledge hub in the State that can stimulate further growth. As token of the program's success to-date, a California-based electric vehicle manufacturer, working directly with NJ ZIP customers, has signed a letter of intent with a New Jersey state university to provide education for in-state EV servicing technicians, and is opening a final assembly facility in New Jersey.

This pilot alone is not sufficient to match the ambition of the State's ZE MHDV goals, or to address all the barriers laid out by stakeholders. It is one tool of many interlocking efforts that must be developed and deployed state-wide to serve as the foundation for New Jersey's zero emission transportation economic evolution.

PROPOSED PROGRAM STRUCTURE & DESIGN

Pilot Program Eligibility

The NJ ZIP pilot program will provide funding to support Purchaser Applicants who meet a set of eligibility criteria, and whose selected vehicles, vehicle Vendors, and vehicle use case (i.e., use for commercial, industrial, or institutional purposes) qualify. The goal of these eligibility criteria is to simplify the program for rapid impact, appeal to a wide range of fleets interested in electrification, and collect information that will inform future programs. Any applicant approved under the first phase remains subject to the terms in the executed agreement under the first phase.

To be eligible for the second phase, an Applicant must:

- Be a commercial, industrial, or institutional organization in New Jersey. As defined in the Global Warming Solutions Fund regulation (N.J.A.C. 7:27D-1.2), "institutional" means serving a non-profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity. The term "government entity" includes local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible.
- Provide a valid New Jersey Tax Clearance Certificate and/or other documentation deemed acceptable by the Authority, as applicable, to demonstrate business registration or ability to conduct operations in NJ.
- Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection
- Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority
- Be the vehicle owner

To be eligible for the second phase, the Purchaser Applicant's proposed vehicle(s) must be:

- A new zero-emission Class 2b – Class 8 (GVWR 8,501 lbs. – 33,000+ lbs.) vehicle, used for commercial, industrial, or institutional purposes. Retrofits and repowers of pre-owned vehicles are not eligible.

  - All zero-emission vehicles, defined as "a vehicle that emits no tailpipe pollutants from the onboard source of power, such as particulates, hydrocarbons, carbon monoxide, ozone, lead, and various oxides of nitrogen", are eligible for vouchers. This includes, but is not limited to, battery-electric (BEV) and hydrogen fuel cell-electric (FCEV) vehicles.

- Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within twelve months of receipt of voucher approval letter. Proof of such intent to purchase at time of application is required for eligibility. An extension for up to an additional 6 months may be permitted as described below.

- Not a subject of any other State or federal funding for the same vehicle(s)

- Procured from a Vendor that meets program eligibility requirements (detailed in the following section)

Note: Vehicle scrappage is not mandated by this program EXCEPT in the case that the new vehicle is replacing a vehicle model year 2009 or earlier. For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Vehicles that are not replacements (i.e., ZEV purchased are for new use cases or to expand a fleet) or are replacing a model year 2010 or later DO NOT have to comply with scrappage requirements. Information on any vehicle replacements will be requested within the application to determine scrappage requirements and support RGGI-metric reporting on avoided emissions.

To be eligible for the second phase, vehicle Vendor must:

- Provide proof of a minimum of 12 months of experience selling or manufacturing eligible zero-emission vehicles

- Be registered to conduct business in NJ, as demonstrated by a valid New Jersey Tax Clearance Certificate

- Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection

- Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority

- Offer at least one eligible vehicle and provide required vehicle-associated documentation, including but not limited to:

  - Listing information related to the vehicles, such as via Vendor website, inclusive of vehicle images, descriptions, and sale cost

  - A specification sheet outlining all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to proposed use, and eligibility

- Certification from the manufacturer that the vehicle complies with all applicable state and federal requirements for operation, including the Federal Motor Vehicle Safety Standards (FMVSS) issued by the National Highway Traffic Safety Administration (NHTSA), found in Title 49 of the Code of Federal Regulations (CFR).

- Standard warranty for the eligible vehicle(s), indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor. May be updated on a per-Purchaser basis.

- Typical delivery plan and timeline, updated on a per-Purchaser basis.

- In-state servicing plan for maintenance of vehicles aligned with industry norms and current best practices implemented before vehicle delivery. May be updated on a per-Purchaser basis.

- Standard charging or fueling plan development methodology, updated on a per-Purchaser basis to address such Purchaser's needs, providing clarity on, but not limited to, the anticipated count, type, capacity, and location of chargers/fueling stations necessary for vehicle

- Agree to accept the Program's terms and conditions as laid out in the grant agreement, including but not limited to:

  - Accept the Program's voucher towards Purchaser Applicant vehicle payments, deducting the vehicle's voucher amount from the upfront cost.

  - Engage with the selected technical assistance provider that EDA signs an MOU with as necessary, potentially including in-person events when mutually agreed to

By accepting the voucher funding, as applicable Purchaser Applicants and Vendors will also agree to the following terms:

- Purchaser Applicant will register the vehicle in the State of New Jersey for a minimum of the three continuous years

- Purchaser Applicant will annually operate at least 75% of vehicle miles traveled (VMT) in the State of the New Jersey

- NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption, and agree to provide responses and data upon request to support such audits and verifications. For example, to verify vehicle miles traveled within the eligible overburdened communities, NJEDA may require data such as but not limited to telematics, route maps, delivery histories, etc.

- Permit the use by NJEDA of Purchaser Applicant, Vendor, and vehicle data and information that is provided in the application and audit process, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this program, or future alternative programs

- Purchaser Applicant will commit to displaying a visual indication on the commercial vehicle that it is a ZEV and that its purchase was subsidized through this program, as materially provided by NJEDA (e.g., a bumper sticker, placard, etc.)

Pilot Program Voucher Funding Levels

Voucher funding amounts are based on GVWR laid out in the table below:

Table 1: Voucher Amounts

Vehicle GVWR	Vehicle Class	Voucher amount
8,501 - 10,000 lbs.	Class 2b	$20,000
10,0001 - 14,000 lbs.	Class 3	$50,000
14,001 - 16,000 lbs.	Class 4	$65,000
16,001 - 19,500 lbs.	Class 5	$75,000
19,501 - 26,000 lbs.	Class 6	$90,000
26,001 - 33,000 lbs.	Class 7	$135,000
33,001+ lbs.	Class 8	$175,000

These voucher amounts are based on industry research with subject matter experts through procured consultant, Guidehouse, benchmarked against other states' current, prior, and proposed programs, and verified with outreach from stakeholders. These values represent, based on current range of estimated ZEV costs, approximately 75 – 110% of the incremental cost of ZEV compared to similar internal combustion engine vehicles, bringing the zero emission vehicle closer to or at upfront cost parity for trucks. Through the same research, EV Buses have a much larger upfront cost compared to diesel bus alternatives. These base voucher amounts would not meet the incremental cost of a ZEV bus, thus the need for additional voucher funding.

In order to address stakeholder-identified barriers or to further incentivize activity aligned with the Authority's mission, Purchaser Applicants may be eligible and apply for increased per-vehicle voucher bonuses through documentation of any of the following:

- Certified woman-, minority-, or veteran-owned business bonus: 4% increase in the base voucher amount per vehicle per qualifying NJ State certification

- Small business bonus: A 25% increase of the base voucher amount per vehicle.

  - For the purposes of this Program, a small business is defined as having 25 or fewer full time employees in total OR less than $5M in annual revenue.

- New Jersey manufacturing bonus: A 25% increase of base voucher amount per vehicle will be available if the Vendor can formally document (for example, but not limited to, through price sheets and hourly rates) that 25% of the cost of the vehicle is spent in NJ on labor for vehicle design, assembly, and/or manufacturing or cost of components produced in New Jersey.

- EJ Bonus: 10% increase of base voucher amount per vehicle to small business applicants or municipalities who commit to driving in overburdened ("EJ") communities. To be eligible, Purchaser Applicants must demonstrate in a manner acceptable to the Authority, annual operation of 50% or more of VMT OR registration and domicile within overburdened community census tracts for a minimum of three continuous years from date of registration

- School Bus Bonus: 25% increase in base voucher amount per vehicle if applicant is purchasing a school bus.

These bonuses may be stacked, with Applicant eligible for multiple bonus criteria.

Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for an Applicant (as determined by EIN) through vouchers inclusive of any qualifying bonuses, cannot exceed $3,000,000, to ensure equitable distribution of resources.

Because this funding is provided through appropriations, all disbursements will be subject to appropriations and availability of funding.

Technical assistance

In addition to the voucher program itself, NJEDA is proposing to pilot a ZE MHDV technical assistance program in conjunction with the phase two pilot expansion. NJEDA will execute a Memorandum of Understanding (MOU) with a New Jersey State University to engage them to provide technical assistance. This memorandum serves to notify the Board of the plan to pursue such an engagement, which, pursuant to Authority policy regarding MOU scope and cost, may be executed by the CEO or may be brought back to Board in a substantially final form, inclusive of final funding amount and associated administration, paid for through RGGI funds.

The need for technical assistance, especially for small businesses navigating the ZEV space for the first time, is a critical learning from the first phase, and will be supportive of the expanded phase two pilot goals, including equitable access to the program.

The proposed technical assistance will serve three distinct programmatic areas. The first area of focus will facilitate general education on electric vehicles, understanding total cost of ownership, and behavior adaptation. The second will support the implementation of electric vehicles by conducting fleet assessments and developing and assisting with infrastructure plans unique to each applicant. Lastly, the engaged University will guide applicants through the administrative process. This may include activities such as navigating NJEDA application portal, as well as other state agency requirements (i.e. securing businesses certifications and tax clearance certificate, understand requirements for registering vehicles, access to other state funding for infrastructure, guidance towards utility interconnection applications, etc).

In addition to the external support to applicants, the University will also be tasked with reporting on the impact of technical assistance, using key performance indicators to measure the impact of funding.

This assistance is being proposed as a pilot not only because it was an identified gap in the ZEV ecosystem in the state, but also because technical assistance may in future shift to electric distribution companies.

In August 2021, the NJ Board of Public Utilities issued a New Jersey Electric Vehicles Infrastructure 2021 – Medium and Heavy Duty Straw Proposal. In the NJBPU's straw proposal, utilities are proposed as responsible for providing technical assistance to public and private fleets to ensure that ZE MHDV charging is well planned and appropriate to the needs of the fleet. Such planning should address timing and size of charging, incorporation of storage to reduce grid impact and ensure resiliency and address any interconnection issues that may arise. In addition, the straw proposal suggests that utilities should provide technical assistance, including the development and hosting of customer accessed fleet planning and modeling tools, to private fleets interested in EV adoption to ensure adequate charging infrastructure is planned for and incorporated into the grid. As the straw proposal is not yet adopted as minimum filing requirements, the technical assistance outlined here and to be provided via MOU with a State University through the NJ ZIP pilot will provide a critical support – especially to small businesses – in the intervening time.

Pilot Program Structure and Process

The general methodology for voucher application and approval from the first phase of the pilot will be maintained in the second phase, with strategic implementation changes made to minimize administrative burden and increase efficiency.

Vouchers will be issued and redeemed through the following steps:

1. Vendors apply into the program and, as appropriate, are approved as eligible. Such eligibility must be maintained to continue to be approved within the program.
2. Purchaser Applicant selects an approved Vendor and their eligible vehicle(s)
3. Purchaser Applicant and Vendor prepare and submit their respective portion of the application, including proof of eligibility. If a Vendor has already been approved, the Vendor does not need to obtain a new approval unless there is a change from the prior Vendor application and approval.
4. NJEDA processes the applications and, if the Purchaser Applicant, Vendor, and vehicle are eligible and funds are available, approves voucher(s), inclusive of qualifying bonuses and sends the Applicant a voucher reservation approval letter.
5. The voucher funds are reserved for twelve months from the date of the approval letter. During this period, the Vendor and the Purchaser Applicant must execute the program agreement and submit documentation of same. Then, the vehicle must be delivered to and registered by the Purchaser Applicant during this period. A voucher reservation may be renewed for one six-month extension if requested prior to expiration and will be granted based on evidence by the Purchaser Applicant

and Vendor of good faith efforts to procure, deliver, and register vehicle.

6. Vehicle is delivered to and registered by the Purchaser Applicant. Documentation is submitted to NJEDA.

7. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor.

NJEDA Staff will be responsible for reviewing applications, maintaining the program website, and providing program guidance resources, such as FAQs and webinars, to Vendors and Applicants where needed.

Appeals

Purchaser Applicants and Vendors will be able to appeal the Authority's determination of initial eligibilities, extension request eligibility, and/or funding amounts. Appeals will be reviewed by a hearing officer, who will be a staff member who has not up until that point been directly involved in the eligibility determination. Funds will be set aside for the maximum amount of voucher for any appeals that are lodged with the Authority until final resolution of the appeal.

Post-eligibility audits

Staff will conduct audits on a representative sample of disbursed vouchers to confirm that Purchaser Applicant and Vendor self-certifications are accurate and obligations in the agreement are upheld. In such cases where the audit reveals that the self-certification was not accurate or commitments were not upheld and this impacts eligibility, NJEDA may require, as remedy, that the relevant proportion of these funds be returned from either the Purchaser Applicant or the Vendor and/or may refer these organizations to the relevant State agency for further investigation. Any material misrepresentations by a Purchaser Applicant or Vendor in any submission required by the Authority for participation in the program or failure to uphold relevant commitments by Purchaser Applicant or Vendor may be considered by the Board in requiring repayment of a portion or all of the funds and in disqualifying the Purchaser Applicant or Vendor from future contracting with or financial assistance from the Authority.

ESTIMATED BUDGET AND IMPACT

The total RGGI-funded NJ ZIP pilot program budget will be $46,575,000.

Of the total program budget, $45,000,000 will be reserved to fund vouchers, utilizing the following allocations:

- $15,000,000 will be set-aside for small businesses
- $15,000,000 will be set-aside for overburdened community applications

Remainder of voucher fund will be un-allocated.

As previously noted, the total funding provided to a single applicant (as determined by EIN) through vouchers and any qualifying bonuses cannot exceed $3,000,000, to ensure equitable distribution of resources. Applicants who applied in phase 1 of the pilot are eligible to apply in phase 2; phase 1 approvals do not impact the $3,000,000 cap.

In addition to the voucher budget, NJEDA will implement a technical assistance pilot, contracting with a New Jersey State University through an MOU. The Authority will fund the technical assistance pilot utilizing RGGI monies in addition to the budget noted within this memorandum.

NJEDA will charge Vendor Applicants a $1,000 fee to apply into the program. Purchaser Applicants will be charged a $1000 fee for applying for voucher funds; multiple vehicles can be applied for within a single application. For Applicants who demonstrate that the imposition of the fee would impose an undue financial hardship, this fee may be reduced.

In addition, NJEDA will charge 3.5% administration costs, for a total of $575,000, as permitted by statute.

Based on the pilot program voucher fund budget of $45 million, it is anticipated that 200 - 400 vouchers will be issued for the purchase of zero-emission vehicles. As required by the RGGI Strategic Funding Plan, NJEDA will report, based on NJDEP defined metrics, calculated avoided emissions and co-benefits.

REQUEST FOR DELEGATED AUTHORITY

Beginning in July 2003 the Members of the Authority have been asked to delegate signing authority to staff on certain financing and incentive transactions, to create efficiencies for our customers and provide fluidity to our business. Delegated authority for Phase II of this pilot program is consistent with delegated authority previously granted for the first phase of NJ ZIP, which saw average award amounts of $231,317.

Specifically, for the NJ ZIP pilot program, the Board is asked to approve granting delegated authority to:

- The Authority’s Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, (i) shift funding allocations and (ii) adjust voucher amounts;
- The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers or extensions of vouchers reservation term;
- The CEO or delegate(s) of the CEO to, upon recommendation of the reviewing officer, decline eligibility based solely on non-discretionary reasons;
- The CEO or delegate(s) of the CEO to, upon recommendation of the reviewing officer, to waive half the application fee for Applicants upon demonstration by the Applicant that the imposition of the fee would propose undue financial hardship;
- In connection with any appeal from declination based solely on non-discretionary reasons, the CEO or delegate(s) of the CEO to designate a Hearing Officer who has not previously been directly involved in the eligibility determination, to prepare a recommendation to the final decision maker. The CEO or delegate(s) of the CEO shall make a final written decision on the matter, which shall constitute the Authority’s Final Administrative Decision.

If the program expands beyond the pilot stage, these delegation levels are to be revisited by the Board.

CONCLUSION

The State has ambitious goals for the transition of New Jersey's MHDVs to zero-emission by 2050 with specific benefits to overburdened communities, and the NJ ZIP is a critical step in this direction to support the ZEV marketplace and rapidly deploy electric MHDVs on the road. As such, the Members are requested to approve NJ ZIP pilot expansion Phase 2 with $46,575,000 of RGGI funding, and all the associated components, delegated authority, and processes detailed herein.

Tim Sullivan, CEO

Prepared by:
Olivia Barone, Project Officer
Victoria Carey, Clean Energy Manager

ADOPTED
FEB 24 2025

Attachments

Resolution of the New Jersey Economic Development Authority Regarding Approval of the NJ ZIP, the New Jersey Zero Emission Incentive Program: Third Phase of the Voucher Pilot

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered Board Memoranda attached hereto; and

WHEREAS, Board Memoranda requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Board Memoranda.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The actions set forth in the Board Memoranda, attached hereto, are hereby approved, subject to any conditions set forth as such in said Board Memoranda.

2. The Board Memoranda, attached hereto, are hereby incorporated and made a part of this resolution as though set forth at length herein.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: February 24, 2025

EXHIBIT

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan,
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: NJ ZEV Financing Program

Request:

The Members of the Board are asked to approve:

1. The creation of the New Jersey Zero Emission Vehicle Financing Program ("NJ ZEV" or "Program"), a loan program to support the adoption and commercial or industrial use of medium and heavy duty zero emission vehicles in New Jersey;

2. The utilization of $25,500,000 from New Jersey Economic Development Authority's (NJEDA) allocation of the 2023-2025 Regional Greenhouse Gas Initiative (RGGI) auction proceeds to capitalize the NJ ZEV Financing Program as follows:
   a. $25,000,000 to be used for vehicle financing.
   b. $500,000 to be used for the procurement of telematics devices for vehicle compliance reporting.

3. Delegation of authority to the Chief Executive Officer to:

   a) Utilize up to $25,000,000 in additional RGGI funding as available to increase Program funding if application demand exceeds the initial $25,000,000.

   b) Approve individual applications to the NJ ZEV Program in accordance with the terms set forth in the attached product specifications.

Background:

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector and therefore allowing for auctioning of emissions rights. States use the proceeds from the CO2 allowance auctions to invest in programs to help further reduce CO2 and other greenhouse gas pollution, spur clean and renewable energy, and provide rate relief on energy bills.

Through its participation in RGGI auctions and fixed price allowance sales held between 2020 and 2022, New Jersey received funding that totaled approximately $372 million. In 2023, RGGI auctions and fixed price sales resulted in over $194 million in funding to the State.

Three agencies, New Jersey Department of Environmental Protection ("NJDEP"), New Jersey Board of Public Utilities ("NJBPU"), and New Jersey Economic Development Authority ("NJEDA"), collaborate on the creation of New Jersey's RGGI Strategic Funding Plan, which identifies how the RGGI auction proceeds will be utilized over 3-year funding periods.

Per the 2023 Funding Plan, the State will deploy RGGI funds for 2023-2025 within four initiative categories, of which Initiative Two is relevant to NJEDA in relation to this Program: Catalyze Clean, Equitable Transportation.

New Jersey's RGGI funds allocation is governed by the Global Warming Solutions Fund Act (P.L. 2007, c. 340). By statute, proceeds from auctions are deposited into the Global Warming Solutions Fund. After administration fees are deducted from the pool, NJEDA receives 60% of the remaining funding for programming (focus area: commercial, institutional, and industrial entities). NJBPU and NJDEP each receive 20% of the remaining funding for programming (focus areas, respectively: low income and moderate income residential; and local government, forests, and tidal marshes).

Program Details:

Initiative Two of the 2023-2025 RGGI Funding Plan aims to continue work begun during the 2020-2022 Plan in prioritizing proceeds for vehicle electrification programs necessary to continue to reduce emissions from the transportation sector, the largest source of greenhouse gas emissions in the State. This includes building on the success of the NJEDA's Zero Emission Incentive Program ("NJ ZIP"), a voucher program to support the adoption of commercial and industrial use medium and heavy duty zero emission vehicles.

NJ ZEV is a loan program to provide financing for commercial and industrial vehicle operators to adopt zero emission vehicles instead of typical combustion vehicles. This Program complements the NJ ZIP program by offering financing for vehicle costs that may not be met by NJ ZIP vouchers or other grant funding available via other sources. However, participation in the NJ ZIP program is not required for a vehicle purchaser to obtain a ZEV loan. A ZEV loan can be obtained independently.

The NJ ZEV Financing Program offers low-interest rate loans—recognizing the cost premium often inherent in adopting zero emission vehicles instead of utilizing standard combustion engine options. NJ ZEV Financing seeks to deploy RGGI funding quickly and efficiently towards commercial and industrial entities seeking electric vehicles, focusing on commercial and industrial use medium-and-heavy-duty vehicles. This Program will also help fill a financing gap that has been demonstrated by some NJ ZIP applicants who have been unable to find financing for the cost of the vehicle not met by voucher amounts. An initial total of $25,000,000 is available via the Program from 2023-2025 RGGI project funds. The minimum loan commitment amount is set at $50,000 and capped at 100% of eligible vehicle costs up to $500,000 per loan.

Eligibility:

Eligibility Criteria for Applicants:

- The NJ ZEV Program will be open to commercial and industrial organizations registered in New Jersey.
- Applicant must meet NJ ZEV loan underwriting criteria.
- The Applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (DOL) and NJDEP to be eligible for NJ ZEV financing. A current tax clearance certificate will need to be provided prior to application approval to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation. A valid Applicant tax clearance certificate also is required prior to closing and disbursement of funds.
- Applicants must have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure to be available for use for the vehicle(s) being financed.
- Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority.
- Applicants are not allowed to use NJ ZEV financing to purchase vehicles directly from themselves, related, or affiliated entities.

Eligibility Criteria for Zero Emission Vehicles:

- Only vehicles that would be eligible for vouchers under the NJEDA's third phase and future iterations of the NJ ZIP program are eligible for financing. This includes, but is not limited to, medium and heavy-duty battery-electric (BEV) and hydrogen fuel cell-electric (FCEV) vehicles.
- Applicant entity must own the vehicles being financed and purchased (not leasing vehicles from another entity).
- Only new vehicles used for commercial or industrial purposes are eligible for financing.
- Purchased, delivered, and registered (in compliance with New Jersey motor vehicle registration requirements) within eighteen months of receipt of commitment letter. Proof of such intent to purchase at time of application is required for eligibility. This will consist of a quote to the applicant from an approved program vendor for eligible vehicle(s).

Eligibility Criteria for Zero Emission Vehicle Vendors:

- Eligible vehicles can only be purchased from vendors approved by the Authority to participate in Phase three and future iterations of the NJ ZIP program.

Eligible Costs:

- Zero emission vehicle purchase price

Ineligible Costs include but are not limited to:

- Taxes
- Vehicle registration fees
- Delivery fees
- NJEDA fees
- Vehicle leases by the Applicant (vehicle must be owned by the Applicant)
- Vehicle operating expenses (electricity, hydrogen, maintenance/service costs, etc.)
- Charging or fueling equipment

Diversity, Equity, and Inclusion:

Per the New Jersey Environmental Justice Law, P.L. 2020, c.92, Overburdened Communities (OBCs) are Census block groups with at least 35 percent low-income households; or at least 40 percent of the residents identifying as minority or as members of a State recognized tribal community; or at least 40 percent of the households having limited English proficiency. Census block groups with zero population and located immediately adjacent to an OBC are labeled as "Adjacent."

The NJ ZEV Program is structured to prioritize the reduction of emissions in New Jersey designated OBCs and Adjacent communities by setting aside Program funding for zero emission vehicles to be used in these areas. For the first year following application launch, $15M of the total $25M Program funding will be set aside for Overburdened Community Applicants. Overburdened Community Applicants are defined as follows.

1. The Applicant organization's business address (property can be owned or leased) is located within an Overburdened Community or formally designated Adjacent Community;

AND

2. The Applicant commits to registering new vehicles financed via the NJ ZEV Program to an Applicant's business located within an Overburdened Community or formally designated Adjacent Community.

If the funding set-aside for OBC applicants is not fully utilized within the first year that applications open, remaining funding will become available for all eligible applicants (both OBC and non OBC qualified).

Loan Terms & Rates:

The NJ ZEV Financing Program will make available direct loans between $50,000 and $500,000. The loan funds can be used for the purchase of one or multiple zero emission vehicles eligible under the Program. Each entity is only allowed one new NJ ZEV loan per entity (unique EIN) per calendar year.

The Authority will finance up to 100% of eligible vehicle purchase price with NJ ZEV loans.

The Authority will require Applicants to provide proof of insurance for the vehicle value listing NJEDA as additionally insured. In addition, the Authority will file a lien for all vehicles being financed under the Program.

The interest rate for the loan will be one half of the US Treasury 5-Year Rate, plus an additional risk-based credit spread determined at time of application approval in accordance with NJEDA Underwriting Standards.

Loan terms will be 5-years (60 months), beginning upon submission of proof of purchase, delivery, and registration of the financed vehicle. If the applicant has purchased multiple vehicles that will be delivered on separate dates, the loan tenor will begin on the purchase, delivery, and registration of the first vehicle. The loan term will be fixed at 5-years from the purchase, delivery, and registration of the first vehicle and will not be adjusted upon purchase, delivery, and registration of any subsequent financed vehicles.

By signing the Loan Agreement, the Applicant agrees to permit the use by NJEDA of Applicant and vehicle data and information that is provided in the application and during Program participation, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this Program, or future alternative programs.

Following vehicle purchase, delivery, and proof of vehicle registration, the Applicant will be required to do the following over a 3-year period for each vehicle financed:

1. Maintain ownership and active vehicle registration in New Jersey.
2. Provide annual reporting of summarized vehicle miles traveled (VMT) data captured via telematics devices provided to the Applicant through NJEDA's supplier OR through other approved Applicant/Vendor provided devices capable of supplying equivalent and compatible data at no cost to the Authority. All borrowers of the NJ ZEV Program must operate 75% of annual VMT for each vehicle within the State of New Jersey.

If an Applicant is already required to utilize a State-owned telematics device for compliance reporting for NJ ZIP or another program, an additional telematics device will not be required.

Vehicles are not permitted to be sold during the 3-year compliance period. Following completion of the vehicle's 3-year compliance period, Applicants will have the ability to sell the vehicle. However, any outstanding loan balance relevant to that vehicle must be paid in full for the Applicant to have clear title to the vehicle and complete the potential sale. The only exception will be sale/scrappage for vehicle(s) deemed either permanently inoperable or beyond repair by a disinterested, qualified 3rd party such as a licensed New Jersey vehicle dealer, licensed mechanic, or representative of a vehicle insurance provider. Sale or insurance proceeds must be used for outstanding loan balance.

If an applicant defaults on the loan by failing to make payments, standard Authority default procedures will be utilized.

Application Process:

Applications will be accepted on a rolling basis. The application will remain open until all available funding is reserved or until three (3) years after the date of application launch, whichever is sooner. If following the initial reservation of all program funds, previously reserved funding becomes available due to applicants not utilizing funding reservations, the application may be re-opened.

Applicants will indicate the requested loan amount in their application and will provide quotes/cost estimates for vehicle costs from pre-approved vehicle vendors to support the requested loan amount.

Applicants will be evaluated to make sure the proposed vehicle purchase and their financial credentials meet the minimum Program requirements for loan eligibility and Program underwriting criteria.

Applications will enter the completeness and eligibility review process in the order in which they are received.

Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal.

For applications that are approved under delegated authority, applicants will be issued a commitment letter with a maximum amount of funding available to the Applicant. This commitment letter will be valid for 18 months from date of issuance.

NJ ZEV commitment amounts will not be increased following issuance of letter of commitment, and the Applicant will be responsible for any potential increase in vehicle purchase price beyond the approved loan amount. If the Applicant chooses to reduce the number of vehicles being financed following application approval/receipt of a commitment letter or closing (purchase fewer vehicles than originally proposed in their application), the disbursement of funds will be reduced accordingly, and any remaining funds originally committed to the Applicant's loan will be returned to the Program pool for use by others.

Disbursement Process:

Applicants will have 18 months from issuance of a commitment letter to receive and register the financed vehicle(s). Disbursements will be made upon submission of proof of vehicle purchase, delivery, and registration. Loan funds will be disbursed directly to the vehicle dealer, which must be a participating vendor under the phase three of the NJ ZIP program and future phases.

If the project has multiple vehicles being delivered to the Applicant in separate instances, the funding will be disbursed accordingly to the vendor in separate disbursements upon each purchase, delivery, and registration, based on the relative cost of each vehicle delivered.

At the conclusion of 18 months, no additional loan funds will be disbursed to the vehicle vendor, for vehicles purchased after the 18-month reservation period. The borrower will be responsible for any costs incurred beyond this window.

Delegated Authority:

The Members are requested to approve delegated authority to approve individual applications to the NJ ZEV Program in accordance with the terms set forth in the attached product specifications.

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend an administrative decision. Delegated authority is requested to accept final administrative decisions prepared by a Hearing Officer for appeals based on solely non-discretionary reasons.

In addition, delegated authority is requested to utilize up to $25,000,000 in additional RGGI funding as available to increase Program funding if application demand exceeds the initial $25,000,000.

Program Funding

The NJ ZEV Program will be funded from 2023-2025 RGGI project funding available to NJEDA under the 2023-2025 Funding Plan.

The total RGGI-funded Program budget will be $25,000,000 for loan financing, with the option to utilize up to an additional $25,000,000 in RGGI funding as available.

Up to $500,000 will be used for the procurement of telematics devices for vehicle compliance reporting.

Minimum loan size per project will be $50,000. Maximum loan size per project will be $500,000.

Administrative costs for the Program will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.

Fees:

NJEDA will charge applicants the following fees unique to the NJ ZEV Program given the availability of RGGI administrative funding to cover Program administrative costs:

- Application fee: Non-refundable $250 fee paid at time of Application submission
- Commitment fee: Non-refundable $250 fee paid prior to NJEDA issuing a commitment letter

Recommendation:

The Members of the Board are asked to approve:

1. The creation of the NJ ZEV (Zero Emission Vehicle) Financing Program, a loan program to support the adoption and commercial or industrial use of medium and heavy duty zero emission vehicles in New Jersey;

2. The utilization of $25,500,000 from New Jersey Economic Development Authority's (NJEDA) allocation of the 2023-2025 Regional Greenhouse Gas Initiative (RGGI) auction proceeds to capitalize the NJ ZEV Financing Program as follows:
    a. $25,000,000 to be used for vehicle financing.
    b. $500,000 to be used for the procurement of telematics devices for vehicle compliance reporting.

3. Delegation of authority to the Chief Executive Officer to:

    a) Utilize up to $25,000,000 in additional RGGI funding as available to increase Program funding if application demand exceeds the initial $25,000,000.
    b) Approve individual applications to the NJ ZEV Program in accordance with the terms set forth in the attached product specifications.

____
Tim Sullivan, CEO

Prepared by**:** Sean Sonnemann, Senior Project Officer, Clean Energy Products;

Attachments:
Appendix A – Proposed Product Specifications: NJ ZEV Financing Program
Exhibit A – NJ ZIP Phase 3 Board Memo

Appendix A NJ ZEV Financing Program Specifications February 24, 2025	
Funding Source	RGGI project funding available to NJEDA from the Regional Greenhouse Gas Initiative Funds (RGGI) under the 2023-2025 Funding Plan.
Program Purpose	To reduce operating greenhouse gas emissions from the transportation sector in the State by financing commercial or industrial use zero emission vehicle acquisitions. To accelerate the adoption of zero emission commercial and industrial vehicles within New Jersey.
Eligibility	Applicants: • The NJ ZEV Program will be open to commercial and industrial organizations registered in New Jersey. • Applicant must meet NJ ZEV loan underwriting criteria. • The applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (DOL) and NJ Department of Environmental Protection (DEP) to be eligible for NJ ZEV. A current tax clearance certificate will need to be provided prior to application approval to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation. A valid Applicant tax clearance certificate also is required prior to closing and disbursement of funds. • Applicants must have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure to be available for use for the vehicle(s) being financed. • Applicants are not allowed to use NJ ZEV financing to purchase motor vehicles from themselves, related, or affiliated entities. Vehicles: • Only vehicles that would be eligible for vouchers under the NJEDA's third phase and future iterations of the NJ ZIP program are eligible for financing. This includes, but is not limited to, medium and heavy-duty battery-electric (BEV) and hydrogen fuel cell-electric (FCEV) vehicles. • Applicant entity must own the vehicles being financed and purchased (not leasing vehicles from another entity). • Only new vehicles used for commercial or industrial purposes are eligible for financing • Purchased, delivered, and registered (in compliance with New Jersey motor vehicle registration requirements) within eighteen months of receipt of commitment letter. Proof of such intent to purchase at time of application is required for eligibility. This will consist of a quote to the applicant from an approved program vendor for eligible vehicle(s). Vendors: Eligible vehicles can only be purchased from vendors approved by the Authority to participate in Phase three and future iterations of the NJ ZIP program.

Appendix A NJ ZEV Financing Program Specifications February 24, 2025	
Diversity, Equity, and Inclusion	For the first year following application launch, $15M of the total $25M Program funding will be set aside for Overburdened Community Applicants. Overburdened Community Applicants are defined as follows. 1. The Applicant organization's business address (can be owned or leased) is located within an Overburdened Community or formally designated Adjacent Community. AND 2. The Applicant commits to registering new vehicles financed via the NJ ZEV Program to an Applicant's business located within an Overburdened Community or formally designated Adjacent Community. If the set-aside for OBC applicants is not fully utilized within the first year that applications open, remaining funding will become available for all eligible applicants (OBC and non OBC qualified).
Eligible Uses	Eligible Costs: • Zero emission vehicle purchase price Ineligible Costs include but are not limited to: • Taxes • Vehicle registration fees • Delivery fees • NJEDA fees • Vehicle leases by the Applicant (vehicle must be owned by the Applicant) • Vehicle operating expenses (electricity, hydrogen, maintenance/service costs, etc.) • Charging or fueling equipment
Application Process	Applicants will be evaluated to make sure the proposed vehicle purchase and their financial credentials meet the minimum Program requirements for loan eligibility and Program underwriting criteria. Applications will enter the completeness and eligibility review process in the order in which they are received. Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for

Appendix A NJ ZEV Financing Program Specifications February 24, 2025	
	additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal. **Step 1**: Applicant submits application to NJEDA, which shall include, among other items: • Organizational formation documents • Two (2) years of financial statements and federal tax returns • Valid New Jersey tax clearance certificate • Vehicle cost estimate: o Vendor quotes or similar retail price information for any vehicles to be purchased directly by the Applicant • Requested loan amount **Step 2**: After reviewing the submitted application materials, NJEDA will determine whether or not to approve the requested loan amount. If approved, staff will provide a commitment letter to the applicant with the loan amount for the project. NJEDA loan commitments will not be adjusted following notice of application approval, and the Applicant will be responsible for any potential increase in vehicle purchase price beyond the approved loan amount. **Step 3:** If the commitment has not expired, NJEDA will close the loan by executing a loan agreement and other necessary documents with the Applicant upon proof of vehicle purchase, delivery, and registration.
Underwriting Process	Standard NJEDA underwriting except for the following: • A minimum global debt service coverage ratio (GDSCR) of 1.00x for the applicant entity. If a 1.00x is not achieved based on the historical financial statements of the business and/or any recurring outside income of the owners, then the applicant may provide a projection and narrative assumptions that illustrate the ability to meet a minimum of 1.00x • No maximum Loan to Value Ratio (LTV) Applicants are required to provide personal guarantees per Standard NJEDA policy.
Loan Amounts	Minimum total loan amount of $50,000 per Applicant Maximum total loan amount of $500,000 per Applicant.
Rates & Terms	Tenor: 5-year (60 month) term, principal and interest repayment over 5-year period beginning following closing. If applicant has purchased multiple vehicles that will be delivered on separate dates, then the loan will have monthly payment amount adjusted following each

Appendix A NJ ZEV Financing Program Specifications February 24, 2025	
	disbursement, but the 5-year term beginning from time of closing will be applicable to all vehicles. Interest Rate: The interest rate for the loan will be one half of the US Treasury 5-Year Rate, plus an additional risk-based credit spread determined at time of application approval in accordance with NJEDA Underwriting Standards.
Collateral/Security	• Lien on zero emission vehicles financed via NJ ZEV • Proof of insurance for the vehicle value listing NJEDA as additionally insured
Fees	NJEDA will charge applicants the following fees unique to the NJ ZEV Program given the availability of RGGI administrative funding to cover Program administrative costs: • Application fee: Non-refundable $250 fee paid at time of Application submission • Commitment fee: Non-refundable $250 fee paid prior to NJEDA issuing a commitment letter
Compliance	Following vehicle purchase, delivery and proof of vehicle registration, the Applicant will be required to do the following over a 3-year period for each vehicle financed: 1. Maintain ownership and active vehicle registration in New Jersey. 2. Providing annual reporting of summarized vehicle miles traveled (VMT) data captured via telematics devices provided to the Applicant through NJEDA's supplier OR through other approved Applicant/Vendor provided devices capable of supplying equivalent and compatible data at no cost to the Authority. All borrowers of the NJ ZEV Program must operate 75% of annual VMT in NJ. Following completion of the 3-year compliance period, Applicants will have the ability to sell vehicle(s) financed via the NJ ZEV Program. However, any outstanding loan balance must be paid in full for the Applicant to have clear title to the vehicle and complete the potential sale. Vehicle sales are not permitted during the 3-year compliance period. The only exception will be sale/scrappage for vehicle(s) deemed permanently either inoperable or beyond repair by a disinterested, qualified 3rd party such as a licensed New Jersey vehicle dealer, licensed mechanic, or representative of a vehicle insurance provider. Sale or insurance proceeds must be used for outstanding loan balance. By signing the Loan Agreement, the Applicant and Vendor agree to permit the use by NJEDA of Purchaser Applicant, Vendor, and vehicle data and information that is provided in the application and during

Appendix A **NJ ZEV Financing Program** **Specifications February 24, 2025**	
	Program participation, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this Program, or future alternative programs.
Disbursement	Loan amount will be determined at time of application approval based on the applicant's request, purchase price based on a quote from approved vendor, and the underwriting review. Applicants will have 18 months from issuance of a commitment letter to purchase, receive and register the financed vehicle(s). Disbursements will be made upon vehicle purchase, delivery and registration. Loan funds will be disbursed directly to the vehicle dealer, which must be an approved vendor under the currently active NJ ZIP program. If the project has multiple vehicles being delivered to the Applicant in separate instances, the funding will be disbursed accordingly to the vendor in separate disbursements upon each purchase, delivery, and registration, based on the relative cost of each vehicle delivered.

EXHIBIT A

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: NJ ZIP, the New Jersey Zero Emission Incentive Program: Third Phase of the Voucher Pilot

Request:

The Members are asked to approve:

1. The creation of Phase 3 of the New Jersey New Jersey Zero-emission Incentive Program ("NJ ZIP" or "Program"), the New Jersey Economic Development Authority's ("Authority" or "NJEDA") zero-emission commercial use vehicle voucher pilot.

2. The utilization of $75.5 million from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2020-2022 and 2023-2025 auction proceeds to capitalize Phase 3 of NJ ZIP.

3. Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons.

4. In relation to this third phase of the pilot Program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

   - The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, shift funding allocations;
   - The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers;
   - The CEO or delegate(s) of the CEO to reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program;
   - The CEO or delegate(s) of the CEO to allocate up to $500,000 to extend and modify the existing telematics service plan, as necessary, for the duration of the third phase of the Program.

Background:

The NJ ZIP pilot is structured as a first-come, first-serve voucher program. The pilot is focused on incentivizing the adoption of zero-emission vehicles (ZEV) by New Jersey businesses and institutions,

especially those operating within overburdened communities (as defined by NJ P.L.2020, c.92, and which, for the purposes of the pilot, is used interchangeably with the term “environmental justice communities” specified in the RGGI Strategic Funding Plan), that have been disproportionately impacted by emissions.

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector and therefore allowing for auctioning of emissions rights. States use the proceeds from the CO2 allowance auctions to invest in programs to help further reduce CO2 and other greenhouse gas pollution, spur clean and renewable energy, and provide rate relief on energy bills.

The Authority’s use of this funding is aligned with both its core mission, to foster sustainable and equitable economic growth – in this case, in the commercial-use ZEV ecosystem and value chain within the State – and with the State’s broader clean transportation goals, to transition 75% of medium- and 50% of heavy-duty vehicles to zero emission by 2050 supported by incentive programs, which the Energy Master Plan (Goal 1.1.8) cites as the Authority’s responsibility.

Pilot Phases 1 and 2 Performance To-date:

Phase 1 of the NJ ZIP pilot, launched in April 2021, incentivized the adoption of medium-duty ZEVs within four pilot communities: the Greater Camden, Greater Newark, Greater New Brunswick, and Greater Shore Areas. Phase 2, which launched purchaser applications in April 2023, expanded the eligibility to include heavy-duty vehicle classes and opened applications to entities state-wide, with bonuses awarded for operating and/or domiciling within overburdened communities. In Phase 2, the establishment of a technical assistance mechanism through the Rutgers Help Desk was incorporated, as well as the procurement of state-issued telematics devices intended to monitor the location NJ ZIP funded vehicles–ensuring those emissions reductions remain in New Jersey–throughout the 3-year Compliance Term. Because of delays in procuring telematics devices due to the extended state procurement timelines, shipments of state-issued telematics for NJ ZIP Phase 2 funded vehicles began in January 2025. Geotab telematics devices were acquired through a waiver of advertising for the designated vendor, AT&T, in accordance with New Jersey State Contract #M4006 for consistent reporting with the New Jersey Department of Environmental Protection (NJDEP) across RGGI-funded transportation projects and to monitor post-award compliance requirements.

The primary goals of the pilot, as enumerated in the January 15th, 2021 Board memorandum in which the pilot was initially approved, are:

1. Accelerate the adoption and use of medium-to-heavy duty zero-emission vehicles within New Jersey;
2. Reduce emissions within overburdened communities;
3. Allow the Authority to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

In furtherance of these goals, the pilot has received continuous application flow from applicants. As of the end of Q4 2024, a total of $54.4 million in voucher funding had been committed across 71 Phase 1 applications and 84 Phase 2 applications. Phase 1 vouchers have supported the addition of 134 new ZEVs as of the end of 2024. Phase 2 Waitlisted applications continue to be processed and approved through Q4 2024. Current Phase 2 voucher commitments are projected to support an additional 288 vehicles. The reintroduction of a scrappage bonus for small business applicants in Phase 3 aims to collect valuable data on the economic and environmental impacts of vehicle scrappage and has been increased to incentivize the removal of diesel equivalents, thereby enhancing emission offsets for each project. Upon

evaluation of this phase, a proposal for a longer-term program may be considered, informed by the insights gained from these pilots.

Program Details:

All pilot program goals and rules, as enumerated in the January 2021 and July 2022 Board memorandums in which the first two phases of NJ ZIP were initially approved remain the same, with only proposed changes for Phase 3 detailed in this memo. Exhibit A includes background information and full program details incorporated into Phase 3 from previous phases of the program for reference.

Eligibility:

Purchaser applicant eligibility requirements remain unchanged from NJ ZIP Phase 2. Applicants are not allowed to use NJ ZIP funding to purchase motor vehicles from themselves, related or affiliated entities. Confirmation of charging/hydrogen fueling infrastructure plan or compatible public charging infrastructure will be required at time of application. Applicants must have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure.

In addition to the eligibility parameters already stated, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection (DEP) at the time of application to be eligible for NJ ZIP Phase 3. A current tax clearance will need to be provided at time of application and at time of closing and disbursement to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

For the purpose of the third phase, an “Eligible Vehicle” is defined the same as previous phases but the following additional requirements must also be met:

- Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within eighteen months of execution of the voucher agreement. Proof of such intent to purchase including quotes for an Eligible Vehicle at time of application is required for eligibility.
    - Vehicles may not be registered for personal use..
- Covered by warranty indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
- Compatible with a State-specified telematics device or have the ability to supply equivalent and compatible data at no additional cost to the Authority.
- Procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program (detailed in the following section)
- The following vehicles are not eligible:
    - Retrofits and repowers of pre-owned vehicles

- Used vehicles

Phase 3 Vendor eligibility will be restricted to licensed vehicle dealers in New Jersey as defined in N.J.S.A. 39:10-19. All other Vendor eligibility requirements remain unchanged from Phase 2, as evidenced in the specifications attached hereto, but Vendors will apply to participate in the Program then be required to enter into a participation agreement[1] with the Authority. In the event the Authority determines a Vendor is ineligible, they will have the ability to appeal that decision in accordance with the Authority's appeal process. In addition to accepting the Program's terms and conditions as laid out in the vendor participation agreement, the Vendor agrees to:

- Provide in-state servicing plan for maintenance of Eligible Vehicles aligned with industry norms and current best practices prior to vehicle delivery.

- Manage the installation of state-issued telematics devices prior to vehicle delivery.

- Manage the commercial registration process of vehicles purchased under the Program in compliance with NJMVC.

Diversity, Equity and Inclusion:

Bonuses will continue to be allocated to vouchers for school busses (25%) and applications submitted by small businesses (25%), and/or certified women-, minority-, or veteran- owned businesses (4% per qualification). These bonuses may be stacked with applicants eligible for multiple bonus criteria. Voucher amounts are capped at 100% of vehicle cost.

In addition:

- During any round of funding, 50% of funds will be set aside for applications from small businesses in Overburdened Communities (OBC) as defined in N.J.S.A. 13:1D-158. Remainder of voucher funds will be un-allocated.
  - All set asides expire 6 months after Purchaser application launch date to be rolled into the unallocated pool of funding.

- Applications from small businesses will be eligible for an additional bonus of $3,000 per vehicle scrapped and replaced with NJ ZIP voucher funded ZEV.

For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions.

For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual revenue.

[1] The vendor participation agreement shall be standardized across all RGGI-funded transportation programs. Eligibility for participation in one program shall be deemed sufficient for participation in the others due to the shared vendor pool.

EXHIBIT A

Eligible Funding Uses:

Vouchers may be applied to the purchase price of an approved vehicle procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program.

Ineligible costs include but are not limited to:

- Taxes
- Vehicle registration fees
- Delivery fees
- NJEDA fees
- Vehicle leases by the Applicant (vehicle must be owned by the Applicant)
- Vehicle operating expenses (electricity, hydrogen, maintenance/service costs, etc.)
- Charging or fueling equipment

Application Process:

The general methodology for voucher application and approval from the first two phases of the pilot will be maintained in the third phase, with strategic implementation changes made to minimize administrative burden and increase efficiency. Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal. A sample Phase 3 application flow and timeline can be found in Exhibit B (for informational purposes only).

Program participants (Vendors and Purchaser Applicants) will adhere to the following steps:

1. Vendors apply to the program and, as appropriate, are approved as eligible. Vendors will be approved on a rolling basis. Vendors have the same right to appeal as they did in Phase 2 if declined. Such eligibility must be maintained through voucher payment for each vehicle sold.

2. Purchaser Applicant identifies an approved Vendor and Eligible Vehicle(s). Purchaser Applicant prepares and submits their respective application, including proof of eligibility. Purchaser applications are accepted on a first-come first-serve basis.

3. NJEDA processes the applications and, if the Purchaser Applicant is eligible and funds are available, approves voucher(s), inclusive of qualifying bonuses and sends the Applicant an award notification. Upon award notification, Purchaser has 30 days to confirm their selected Vendor and vehicle. NJEDA then issues a final voucher agreement to the Purchaser that indicates that their selected approved ZIP Vendor will receive funds upon disbursement of the voucher.

4. The voucher funds are reserved for eighteen months from the date of the voucher agreement (Voucher Reservation Term). During this period, the Vendor and the Purchaser Applicant must execute the program requirements and submit documentation of same. Telematics must be installed, and the vehicle must be delivered to and registered to the Purchaser Applicant during this period. Vehicle registrations may not be for personal use.

5. Disbursement documentation is submitted to NJEDA for review.

6. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor.

7. Telematics devices monitor and track RGGI-related emissions data for three years (Compliance Period) following delivery of the vehicles and disbursement of the voucher.

NJEDA Staff will be responsible for reviewing applications, maintaining the program website, and providing program guidance resources, such as FAQs and webinars, to Vendors and Applicants where needed.

Program Funding

The total RGGI-funded NJ ZIP pilot program budget will be $75,500,000.

Of the total program budget, $75,000,000 will be reserved to fund vouchers, utilizing the following allocations:

- A first $37,500,000 allocation round.
- A second $37,500,000 round to be made available no sooner than 1 year after the initial third phase sub-phase application launches.
  - During any round of funding, 50% of funds will be set aside for applications from small businesses in overburdened communities (OBC). Remainder of voucher funds will be un-allocated. OBC set aside expires 6 months after Purchaser application launch date to be rolled into the unallocated pool of funding.

The total funding provided to a single applicant (as determined by EIN) through vouchers including any qualifying bonuses cannot exceed $3,000,000 during a round of funding, to ensure equitable distribution of resources. Applicants who applied in Phase 1 or Phase 2 of the pilot are eligible to apply in Phase 3 (Phase 1 or 2 vouchers do not impact the $3M cap per EIN in Phase 3).
In addition to the voucher budget, NJEDA will continue to implement the technical assistance pilot. Furthermore, up to $500,000 will be allocated towards telematics devices for program compliance monitoring utilizing RGGI monies in the budget noted within this memorandum.

Fees:
NJEDA will charge applicants the following fees unique to the program as a result of RGGI administrative funding to cover program administrative costs: NJEDA will charge Vendor Applicants a non-refundable $1,000 fee to apply into the program. Purchaser applicants will be charged a non-refundable $500 fee for applying for voucher funds; multiple vehicles can be applied for within a single application. For applicants who demonstrate prior inability to utilize their approved voucher from a previous phase due to Vendor default or terminated agreement, this fee may be waived.

Appeals:
Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter. The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final administrative decision to be approved by the Board.

EXHIBIT A

Recommendation:

The Members are asked to approve:

1. The creation of Phase 3 of the New Jersey New Jersey Zero-emission Incentive Program ("NJ ZIP" or "Program"), the New Jersey Economic Development Authority's ("Authority" or "NJEDA") zero-emission commercial use vehicle voucher pilot.

2. The utilization of $75.5 million from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2020-2022 and 2023-2025 auction proceeds to capitalize Phase 3 of NJ ZIP.

3. Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons.

4. In relation to this third phase of the pilot Program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

    - The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, shift funding allocations;

    - The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers;

    - The CEO or delegate(s) of the CEO to reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program;

    - The CEO or delegate(s) of the CEO to allocate up to $500,000 to extend and modify the existing telematics service plan, as necessary, for the duration of the third phase of the Program.

Tim Sullivan, CEO

Prepared by**:**
Lina Rivetti, Project Officer
John Wisniewski, Director Clean Energy Products

Attachments:

- Exhibit A – Proposed Product Specifications: New Jersey Zero Emission Incentive Program (NJ ZIP) – Phase 3
- Exhibit B - NJ ZIP Phase 3 Timeline and Process Map
- Appendix A –NJ ZIP, the New Jersey Zero Emission Incentive Program: Second Phase Expansion of the Voucher Pilot | July 13th, 2022

EXHIBIT A

Exhibit A

NJ ZIP – Zero-emission Incentive Program: Third Phase Expansion of the Voucher Pilot Program Specifications

These specifications are provided as a summary of the NJ ZIP Phase 3 Pilot memorandum. In the case Exhibit A does not specify details or requirements or utilizes different language from the memorandum, the memorandum takes precedence.

Proposed Program Specifications February 24, 2025	
Funding Source	Funding for NJ ZIP pilot ("Program") and associated administration will be from eligible Authority funds from the Regional Greenhouse Gas Initiative (RGGI) funds.
Program Budget	$75,500,000 total funding comprised of $75,000,000 voucher pool and up to $500,000 for telematics.
Program Expiration	Program to operate on a pilot basis until such time that the funds are depleted. Funds are anticipated to be committed within an estimated 12 months from acceptance of the first application. The set asides for OBCs expire 6 months after Purchaser application launch date.
Program Purpose	To accelerate the adoption and use of zero-emission medium and heavy-duty vehicles within New Jersey; to reduce emissions within the state; and to allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption. The pilot is being used as a vehicle to support the growth of the NJ zero emission vehicle ecosystem, with accelerated adoption of zero emission vehicles being a critical step to attracting more jobs and investment, as other zero emission vehicle programs and regulations roll out across multiple State agencies.
Technical Assistance	The Authority plans to continue engagement with Rutgers University to provide technical assistance support as part of the NJ ZIP Phase 3 pilot expansion. The technical assistance will serve three distinct programmatic areas: • Facilitate general education on electric vehicles, understanding total cost of ownership, and behavior adaptation. • Support the implementation of electric vehicles by conducting fleet assessments and developing and assisting with infrastructure plans unique to each applicant. • Administrative guidance In addition to the external support to applicants, the University will also be tasked with reporting on the impact of technical assistance, using key performance indicators to measure both the economic and environmental impact of funding.
Applicant Eligibility Requirements	To be eligible, an Applicant must: • Be a commercial, industrial, or institutional organization in New Jersey. As defined in the Global Warming Solutions Fund regulation (N.J.A.C. 7:27D-1.2), "institutional" means serving a non- profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity. The term "government entity" includes

EXHIBIT A

Proposed Program Specifications February 24, 2025	
	local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible. • Provide a valid New Jersey Tax Clearance Certificate and/or other documentation deemed acceptable by the Authority, as applicable, to demonstrate business registration or ability to conduct operations in NJ. Updated documentation must be submitted at time of application, and prior to closing and disbursement to ensure documentation remains current. • Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection • Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority • Be the vehicle owner • Have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct a charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure available. Applicants are not allowed to use NJ ZIP funding to purchase motor vehicles from themselves, related or affiliated entities.
Project/Vehicle Eligibility Requirements	To be eligible, Applicant's new vehicle(s) must be: • A new zero-emission Class 2b – Class 8 (GVWR 8,501 lbs. – 33,000+ lbs.) vehicle, used for commercial, industrial, or institutional purposes. • All zero-emission vehicles, defined as "a vehicle that emits no tailpipe pollutants from the onboard source of power, such as particulates, hydrocarbons, carbon monoxide, ozone, lead, and various oxides of nitrogen", are eligible for vouchers. This includes, but is not limited to, battery-electric (BEV), hydrogen fuel cell-electric (FCEV) vehicles. • Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within eighteen months of receipt of voucher agreement. Proof of intent to purchase an Eligible Vehicle at time of application is required for eligibility. o Vehicles may not be registered for personal use • Covered by warranty indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor. • Compatible with state-supplied telematics devices or have the ability to supply equivalent and compatible data at no additional cost to the Authority. • The following vehicles are not eligible: o Retrofits and repowers of pre-owned vehicles o Used vehicles • Procured from a Vendor that meets program eligibility requirements (detailed in the following section)
Vendor Eligibility Requirements	To be accepted as an eligible Vendor, the Vendor must: • Be a licensed vehicle dealer in New Jersey

Proposed Program Specifications February 24, 2025	

	• Be registered to conduct business in NJ, as demonstrated by a valid New Jersey Tax Clearance Certificate. Updated documentation must be submitted at time of application and remain current throughout program participation. Valid Tax Clearance Certificate must be submitted with voucher disbursement requests. Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection
	• Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority Manage the registration process of vehicles purchased under this program.
	• Manage the installation of state-issued telematics devices prior to vehicle delivery.
	• Offer at least one Eligible Vehicle and provide required vehicle-associated documentation, including but not limited to:
	    o Listing information related to the vehicles, such as via Vendor website, inclusive of vehicle images, descriptions, and cost
	    o A specification sheet outlining all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to proposed use
	    o Standard warranty for the Eligible Vehicle(s), indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
	• In-state servicing plan for maintenance of vehicles aligned with industry norms and current best practices implemented before vehicle delivery. Vendors must demonstrate in-state Zero Emission Vehicle (ZEV) servicing capability either through their own facilities, equipment, and trained personnel, or via a legally binding agreement with a qualified third-party service provider and must submit appropriate documentation to support this capability to avoid disqualification.
	• Agree to accept the Program's terms and conditions as laid out in the vendor participation agreement, including but not limited to:
	    o Accept the Program's voucher towards Purchaser Applicant vehicle payments, deducting the vehicle's voucher amount from the upfront cost.
	    o Engage with the selected technical assistance provider as necessary, potentially including in-person events when mutually agreed to.

Maintenance of and Amendments to the Approved List of Vehicles	Vehicle models and/or OEMs may be de-listed from the Approved List of Vehicles at the discretion of the Authority for any of the following reasons: • Adequate maintenance support for the vehicle make or model is not available in NJ. A vehicle make or model can be delisted from the Approved List of Vehicles under this subheading if there has been a minimum of [3] documented incidents of a vehicle make or model

Proposed Program Specifications February 24, 2025	

	having been out of service for more than [60] consecutive calendar days, due to repair / maintenance being unavailable in state.
	• There has been a minimum of [3] documented safety or performance issues associated with the vehicle make or model anywhere in the United States. For the purposes of this subsection documentation can consist of reports or notices from the National Highway Traffic Safety Administration documentation, Department of Transportation (state or federal). This includes:
	  o Any catastrophic failures inherent in the design and manufacturing of the vehicle: e.g., battery fires, failure of safety systems.
	  o Safety or performance related recalls that cannot be addressed within 90 days of notice.
	  o The OEM not honoring the provided vehicle warranty in any current or prior phase of the ZIP program.

Program Funding Level	The total RGGI-funded NJ ZIP pilot program budget will be $75,500,000.
	
	Of the total program budget, $75,000,000 will be reserved to fund vouchers, utilizing the following allocations:
	• A first $37,500,000 allocation round.
	• A second $37,500,000 round to be made available no sooner than 1 year after the initial Phase 3 sub-phase application launches
	  • During any round of funding, 50% of funds will be set aside for applications from small businesses in overburdened communities. Remainder of voucher funds will be un-allocated.
	  • OBC set aside expires 6 months after Purchaser application launch date and will be rolled into the unallocated pool of funding.

Project/Vehicle Funding Levels	Voucher base funding amounts are based on GVWR laid out in the table below. Qualifying vehicles will be funded at the following levels:

Vehicle GVWR	Vehicle Class	Voucher amount
8,501 - 10,000 lbs.	Class 2b	$15,000
10,0001 - 14,000 lbs.	Class 3	$50,000
14,001 - 16,000 lbs.	Class 4	$65,000
16,001 - 19,500 lbs.	Class 5	$75,000
19,501 - 26,000 lbs.	Class 6	$90,000
26,001 to 33,000 lbs.	Class 7	$135,000
33,000+	Class 8	$175,000

Bonuses:

Proposed Program Specifications February 24, 2025	

	Eligible applications may receive increased, per-vehicle voucher bonuses through documentation of any of the following:
	• Certified woman-, minority-, or veteran-owned business bonus: 4% increase in the base voucher amount per vehicle per qualifying NJ State certification.
	• Small business bonus: A 25% increase of the base voucher amount per vehicle.
	    o For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual revenue.
	• School Bus Bonus: 25% increase in base voucher amount per vehicle if applicant is purchasing a school bus.
	• Small business vehicle scrappage bonus: $3,000 bonus per vehicle scrapped and replaced with a NJ ZIP voucher funded ZEV.
	    o For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions. Scrappage will be verified prior to disbursement.
	Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for an Applicant (as determined by EIN) through vouchers inclusive any qualifying bonuses, cannot exceed $3M per EIN in each round of funding, to ensure equitable distribution of resources. (Phase 1 and 2 vouchers do not impact $3M cap per EIN in Phase 3)

Funding Disbursement	The voucher funds are reserved for eighteen months from the date of the voucher agreement (Voucher Reservation Term). During this period, the vehicle must be delivered and registered, and all disbursement documentation must be submitted to the NJEDA prior to expiration of the voucher. All Applicants will have the 18-month voucher reservation window to submit disbursement requests. For disbursement requests received at the end of the 18-month voucher reservation window, Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor. If applicable, proof of vehicle scrappage must be submitted prior to disbursement.
Conditions of Funding	By accepting the voucher funding, as applicable Purchaser Applicants and Vendors will also agree to the following terms: • Purchaser Applicant will maintain registration of the vehicle in the State of New Jersey for a minimum of the three continuous years o Vehicles must be registered in compliance with NJMVC. Vehicles may not be registered for personal use.

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Specifications February 24, 2025</th></tr>
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- Purchaser Applicant will annually operate at least 75% of vehicle miles traveled (VMT) in the State of the New Jersey
- NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption and agree to provide responses and data upon request to support such audits and verifications.
- Permit the use by NJEDA of Purchaser Applicant and vehicle data and information that is provided in the application and audit process, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this program, or future alternative programs.
- If the Purchaser defaults in any year within the first three years (Compliance Period) of the executed Voucher agreement, the Authority will impose a recapture of the award on a scaled basis, as outlined below.

Year of Compliance event of default within:	Recapture percentage
1 year from date of executed grant agreement	100%
2 years from date of executed grant agreement	60%
3 years from date executed grant agreement	30%

- The Portion of the voucher award will also encompass a prorated calculation per vehicle, per class, inclusive of any approved bonus. For example, if a purchaser defaults on 3 out of 5 vehicles in the same class, the amount of the voucher award to be repaid will be determined using the formula below:

$$Voucher\ per\ vehicle\ class = \left(\frac{Total\ voucher\ amount\ (inclusive\ of\ bonuses)}{Number\ of\ Vehicles}\right) * \%\ prorated\ per\ year\ of\ compliance$$

Following an event of default, if the awardee does not take corrective action by timely repaying the recapture amount the Authority's SLM team will utilize their established policies and delegated authorities to engage in forbearance and settlement agreements for the NJ ZIP awardee.
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<tr><td>Fee Schedule</td><td>NJEDA will charge applicants the following fees unique to the NJ ZIP program given the availability of RGGI administrative funding to cover program administrative costs: Vendor Applicant will be assessed a non-refundable application fee of $1,000 upon initial vendor application. Purchaser applicant will be assessed a non-refundable application fee of $500 per application. Purchaser Applicant may apply for more than one vehicle voucher in a single application. For applicants who demonstrate their inability to utilize their approved voucher from a previous phase due to Vendor default or agreement termination, this fee may be waived.</td></tr>
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EXHIBIT A

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: NJ ZIP, the New Jersey Zero Emission Incentive Program: Third Phase of the Voucher Pilot

Request:

The Members are asked to approve:

1. The creation of Phase 3 of the New Jersey New Jersey Zero-emission Incentive Program ("NJ ZIP" or "Program"), the New Jersey Economic Development Authority's ("Authority" or "NJEDA") zero-emission commercial use vehicle voucher pilot.

2. The utilization of $75.5 million from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2020-2022 and 2023-2025 auction proceeds to capitalize Phase 3 of NJ ZIP.

3. Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons.

4. In relation to this third phase of the pilot Program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

   - The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, shift funding allocations;

   - The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers;

   - The CEO or delegate(s) of the CEO to reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program;

   - The CEO or delegate(s) of the CEO to allocate up to $500,000 to extend and modify the existing telematics service plan, as necessary, for the duration of the third phase of the Program.

Background:

The NJ ZIP pilot is structured as a first-come, first-serve voucher program. The pilot is focused on incentivizing the adoption of zero-emission vehicles (ZEV) by New Jersey businesses and institutions,

especially those operating within overburdened communities (as defined by NJ P.L.2020, c.92, and which, for the purposes of the pilot, is used interchangeably with the term "environmental justice communities" specified in the RGGI Strategic Funding Plan), that have been disproportionately impacted by emissions.

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector and therefore allowing for auctioning of emissions rights. States use the proceeds from the CO2 allowance auctions to invest in programs to help further reduce CO2 and other greenhouse gas pollution, spur clean and renewable energy, and provide rate relief on energy bills.

The Authority's use of this funding is aligned with both its core mission, to foster sustainable and equitable economic growth – in this case, in the commercial-use ZEV ecosystem and value chain within the State – and with the State's broader clean transportation goals, to transition 75% of medium- and 50% of heavy-duty vehicles to zero emission by 2050 supported by incentive programs, which the Energy Master Plan (Goal 1.1.8) cites as the Authority's responsibility.

Pilot Phases 1 and 2 Performance To-date:

Phase 1 of the NJ ZIP pilot, launched in April 2021, incentivized the adoption of medium-duty ZEVs within four pilot communities: the Greater Camden, Greater Newark, Greater New Brunswick, and Greater Shore Areas. Phase 2, which launched purchaser applications in April 2023, expanded the eligibility to include heavy-duty vehicle classes and opened applications to entities state-wide, with bonuses awarded for operating and/or domiciling within overburdened communities. In Phase 2, the establishment of a technical assistance mechanism through the Rutgers Help Desk was incorporated, as well as the procurement of state-issued telematics devices intended to monitor the location NJ ZIP funded vehicles–ensuring those emissions reductions remain in New Jersey–throughout the 3-year Compliance Term. Because of delays in procuring telematics devices due to the extended state procurement timelines, shipments of state-issued telematics for NJ ZIP Phase 2 funded vehicles began in January 2025. Geotab telematics devices were acquired through a waiver of advertising for the designated vendor, AT&T, in accordance with New Jersey State Contract #M4006 for consistent reporting with the New Jersey Department of Environmental Protection (NJDEP) across RGGI-funded transportation projects and to monitor post-award compliance requirements.

The primary goals of the pilot, as enumerated in the January 15th, 2021 Board memorandum in which the pilot was initially approved, are:

1. Accelerate the adoption and use of medium-to-heavy duty zero-emission vehicles within New Jersey;
2. Reduce emissions within overburdened communities;
3. Allow the Authority to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

In furtherance of these goals, the pilot has received continuous application flow from applicants. As of the end of Q4 2024, a total of $54.4 million in voucher funding had been committed across 71 Phase 1 applications and 84 Phase 2 applications. Phase 1 vouchers have supported the addition of 134 new ZEVs as of the end of 2024. Phase 2 Waitlisted applications continue to be processed and approved through Q4 2024. Current Phase 2 voucher commitments are projected to support an additional 288 vehicles. The reintroduction of a scrappage bonus for small business applicants in Phase 3 aims to collect valuable data on the economic and environmental impacts of vehicle scrappage and has been increased to incentivize the removal of diesel equivalents, thereby enhancing emission offsets for each project. Upon

evaluation of this phase, a proposal for a longer-term program may be considered, informed by the insights gained from these pilots.

Program Details:

All pilot program goals and rules, as enumerated in the January 2021 and July 2022 Board memorandums in which the first two phases of NJ ZIP were initially approved remain the same, with only proposed changes for Phase 3 detailed in this memo. Exhibit A includes background information and full program details incorporated into Phase 3 from previous phases of the program for reference.

Eligibility:

Purchaser applicant eligibility requirements remain unchanged from NJ ZIP Phase 2. Applicants are not allowed to use NJ ZIP funding to purchase motor vehicles from themselves, related or affiliated entities. Confirmation of charging/hydrogen fueling infrastructure plan or compatible public charging infrastructure will be required at time of application. Applicants must have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure.

In addition to the eligibility parameters already stated, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection (DEP) at the time of application to be eligible for NJ ZIP Phase 3. A current tax clearance will need to be provided at time of application and at time of closing and disbursement to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

For the purpose of the third phase, an “Eligible Vehicle” is defined the same as previous phases but the following additional requirements must also be met:

- Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within eighteen months of execution of the voucher agreement. Proof of such intent to purchase including quotes for an Eligible Vehicle at time of application is required for eligibility.
    - Vehicles may not be registered for personal use..
- Covered by warranty indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
- Compatible with a State-specified telematics device or have the ability to supply equivalent and compatible data at no additional cost to the Authority.
- Procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program (detailed in the following section)
- The following vehicles are not eligible:
    - Retrofits and repowers of pre-owned vehicles

- Used vehicles

Phase 3 Vendor eligibility will be restricted to licensed vehicle dealers in New Jersey as defined in N.J.S.A. 39:10-19. All other Vendor eligibility requirements remain unchanged from Phase 2, as evidenced in the specifications attached hereto, but Vendors will apply to participate in the Program then be required to enter into a participation agreement[1] with the Authority. In the event the Authority determines a Vendor is ineligible, they will have the ability to appeal that decision in accordance with the Authority's appeal process. In addition to accepting the Program's terms and conditions as laid out in the vendor participation agreement, the Vendor agrees to:

- Provide in-state servicing plan for maintenance of Eligible Vehicles aligned with industry norms and current best practices prior to vehicle delivery.
- Manage the installation of state-issued telematics devices prior to vehicle delivery.
- Manage the commercial registration process of vehicles purchased under the Program in compliance with NJMVC.

Diversity, Equity and Inclusion:

Bonuses will continue to be allocated to vouchers for school busses (25%) and applications submitted by small businesses (25%), and/or certified women-, minority-, or veteran- owned businesses (4% per qualification). These bonuses may be stacked with applicants eligible for multiple bonus criteria. Voucher amounts are capped at 100% of vehicle cost.

In addition:

- During any round of funding, 50% of funds will be set aside for applications from small businesses in Overburdened Communities (OBC) as defined in N.J.S.A. 13:1D-158. Remainder of voucher funds will be un-allocated.
    - All set asides expire 6 months after Purchaser application launch date to be rolled into the unallocated pool of funding.
- Applications from small businesses will be eligible for an additional bonus of $3,000 per vehicle scrapped and replaced with NJ ZIP voucher funded ZEV.

For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions.

For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual revenue.

[1] The vendor participation agreement shall be standardized across all RGGI-funded transportation programs. Eligibility for participation in one program shall be deemed sufficient for participation in the others due to the shared vendor pool.

EXHIBIT A

Eligible Funding Uses:

Vouchers may be applied to the purchase price of an approved vehicle procured from a Vendor that meets program eligibility requirements and that is approved to participate in the Program.

Ineligible costs include but are not limited to:

- Taxes
- Vehicle registration fees
- Delivery fees
- NJEDA fees
- Vehicle leases by the Applicant (vehicle must be owned by the Applicant)
- Vehicle operating expenses (electricity, hydrogen, maintenance/service costs, etc.)
- Charging or fueling equipment

Application Process:

The general methodology for voucher application and approval from the first two phases of the pilot will be maintained in the third phase, with strategic implementation changes made to minimize administrative burden and increase efficiency. Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal. A sample Phase 3 application flow and timeline can be found in Exhibit B (for informational purposes only).

Program participants (Vendors and Purchaser Applicants) will adhere to the following steps:

1. Vendors apply to the program and, as appropriate, are approved as eligible. Vendors will be approved on a rolling basis. Vendors have the same right to appeal as they did in Phase 2 if declined. Such eligibility must be maintained through voucher payment for each vehicle sold.

2. Purchaser Applicant identifies an approved Vendor and Eligible Vehicle(s). Purchaser Applicant prepares and submits their respective application, including proof of eligibility. Purchaser applications are accepted on a first-come first-serve basis.

3. NJEDA processes the applications and, if the Purchaser Applicant is eligible and funds are available, approves voucher(s), inclusive of qualifying bonuses and sends the Applicant an award notification. Upon award notification, Purchaser has 30 days to confirm their selected Vendor and vehicle. NJEDA then issues a final voucher agreement to the Purchaser that indicates that their selected approved ZIP Vendor will receive funds upon disbursement of the voucher.

4. The voucher funds are reserved for eighteen months from the date of the voucher agreement (Voucher Reservation Term). During this period, the Vendor and the Purchaser Applicant must execute the program requirements and submit documentation of same. Telematics must be installed, and the vehicle must be delivered to and registered to the Purchaser Applicant during this period. Vehicle registrations may not be for personal use.

5. Disbursement documentation is submitted to NJEDA for review.

6. Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor.

7. Telematics devices monitor and track RGGI-related emissions data for three years (Compliance Period) following delivery of the vehicles and disbursement of the voucher.

NJEDA Staff will be responsible for reviewing applications, maintaining the program website, and providing program guidance resources, such as FAQs and webinars, to Vendors and Applicants where needed.

Program Funding

The total RGGI-funded NJ ZIP pilot program budget will be $75,500,000.

Of the total program budget, $75,000,000 will be reserved to fund vouchers, utilizing the following allocations:

- A first $37,500,000 allocation round.

- A second $37,500,000 round to be made available no sooner than 1 year after the initial third phase sub-phase application launches.

    - During any round of funding, 50% of funds will be set aside for applications from small businesses in overburdened communities (OBC). Remainder of voucher funds will be un-allocated. OBC set aside expires 6 months after Purchaser application launch date to be rolled into the unallocated pool of funding.

The total funding provided to a single applicant (as determined by EIN) through vouchers including any qualifying bonuses cannot exceed $3,000,000 during a round of funding, to ensure equitable distribution of resources. Applicants who applied in Phase 1 or Phase 2 of the pilot are eligible to apply in Phase 3 (Phase 1 or 2 vouchers do not impact the $3M cap per EIN in Phase 3).
In addition to the voucher budget, NJEDA will continue to implement the technical assistance pilot. Furthermore, up to $500,000 will be allocated towards telematics devices for program compliance monitoring utilizing RGGI monies in the budget noted within this memorandum.

Fees:
NJEDA will charge applicants the following fees unique to the program as a result of RGGI administrative funding to cover program administrative costs: NJEDA will charge Vendor Applicants a non-refundable $1,000 fee to apply into the program. Purchaser applicants will be charged a non-refundable $500 fee for applying for voucher funds; multiple vehicles can be applied for within a single application. For applicants who demonstrate prior inability to utilize their approved voucher from a previous phase due to Vendor default or terminated agreement, this fee may be waived.

Appeals:
Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter. The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final administrative decision to be approved by the Board.

EXHIBIT A

Recommendation:

The Members are asked to approve:

1. The creation of Phase 3 of the New Jersey New Jersey Zero-emission Incentive Program ("NJ ZIP" or "Program"), the New Jersey Economic Development Authority's ("Authority" or "NJEDA") zero-emission commercial use vehicle voucher pilot.

2. The utilization of $75.5 million from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2020-2022 and 2023-2025 auction proceeds to capitalize Phase 3 of NJ ZIP.

3. Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons.

4. In relation to this third phase of the pilot Program, and as continued from its initial approval, the Board is asked to approve delegated authority to:

    - The Authority's Chief Executive Officer (CEO) or delegate(s) of the CEO to, based upon program demand reviewed at 3-month intervals, shift funding allocations;

    - The CEO or delegate(s) of the CEO to approve Purchasers, Vendors, and vehicles as eligible and, subsequently, approve vouchers;

    - The CEO or delegate(s) of the CEO to reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program;

    - The CEO or delegate(s) of the CEO to allocate up to $500,000 to extend and modify the existing telematics service plan, as necessary, for the duration of the third phase of the Program.

Tim Sullivan, CEO

Prepared by**:**
Lina Rivetti, Project Officer
John Wisniewski, Director Clean Energy Products

Attachments:

- Exhibit A – Proposed Product Specifications: New Jersey Zero Emission Incentive Program (NJ ZIP) – Phase 3
- Exhibit B - NJ ZIP Phase 3 Timeline and Process Map
- Appendix A –NJ ZIP, the New Jersey Zero Emission Incentive Program: Second Phase Expansion of the Voucher Pilot | July 13th, 2022

EXHIBIT A

Exhibit A

NJ ZIP – Zero-emission Incentive Program: Third Phase Expansion of the Voucher Pilot Program Specifications

These specifications are provided as a summary of the NJ ZIP Phase 3 Pilot memorandum. In the case Exhibit A does not specify details or requirements or utilizes different language from the memorandum, the memorandum takes precedence.

Proposed Program Specifications February 24, 2025	
Funding Source	Funding for NJ ZIP pilot ("Program") and associated administration will be from eligible Authority funds from the Regional Greenhouse Gas Initiative (RGGI) funds.
Program Budget	$75,500,000 total funding comprised of $75,000,000 voucher pool and up to $500,000 for telematics.
Program Expiration	Program to operate on a pilot basis until such time that the funds are depleted. Funds are anticipated to be committed within an estimated 12 months from acceptance of the first application. The set asides for OBCs expire 6 months after Purchaser application launch date.
Program Purpose	To accelerate the adoption and use of zero-emission medium and heavy-duty vehicles within New Jersey; to reduce emissions within the state; and to allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption. The pilot is being used as a vehicle to support the growth of the NJ zero emission vehicle ecosystem, with accelerated adoption of zero emission vehicles being a critical step to attracting more jobs and investment, as other zero emission vehicle programs and regulations roll out across multiple State agencies.
Technical Assistance	The Authority plans to continue engagement with Rutgers University to provide technical assistance support as part of the NJ ZIP Phase 3 pilot expansion. The technical assistance will serve three distinct programmatic areas: • Facilitate general education on electric vehicles, understanding total cost of ownership, and behavior adaptation. • Support the implementation of electric vehicles by conducting fleet assessments and developing and assisting with infrastructure plans unique to each applicant. • Administrative guidance In addition to the external support to applicants, the University will also be tasked with reporting on the impact of technical assistance, using key performance indicators to measure both the economic and environmental impact of funding.
Applicant Eligibility Requirements	To be eligible, an Applicant must: • Be a commercial, industrial, or institutional organization in New Jersey. As defined in the Global Warming Solutions Fund regulation (N.J.A.C. 7:27D-1.2), "institutional" means serving a non- profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity. The term "government entity" includes

Proposed Program Specifications February 24, 2025	
	local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible. • Provide a valid New Jersey Tax Clearance Certificate and/or other documentation deemed acceptable by the Authority, as applicable, to demonstrate business registration or ability to conduct operations in NJ. Updated documentation must be submitted at time of application, and prior to closing and disbursement to ensure documentation remains current. • Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection • Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority • Be the vehicle owner • Have existing charging/hydrogen fueling infrastructure OR provide a detailed plan to construct or contract to construct a charging/hydrogen fueling infrastructure OR identify compatible public charging infrastructure available. Applicants are not allowed to use NJ ZIP funding to purchase motor vehicles from themselves, related or affiliated entities.

Project/Vehicle Eligibility Requirements	To be eligible, Applicant's new vehicle(s) must be:
	• A new zero-emission Class 2b – Class 8 (GVWR 8,501 lbs. – 33,000+ lbs.) vehicle, used for commercial, industrial, or institutional purposes.
	• All zero-emission vehicles, defined as "a vehicle that emits no tailpipe pollutants from the onboard source of power, such as particulates, hydrocarbons, carbon monoxide, ozone, lead, and various oxides of nitrogen", are eligible for vouchers. This includes, but is not limited to, battery-electric (BEV), hydrogen fuel cell-electric (FCEV) vehicles.
	• Purchased, delivered, and registered (in compliance with the New Jersey Motor Vehicles Commission (NJMVC)) within eighteen months of receipt of voucher agreement. Proof of intent to purchase an Eligible Vehicle at time of application is required for eligibility.
	  o Vehicles may not be registered for personal use
	• Covered by warranty indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
	• Compatible with state-supplied telematics devices or have the ability to supply equivalent and compatible data at no additional cost to the Authority.
	• The following vehicles are not eligible:
	  o Retrofits and repowers of pre-owned vehicles
	  o Used vehicles
	• Procured from a Vendor that meets program eligibility requirements (detailed in the following section)

Vendor Eligibility Requirements	To be accepted as an eligible Vendor, the Vendor must: • Be a licensed vehicle dealer in New Jersey

<table>
<tr><th colspan="2">Proposed Program
Specifications February 24, 2025</th></tr>
<tr><td></td><td>

- Be registered to conduct business in NJ, as demonstrated by a valid New Jersey Tax Clearance Certificate. Updated documentation must be submitted at time of application and remain current throughout program participation. Valid Tax Clearance Certificate must be submitted with voucher disbursement requests. Be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection
- Satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority Manage the registration process of vehicles purchased under this program.
- Manage the installation of state-issued telematics devices prior to vehicle delivery.
- Offer at least one Eligible Vehicle and provide required vehicle-associated documentation, including but not limited to:
  - Listing information related to the vehicles, such as via Vendor website, inclusive of vehicle images, descriptions, and cost
  - A specification sheet outlining all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to proposed use
  - Standard warranty for the Eligible Vehicle(s), indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
- In-state servicing plan for maintenance of vehicles aligned with industry norms and current best practices implemented before vehicle delivery. Vendors must demonstrate in-state Zero Emission Vehicle (ZEV) servicing capability either through their own facilities, equipment, and trained personnel, or via a legally binding agreement with a qualified third-party service provider and must submit appropriate documentation to support this capability to avoid disqualification.
- Agree to accept the Program's terms and conditions as laid out in the vendor participation agreement, including but not limited to:
  - Accept the Program's voucher towards Purchaser Applicant vehicle payments, deducting the vehicle's voucher amount from the upfront cost.
  - Engage with the selected technical assistance provider as necessary, potentially including in-person events when mutually agreed to.

</td></tr>
<tr><td>Maintenance of and Amendments to the Approved List of Vehicles</td><td>

Vehicle models and/or OEMs may be de-listed from the Approved List of Vehicles at the discretion of the Authority for any of the following reasons:

- Adequate maintenance support for the vehicle make or model is not available in NJ. A vehicle make or model can be delisted from the Approved List of Vehicles under this subheading if there has been a minimum of [3] documented incidents of a vehicle make or model

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<tr><td colspan="2">Proposed Program
Specifications February 24, 2025</td></tr>
<tr><td></td><td>having been out of service for more than [60] consecutive calendar days, due to repair / maintenance being unavailable in state.
There has been a minimum of [3] documented safety or performance issues associated with the vehicle make or model anywhere in the United States. For the purposes of this subsection documentation can consist of reports or notices from the National Highway Traffic Safety Administration documentation, Department of Transportation (state or federal). This includes:
Any catastrophic failures inherent in the design and manufacturing of the vehicle: e.g., battery fires, failure of safety systems.
Safety or performance related recalls that cannot be addressed within 90 days of notice.
The OEM not honoring the provided vehicle warranty in any current or prior phase of the ZIP program.</td></tr>
<tr><td>Program Funding Level</td><td>The total RGGI-funded NJ ZIP pilot program budget will be $75,500,000.

Of the total program budget, $75,000,000 will be reserved to fund vouchers, utilizing the following allocations:
A first $37,500,000 allocation round.
A second $37,500,000 round to be made available no sooner than 1 year after the initial Phase 3 sub-phase application launches
During any round of funding, 50% of funds will be set aside for applications from small businesses in overburdened communities. Remainder of voucher funds will be un-allocated.
OBC set aside expires 6 months after Purchaser application launch date and will be rolled into the unallocated pool of funding.</td></tr>
<tr><td>Project/Vehicle Funding Levels</td><td>Voucher base funding amounts are based on GVWR laid out in the table below. Qualifying vehicles will be funded at the following levels:

<table><tr><th>Vehicle GVWR</th><th>Vehicle Class</th><th>Voucher amount</th></tr><tr><td>8,501 - 10,000 lbs.</td><td>Class 2b</td><td>$15,000</td></tr><tr><td>10,0001 - 14,000 lbs.</td><td>Class 3</td><td>$50,000</td></tr><tr><td>14,001 - 16,000 lbs.</td><td>Class 4</td><td>$65,000</td></tr><tr><td>16,001 - 19,500 lbs.</td><td>Class 5</td><td>$75,000</td></tr><tr><td>19,501 - 26,000 lbs.</td><td>Class 6</td><td>$90,000</td></tr><tr><td>26,001 to 33,000 lbs.</td><td>Class 7</td><td>$135,000</td></tr><tr><td>33,000+</td><td>Class 8</td><td>$175,000</td></tr></table>
Bonuses:</td></tr>
</table>

EXHIBIT A

<table>
<tr><th colspan="2">Proposed Program
Specifications February 24, 2025</th></tr>
<tr><td></td><td>Eligible applications may receive increased, per-vehicle voucher bonuses through documentation of any of the following:

Certified woman-, minority-, or veteran-owned business bonus: 4% increase in the base voucher amount per vehicle per qualifying NJ State certification.
Small business bonus: A 25% increase of the base voucher amount per vehicle.
For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual revenue.
School Bus Bonus: 25% increase in base voucher amount per vehicle if applicant is purchasing a school bus.
Small business vehicle scrappage bonus: $3,000 bonus per vehicle scrapped and replaced with a NJ ZIP voucher funded ZEV.
For consistency with prior State programs, scrappage is defined within the DEP’s VW Settlement funded grant program as “rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle’s frame rails complete in half”. Information on any vehicle replacements will be requested within the application to determine scrappage bonus requirements and support RGGI-metric reporting on avoided emissions. Scrappage will be verified prior to disbursement.

Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for an Applicant (as determined by EIN) through vouchers inclusive any qualifying bonuses, cannot exceed $3M per EIN in each round of funding, to ensure equitable distribution of resources. (Phase 1 and 2 vouchers do not impact $3M cap per EIN in Phase 3)</td></tr>
<tr><td>Funding Disbursement</td><td>The voucher funds are reserved for eighteen months from the date of the voucher agreement (Voucher Reservation Term). During this period, the vehicle must be delivered and registered, and all disbursement documentation must be submitted to the NJEDA prior to expiration of the voucher. All Applicants will have the 18-month voucher reservation window to submit disbursement requests. For disbursement requests received at the end of the 18-month voucher reservation window, Applicants will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect.

Once vehicle is confirmed as delivered and registered to the Purchaser Applicant, and all relevant program requirements are met, NJEDA will issue voucher monies to the Vendor. If applicable, proof of vehicle scrappage must be submitted prior to disbursement.</td></tr>
<tr><td>Conditions of Funding</td><td>By accepting the voucher funding, as applicable Purchaser Applicants and Vendors will also agree to the following terms:

Purchaser Applicant will maintain registration of the vehicle in the State of New Jersey for a minimum of the three continuous years
Vehicles must be registered in compliance with NJMVC. Vehicles may not be registered for personal use.
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EXHIBIT A

<table>
<tr><th colspan="2">Proposed Program
Specifications February 24, 2025</th></tr>
<tr><td></td><td>

- Purchaser Applicant will annually operate at least 75% of vehicle miles traveled (VMT) in the State of the New Jersey
- NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption and agree to provide responses and data upon request to support such audits and verifications.
- Permit the use by NJEDA of Purchaser Applicant and vehicle data and information that is provided in the application and audit process, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this program, or future alternative programs.
- If the Purchaser defaults in any year within the first three years (Compliance Period) of the executed Voucher agreement, the Authority will impose a recapture of the award on a scaled basis, as outlined below.

Year of Compliance event of default within:	Recapture percentage
1 year from date of executed grant agreement	100%
2 years from date of executed grant agreement	60%
3 years from date executed grant agreement	30%

- The Portion of the voucher award will also encompass a prorated calculation per vehicle, per class, inclusive of any approved bonus. For example, if a purchaser defaults on 3 out of 5 vehicles in the same class, the amount of the voucher award to be repaid will be determined using the formula below:

$$\text{Voucher per vehicle class} = \left(\frac{\text{Total voucher amount (inclusive of bonuses)}}{\text{Number of Vehicles}}\right) * \%\ \text{prorated per year of compliance}$$

Following an event of default, if the awardee does not take corrective action by timely repaying the recapture amount the Authority's SLM team will utilize their established policies and delegated authorities to engage in forbearance and settlement agreements for the NJ ZIP awardee.
</td></tr>
<tr><td>Fee Schedule</td><td>NJEDA will charge applicants the following fees unique to the NJ ZIP program given the availability of RGGI administrative funding to cover program administrative costs: Vendor Applicant will be assessed a non-refundable application fee of $1,000 upon initial vendor application. Purchaser applicant will be assessed a non-refundable application fee of $500 per application. Purchaser Applicant may apply for more than one vehicle voucher in a single application. For applicants who demonstrate their inability to utilize their approved voucher from a previous phase due to Vendor default or agreement termination, this fee may be waived.</td></tr>
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MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: New Jersey Innovation Fellows (NJIF) Cohort II Application Approvals and Declinations

SUMMARY

The Members are requested to approve staff's recommendation of the top eight scoring applications (presented in Appendix A) in the second cohort of the New Jersey Innovation Fellows Program. In aggregate, this approval represents an award amount of $2.8 million in the form of two-year income replacement grants and participation in mentorship programs that will help to enable these would-be entrepreneurs to launch innovative businesses in New Jersey.

Additionally, staff is requesting approval to decline five applications that received scores below the scores of the top eight scoring applications, as specified in the Notice of Funding Availability (NOFA).

In the event that an approved team fails to proceed to execution of the grant agreement for any reason, staff requests delegation of authority to the Chief Executive Officer to make the award to the next highest scored team if this occurs

BACKGROUND

The New Jersey Innovation Fellows Program provides financial and mentorship support to first time teams of entrepreneurs, with business plans to operate in an eligible targeted industry, through income-replacement grants and a dedicated mentorship program. The Program offers a $200,000 base grant award over a two-year period, with potential bonuses based upon specific criteria and is designed to help teams of entrepreneurs forgo traditional employment while focusing on their startup venture. The bonuses include $50,000 for entrepreneurs residing in opportunity zones, and for entrepreneurs self-identified as diverse or providing evidence of a graduating from New Jersey college or university. Based upon these bonuses, teams of entrepreneurs may be eligible to receive a grant up to $400,000.

The Program supports teams of at least three entrepreneurs, with at least 50% of its members that are first-time entrepreneurs, and who are committed to work full-time on their proposed business for at least two years. All entrepreneurs are required to pay gross income tax during the Program's grant period and adhere to NJEDA compliance milestones.

The Program requires all members to participate in a mentorship program which helps increase the chance of business longevity and success. If an approved team fails to meet continued eligibility or compliance requirements, their funding may be paused, and they must correct the default within three months to continue receiving grants. If they fail to resolve the issue, the team may be removed from the Program and subject to clawback of disbursed funds.

The two-year grant and mentorship program aims to nurture innovation in New Jersey by providing both financial and strategic support to the newly formed innovative business.

Cohort I Mentorship Program Update

The mentorship program, launched in February 2024, has demonstrated remarkable progress and engagement, supported by a robust network of mentors dedicated to providing professional growth and networking opportunities. Throughout the program, full engagement has been achieved, with all participants actively involved and a retention rate of 90%, highlighting the strong interest and commitment from participants who found substantial value in the program.

Mentors invested over 1,100 hours in mentorship and office hour sessions, including 220 hours specifically dedicated to office hours. This significant time commitment underscores the dedication of the mentors and the program's capacity to deliver personalized guidance and continuous support to participants, with seven out of ten companies going on to receive NSF I-Corps program grants.

As of January 2025, the mentorship program has successfully arranged over 50 networking events and conducted 12 synchronous learning sessions, offering participants numerous occasions to expand their professional networks, gain insights from industry peers, and enhance their skills in real-time. As a result, 40% of the participating companies reported initial revenues, underscoring the Program's effectiveness in fostering business development and expansion.

Summary of Cohort II Team Applications

	Number of applications
Total	40
Recommended for approval	8
Deemed incomplete	27
Recommended for discretionary declination	5

Profile of recommended teams	
Diversity bonus eligible	75.0% (6 of 8)
Education bonus eligible	75.0% (6 of 8)
Opportunity bonus eligible	37.5% (3 of 8)

REVIEW & SCORING

The application period for the NJIF Cohort II Program ran from May 6 to July 8, 2024. The Program received 40 team applications. Following reviews conducted by Authority staff, 13 team applications were deemed complete, 27 team applications were declined for non-discretionary reasons (incomplete application), as per Program rules.

All applicants go through an evaluation process which includes review of all required documentation, such as proof of eligibility, team member qualifications, or other materials specified in the application guidelines. All complete applications go on to be scored. On December 19, 2024, the Board approved the inclusion of a five-business day cure period from each date of notice, to allow future Program applicants to correct submission deficiencies after they are identified by staff to be incomplete or incorrect. The purpose of instituting this cure period was to give applicants an opportunity to address issues that might otherwise lead to their applications being declined and ineligible to be scored.

The process of scoring complete applications occurred in two stages. First, an evaluation committee, comprised of at least two members of Authority staff per application, conducts the initial round of scoring. Following this round, the 20 highest scoring applications are scored by selected members of the Diversity Finance Advisory Board (DFAB). The final scores are determined by averaging the scores from both the staff and DFAB members on an unweighted basis. In the event that the number of complete applications received falls below twenty, all such applications that meet the eligibility criteria are automatically advanced to the DFAB) for scoring.

The Program evaluates and scores applications in three key areas: business plan, operations, and management. The total maximum score achievable is 29 points. Applicants must achieve a score that places them within the top 8 to be eligible for funding, as specified in the NOFA.

- Well-written business plan (5 points): focuses on the idea's clarity and market fit
- Operations (0-4 points): focuses on financial management, team roles, and resources
- Management (4-20 points): assesses team experience and leadership skills

Summary of Recommended NJIF Cohort II Grantees

	Applicant	Municipality	Targeted Industry	Bonus Award	Total Award	Score
1.	Recognition AI	Plainsboro Township	Information & High Technology	$100,000	$300,000	24.2
2.	Best Bar None NJ	Trenton	Finance & Insurance	$150,000	$350,000	23.0
3.	Business Advisor	Princeton	Information & High Technology	$150,000	$350,000	22.5
4.	Sevillian Laboratories	Burlington City	Life Sciences	$150,000	$$350,000	22.3
5.	Smart Ship Network	Lakewood Township	Advanced Transportation & Logistics	$100,000	$300,000	21.5
6.	Cognimetry	Hackensack	Life Sciences	$200,000	$400,000	20.2
7.	Natural Sense	Princeton	Life Science	$200,000	$400,000	17.8
8.	Estate Ease	Jersey City	Information & High Technology	$150,000	$350,000	17.5

Approved applicants will have 30 days from notification of approval to fully form and register their business venture and 60 days to execute the grant agreement. In the event that an approved team fails to proceed to execution of the grant agreement for any reason, staff requests delegation of authority to the Chief Executive Officer to make the award to the next highest scored team if this occurs.

As shown in Appendix A: NJIF Cohort II Grantee Summaries staff provides a summary description of recommended team applicants, as well as their final score and recommended grant award. As shown in Appendix B: NJIF Cohort II Discretionary Declinations staff has included summaries of all recommended discretionary declinations with a short description of its rationale for the recommendation.

RECOMMENDATIONS

Staff is recommending approval of eight teams of entrepreneurs (Appendix A) for the second cohort of this Program. In aggregate, this approval represents $2.8 million of two-year income replacement grants and participation in mentorship programs to help entrepreneurs launch innovative businesses in the state.

Additionally, staff is requesting approval to decline five applications (Appendix B) that received scores below the scores of the top eight scoring applications, as specified in the Notice of Funding Availability (NOFA).

In the event an approved team fails to proceed to execution of the grant agreement, staff is requesting delegated authority be given to the Chief Executive Officer to select the next highest scoring applicant for inclusion as an approved team.

____

Tim Sullivan, CEO

Prepared by:
Michelle Martinez, Product Officer, Venture Programs
Curtis Lee, Manager, Venture Engagement

Attachments:
Appendix A – Recommended Applicant Business Venture Summaries
Appendix B – Recommended Discretionary Declinations

Appendix A: NJIF Cohort II Grantee Summaries

1. **Recognition AI:**
   Recognition AI is a pioneering platform designed to empower software developers and enhance organizational culture by leveraging artificial intelligence. The platform focuses on tracking and highlighting developers' accomplishments, promoting fair recognition, and supporting career growth. By celebrating employee achievements, it aims to improve team morale, boost productivity, and enhance talent retention within companies. Through its AI-driven solutions, Recognition AI aspires to create a culture of appreciation that benefits developers, managers, and organizations alike.

   Leadership Team: Radha Ratnala
   Pranitha Bethi
   Swarna Boyina

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Plainsboro Township	Information & High Technology	$100,000	$300,000	24.2

2. **Best Bar None NJ**
   Best Bar None NJ is an accreditation program aimed at mitigating risks within the hospitality and entertainment industries in New Jersey. The company's program mission is to assist clients in reducing alcohol-related harm and injuries through innovative solutions and the promotion of responsible practices. The company seeks to achieve several key goals: reducing alcohol-related crime and disorder, fostering positive relationships between the licensed trade, police, local authorities, and the private sector, and enhancing the knowledge and skills of enforcement agencies, licensees, and bar staff to ensure responsible management of licensed premises. The company's program ensures that accredited venues meet minimum standards while advocating for continuous improvements, recognizing responsible establishments, and sharing best practices. Additionally, BBN-NJ highlights the benefits of responsible operations, demonstrating how such practices can enhance the profitability of individual businesses and increase the attractiveness of the surrounding area.

Leadership Team: Thomas H. Chartoff
Elianni Jessica De La Cruz
Jeffrey P. Jannarone
Patrick Cheney

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Trenton	Finance & Insurance	$150,000	$350,000	23.0

3. **Business Advisor**

Business Advisor is an innovative platform transforming the way businesses connect with service providers in the professional and business service market. Our user-friendly interface streamlines the process of finding and partnering with top-tier vendors, utilizing advanced search functionality and an AI-driven recommendation engine to help users discover the best-fit providers for their unique project needs. Covering a wide array of services, including accountants, lawyers, engineers, and IT consultants, our platform enables businesses to search, request quotes, propose bids, read reviews, compare providers, and connect with trusted vendors directly. The AI capability offers tailored service recommendations based on project descriptions, while educational resources and industry insights support informed decision-making.

Leadership Team: German Semenduyev
Rollan Semenduyev
Elvira Shabayeva
Yevgeniy (John) Semenduyev

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Princeton	Information & High Technology	$150,000	$350,000	22.5

4. **Sevillian Laboratories**

Sevillian Laboratories is an innovative supplier of diagnostic dipstick test strips designed for industrial enzyme producers and their customers, offering a more convenient solution for enzyme quality control and novel enzyme discovery. Recognizing the vital role enzymes play in the survival of living organisms, Sevillian Laboratories addresses the limitations of existing enzyme testing kits from major Life Sciences companies. Their mission is to develop reliable, fast, and affordable enzyme quality control test strips, delivering accessible, gold-standard testing to Food and Beverage companies, especially in underfunded and minority markets in North America.

Leadership Team: Jordan Seville
Anastasia Belyakova
Aishwarya Jadhav

Municipality	Targeted Industry	Bonus Award	Total Award	Score

Burlington City	Life Science	$150,000	$350,000	22.3

5. Smart Ship Network

Smart Ship Network seeks to transform direct-to-consumer product shipping for existing e-commerce sellers by offering an economically friendly, seamless, and reliable service. By managing logistics efficiently, the company enables sellers to focus more on brand development and product innovation. They plan to implement an advanced technology flow that directly integrates retailers' orders into their network management system. Utilizing proximity routing, this system assigns orders to the nearest third-party logistics (3PL) warehouse within the network, optimizing delivery speed and minimizing costs. Additionally, sellers and brands have the option to incorporate their own facilities into the network, enhancing operational efficiency and flexibility. This company plans to provide an unprecedented level of automation and cost savings by offering a distinct competitive advantage in the current market, benefiting e-commerce businesses looking to streamline their operations.

Leadership Team: Yaakov Landsman
Samuel Greenwald
Ruth Greenwald

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Lakewood Township	Advanced Transportation & Logistics	$100,000	$300,000	21.5

6. Cognimetry

Cognimetry aims to enhance efficiency and fairness with its cognitive assessment platform, Clair, designed to deliver accurate evaluations of impairment extent and cause, thereby improving safety in public and industrial settings. The company's market strategy focuses on logistics and transportation companies, industrial sites, law enforcement, and health and substance abuse clinics. Long-term goals involve expanding into new markets, forming partnerships for wider adoption, tailoring products for specific industries, and ensuring regulatory compliance, positioning Clair as a leader in cognitive assessment.

Leadership Team: Andre Enrique
Jacob Koppel Egier
Kaitlyn Kocses

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Hackensack	Life Sciences	$200,000	$400,000	20.2

7. Natural Sense Health

Natural Sense Health is focused on revolutionizing health and wellness. Specializing in anti-aging medicine, the company develops innovative products to enhance metabolic performance and overall well-being. Its flagship product, Natural Sense Wellness Shots, balances free radicals, protecting against oxidative damage and supporting a healthier lifestyle. The company’s strategy emphasizes advancements in anti-aging through unique, antioxidant-rich formulations and natural ingredients. By prioritizing rigorous research, consumer education, and strategic marketing and distribution, Natural Sense Health and Life aims to lead the industry by improving quality of life.

Leadership Team: Monica Carraso Ramirez
Anthony Camilo
Rafael Marquez Uzcategui

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Princeton	Life Sciences	$200,000	$400,000	17.8

8. **Estate Ease**
Estate Ease specializes in applications, software, advanced data analytics, and AI solutions tailored for the real estate market. Positioned as a one-stop real estate hub, the company integrates all transaction phases from listing to post-sale, reducing the need for multiple intermediaries. The platform's integrated financial services provide direct access to mortgages, insurance, and legal services, ensuring optimal rates and tailored solutions. EstateEase seeks to employ AI-driven automation to streamline verification, due diligence, and personalized recommendations, increasing speed and reducing errors.

Leadership Team: Ninad Dhoble
Ravi Rathod
Devang Patel

Municipality	Targeted Industry	Bonus Award	Total Award	Score
Jersey City	Information & High Technology	$150,000	$350,000	17.5

Appendix B: NJIF Cohort II Discretionary Declinations

Declination Reason	Applications
The application did not score sufficiently high relative to other applications in the competitive review.	5

	Proposed Business Name	Entrepreneur	Entrepreneur	Entrepreneur	Score
1.	Flo Good Technologies	Jerek Louis Garcia	Jose Garcia	Florinda Good-Gonzales	17.3
2.	MidPay	Rolando Penaranda	Samman Bhetwal	Saadat Sarwar Chowdhury	14.8
3.	Katalyst	Chris Wright	Michelle Lew	Miabella Espaillat	12.5
4.	Uplift Media	Samuel Joseph Burns	Mark Holder	Peter Esset	11.5
5.	eir	Sterling Anderson Hall	Shelby Ann Fulton	Katharine Elizabeth Kalap	11.2

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

RE: North to Shore Festival

The Members are asked to approve:

Entering into the attached grant agreement with NJPAC to support the North to Shore Festival for 2025 using the allocation of $3 million from the FY 2025 State Appropriations Act.

Summary

The FY2025 State Appropriations Act (the "Act") designated $3 million to the Authority for "NJ Arts and Innovation". Of that $3 million, the Act provided that "$3,000,000 shall be allocated to the New Jersey Performing Arts Center ("NJPAC") for the North to Shore Festival" (the "Festival"). The purpose of this memorandum is to ask the members to approve actions necessary to authorize the entering into a grant agreement with NJPAC (the "Grant Agreement") pursuant to which the Authority shall provide funding for NJPAC to undertake the Festival, which will provide a third year of the New Jersey innovative music and technology festival in 2025. The Festival was funded through an appropriation in FY 2024 to EDA for the Festival.

Overview

The Grant will support the costs associated to NJPAC's planning, production, and management work to produce an arts and technology festival throughout New Jersey that will showcase cutting edge artists, live performances, technology, education, policy, research, and social impact.

The Grant will grow New Jersey's innovation ecosystem and New Jersey's creative sector and help establish the State as a premier destination for "live, work, play" communities.

The Grant Agreement will memorialize the transfer of $3 million to NJPAC pursuant to the Act for the purposes of planning and operations of the Festival and will support the second year of the branded North to Shore Festival, but the third year the state has supported this initiative of an arts and innovation festival showcasing New Jersey communities.

Disbursements and Uses

As the Grant Agreement provides, the Authority will require necessary documentation and reporting to ensure funding is utilized appropriately. To receive the first disbursement of funds, NJPAC must provide documentation indicating the costs for booking event venues, speakers, performers, contractors and professional services. The costs must be outlined in a budget. Upon submission of the relevant satisfactory documentation and successful completion of established milestones provided in Exhibit A of the Grant Agreement, the Authority will provide funds as a first payment of $1,000,000 and then secondary payments for the remaining $2,000,000 capped at $1,000,000 for the first secondary payment and then $500,000 for subsequent secondary payments following further submission of satisfactory documentation and completion of milestones in accordance with the Grant Agreement.

Subsequent disbursements of the remaining Grant will be disbursed as per the Grant Agreement and for operating costs incurred (but not necessarily paid) in the planning, management and production of the Festival not covered by the initial disbursements.

Monthly Reports

Grantee will be required to provide monthly reports for the length of the Grant Term comprised of components as set forth in the Grant Agreement, which will include monthly host community impact reporting for the three host cities which are Atlantic City, Asbury Park, and Newark.

Recommendation

The Members are asked to approve entering into the attached Grant Agreement with NJPAC to support the North to Share Festival using the appropriation of $3 million from the FY 2025 State Appropriations Act.

Tim Sullivan, CEO

Prepared by: Christina Fuentes
Attachments: Exhibit A – Grant Agreement

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NEW JERSEY NORTH TO SHORE GRANT AGREEMENT

This Grant Agreement (hereinafter the "Agreement") dated as of the Effective Date set forth below between **NEW JERSEY PERFORMING ARTS CENTER** having its principal offices at **ONE CENTER STREET NEWARK**, New Jersey 07102 (hereinafter "NJPAC" or "Grantee"), and the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY,** a body corporate and politic organized and existing under the authority of N.J.S.A. 34:1B-1 et seq., having its offices at 36 West State Street, PO Box 990, Trenton, New Jersey 08625-0990, (hereinafter referred to as the "Authority" or "Grantor"), (the Grantee and Grantor, collectively the "Parties").

WITNESSETH:

WHEREAS, the FY 2025 Appropriations Act, P.L. 2024, c.22 (the "Act") appropriated $3 million to the Authority for allocation to NJPAC for the North to Shore Festival (the "Festival"), an innovative music and technology festival in New Jersey; and

WHEREAS, pursuant to the Act, on February 12, 2025, the Grantee was be awarded a grant in the amount of $3,000,000, which shall be used to fund eligible costs associated with the planning and operation of the Festival;

NOW THEREFORE, in consideration of the mutual promises and covenants made herein and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, is agreed as follows:

1. **Definitions.** The following terms shall have the following meaning when used in this Agreement, unless the context clearly indicates otherwise.

"Booking Costs" means i) funds required to secure contracts for the time and performance of individuals or groups who are identified by the Grantee as major performers, presenters, or speakers at the proposed event; ii) funds required to secure contracts for use of a specific venue or venues, in a New Jersey municipality, where speaking events, "North to Shore" presentations, or artistic performance or support services will be held as part of the Festival.

"Certification of Non-Involvement" means the Certification of Non-Involvement in Prohibited Activities in Russia or Belarus pursuant to N.J.S.A. 52:32-60.1.

"Conflict of Interest" means a conflict between the private interests and the official responsibilities of any personnel of the Grantee, or any personnel related to any contractor, vendor, or consultant being utilized by the Grantee in the performance of the Festival.

"Designated Project Manager" shall mean an employee of the Grantee listed as the Designated Project Manager for the duration of the Grant Term or until all Milestones as per Exhibit A and reporting required by this Agreement are met, whichever is later.

"Disbursement Documents" means the documents required to be submitted pursuant to Section 3 and Exhibit A of this Agreement as a precondition for receiving the First Payment or Secondary Payments.

"Effective Date" means the date last written below representing the date of execution of this Agreement by the respective Parties.

"Eligible Project Costs" means Operating Costs and Booking Costs, and normal and customary costs incurred in the production of the Festival not inclusive of permanent construction hard costs or property acquisition costs.

"Final Accounting" means a complete and cumulative accounting of the Eligible Project Costs funded by the Authority.

"First Payment" means the initial $500,000-$1,000,000 disbursement issued by the Grantor to the Grantee pursuant to the satisfactory submission of the items required under Section 3.2.

"Grantee" means NEW JERSEY PERFORMING ARTS CENTER and does not include the Strategic Partner(s).

"Grant Term" means nine months from the Effective Date, with a possible three-month extension in the sole discretion of the Authority.

"Invoice" means invoices, bills, and/or contracts that identify the date of issuance, the date of the delivery of the good or service, a summary of the type of good or service, itemized total of quantity and cost of the good or service, total costs of the good or service purchased, and the individual or company from whom the good or service was purchased.

"Milestones" means the funding, raising, booking, leasing, licensing, and permitting Milestones listed on Exhibit A.

"Monthly Report" means a report that is submitted before the tenth of the month commencing after the execution of this Agreement that includes, but is not limited to: Grant expenditures, a summary of activity related to Festival operations, budget, profit and loss statements, sales data, fundraising data, contracting data and community outreach reports.

"Operating Costs" means, but is not limited to contract fees, contract payments, venue and/or equipment deposits, inventory, supplies, salaries, costs related to professional services, costs related to governmental fees, utilities payments, and other customary costs related to operations. Operating Costs also mean normal and customary costs that are associated with the production and management of the Festival that may not be traditionally associated with operating costs. Operating Costs shall include the costs of instillation of temporary furniture, fixtures, equipment and other temporary improvements and shall not include construction hard costs for the purpose of adding or improving capital value of a property or property acquisition.

"Primary Relationship Officer" or **"PRO"** means the assigned Authority staff member responsible for engaging and directing the Grantee to perform the work and duties required for the Festival including but not limited to approving post-closing documentation, reviewing reports, and processing disbursement requests.

"Secondary Payments" means subsequent disbursements issued by the Grantor to the Grantee pursuant to the satisfactory submission of the items required under Section 3.3.

"Spending Plan" means a plan that identifies major cost centers and budgeted costs related to Booking Costs, Operating Costs, and any normal and customary costs associated with the planning, production, and management of the Festival.

"State" or "NJ" means the State of New Jersey as specifically referenced in this Agreement.

"Strategic Partner(s)" means an approved entity that assists in leveraging the external expertise to best achieve the goals of the Festival memorialized with a letter or letters of agreement. The Authority shall only have contractual privity with the Grantee.

"Strategic Partnership Agreement(s)" means the agreement(s) between the Grantee and Strategic Partner(s).

"Tax Clearance Certificate" means a current New Jersey Business Tax Clearance Certificate.

"Treasury" means the New Jersey Department of the Treasury.

"Updated Fundraising Plan" means a plan that shows projected ticket sales, promotional financing, fees receivable, and any anticipated operating or non-operating revenue based on the confirmation of performers, presenters, speakers, or venues.

2. **<u>Grant Amount</u>.** Subject to the terms and conditions of this Agreement, the Authority agrees to grant up to $3,000,000 to Grantee for Eligible Project Costs.

3. <u>Grant Disbursements and Milestones as per Exhibit A.</u>

3.1 The Grant shall be disbursed by the Authority during the Grant Term based on Grantee's satisfaction of the relevant Milestones attached hereto as Exhibit A, as determined in the sole discretion of the Authority,

3.2 First Payment.

Prior to the Authority making the First Payment the relevant Milestones listed in Exhibit A for the First Payment must all have been satisfied.

3.3 Secondary Payments.

The Authority will disburse up to a total of $2,000,000 to be disbursed in increments of no less than $100,000 and no greater than $1,000,000 for the first of the Secondary Payments and increments of no less than $100,000 and no greater than $500,000 for the subsequent disbursements. All disbursement funds must be used for Eligible Project Costs not covered by the First Payment and are subject to the satisfaction of the Milestones listed on Exhibit A for Secondary Payments.

3.4 Timing of Disbursement.

a. Disbursement will be made after the Authority's satisfactory receipt of documents listed in Exhibit A. Grantee must submit all Grant requests and documentation no later than 12 months from the Effective Date. Provided the Disbursement Documents, including but not limited to a current New Jersey Business Tax Clearance Certificate, are satisfactory to the Authority, the Grant will be disbursed directly to the Grantee.

b. Notwithstanding anything herein to the contrary, Grantee understands and agrees that Grantor shall be under no obligation to make any payment of the Grant if at the time of said payment of the Grant request the Grantee is in default under Section 10 hereof.

c. Notwithstanding anything in this Agreement to the contrary, in the event Grantor determines, in its sole discretion, that there is a significant deviation between actual and projected performance then Grantor shall have the right to deny, modify, recapture, or postpone any and all disbursements.

4. **Reporting Requirements.** Grantee agrees to furnish to the Authority:

4.1 A Monthly Report which shall consist of:

i. An operations report detailing major events during the reporting month

ii. A revised budget as of last day of reporting month comparing projected to actual budget

iii. A revised Profit and Loss Statement for reporting month and the Festival to date

iv. A sales report for reporting month

v. An outside fundraising report for reporting month

vi. A report detailing major performer, speaker and/or presenter contracts

vii. A report detailing major venue contracts signed during the reporting month

viii. Insurance coverage report

4.2 Monthly Reports shall be sent to the Designated Project Manager no later than close of business of the 10th day of the following month or the next business day thereafter.

4.3 A Final Accounting which shall be electronically delivered to the Authority no later than ninety (90) calendar days after the expiration of the Grant Term. The Authority shall provide to the Grantee a template for the Final Accounting, which shall be prepared by the Grantee in the same manner and format.

4.4 A monthly summary on community impact measures as outlined in Exhibit A

5. **Grantee Performance Requirements.** Grantee hereby agrees to deliver, perform or adhere to the following:

a, Maintain a Designated Project Manager with experience in the management of projects similar in scope and scale and having management authority;

b. Provide the Authority with the Monthly Reports as set forth and defined herein;

c. Provide notice to the Grantor within 48 hours of notice received by the Grantee, via email and telephone communication with the Designated Project Manager, of any and all cancellation or cancellations, closures or other events impacting major performers, presenters, and or venues that would cancel scheduled and ticketed event or events of the Festival.

i. If the Festival has a cancellation, closure or other event impacting major performers, presenters, or venues that would halt a performance and the presenter, venue or other contracted service and has been submitted for or received payment as part of this grant; the Grantee must make a full accounting of the event with revisions to the monthly budget and P&L for the next monthly report. A narrative detailing recapture, reuse or reimbursement of the funds expended/requested for the performance, venue or event is due no later than 72 hours after the cancellation notice has been sent to the Grantee.

d. Obtain the Authority's prior written consent for the right to use the State's or Authority's name and logo in public communications announcing or reporting this Agreement or the Grantee's participation in the Festival and on Grantee's website listing Grantee's transactions and news;

e. Provide a complete Final Accounting report of final activity no later than ninety (90) calendar days following the end of the Grant Term to ensure all funding has been utilized as per this Agreement;

f. Remove Grantor website and all Authority, New Jersey or other State branding at the earlier of (i) the end of the Festival, (ii) the termination of the Grantee's participation in the Festival, or (iii) upon written notification by Grantor to remove all Authority, New Jersey or other State branding;

g. Provide Grantor media and performance recognition in equivalent frequency and volume, as well as ticket allocations for all events, performances and shows, in the same amount, as Grantee would allocate for a sponsorship of $3,000,000;

i. The ticket allocation shall be for one hundred (100) tickets.

h. Outreach and marketing plan as outlined in the Grantee's proposal for award that shall consist of but is not limited to:

i. Print Advertising Campaign

ii. Direct Mail Advertising Campaign

iii. Outdoor Media Advertising Campaign

iv. Television and Radio Advertising Campaign

v. Online Marketing Campaign

vi. Brand Signage

vii. Public Relations and Design Professional services

6. **Covenants of Grantee.** Grantee covenants and agrees that:

6.1 Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. In the event that Grantee contracts with third parties to perform any of the services to be performed hereunder, such third parties shall at all times remain an "independent contractor" with respect to the provision of such services. The Authority shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, with respect to such third-party contracts. Disbursement of the Grant shall not be deemed in any way whatsoever to establish any contractual or other relationships between the Grantor and the consultants and contractors hired by Grantee.

6.2 To the extent that Grantee is permitted to and utilizes the services of any third parties in performance of Grantee's duties and obligations under this Agreement, any contract entered into shall contain a provision that the contractor and/or subcontractor shall hold Grantee and the Authority harmless and defend and indemnify Grantee and the Authority from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the contractor and/or subcontractor's performance or nonperformance of the services. In addition, Grantee hereby agrees to hold the Authority harmless and defend and indemnify the Authority from any and all claims, actions, suits, charges and judgments whatsoever that arise out of this Agreement or the Festival.

6.3 Grantee and any contractors or subcontractors working on the Festival shall provide Workers' Compensation Insurance coverage, including Employer's Liability, for all of its employees involved in the performance of this Agreement.

6.4 Grantee shall ensure Strategic Partners will operate in accordance with the applicable compliance process of the Grantee and be responsible for collecting compliance documentation from the Strategic Partners including but not limited to prevailing wage and affirmative action compliance documentation.

6.5 Grantee has heretofore disclosed any Conflict of Interest that exists with its personnel, or any personnel related to any contractor, vendor, or consultant being utilized by the Grantee in the performance of the Festival. Should an undisclosed Conflict of Interest be found to exist, whether real or perceived, the Grantor, at a minimum, reserves the right in its sole discretion to require the individual or individuals to be immediately removed from the Festival. The Grantor shall also have the right to deny, modify, recapture or postpone any and all disbursements to be made hereunder.

6.6 The Grantee will comply where applicable with and require all contractors performing work in relation to the Festival to comply with the State prevailing wage rate where applicable, together with the other Authority prevailing wage requirements set forth in N.J.S.A. 34:1B-5.1 and the affirmative action rules and regulations in connection with any construction contracts for the Festival as set forth in N.J.S.A. 34:1B-5.4 and implementing regulations set forth in N.J.A.C. 19:30-3.1 et seq.

6.7 Insurance

a. The Grantee shall secure and maintain in force , at its own expense, for the term of this Agreement, insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company.

b. The Grantee will include all venues/vendors/subcontractors participating in the Festival under its insurance policies or will be responsible for maintaining separate certificates and endorsements for each entity.

c. Insurance coverages for venues/vendors/subcontractors will be subject to the requirements stated herein, with limits deemed appropriate and agreed upon by Grantee and Authority.

d. Within sixty (60) days of the scheduled first day of the Festival, Grantee will provide a detailed summary of the insurance program structure, including but not limited to, insurance carriers, program limits/deductibles and relevant exclusions/limitations for approval by the Authority.

e. Final evidence of insurance coverage will be made available to the Authority no later than fifteen (15) days prior to each event of the Festival.

f. By requiring insurance herein, Authority does not represent that coverage and limits are adequate to protect Grantee, and such coverage and limits shall not be deemed as a limitation on liability under the indemnities granted to Authority in this Agreement.

g. Policies must be endorsed to provide 30 days' written notice of cancellation or material change to the Authority at the address shown below.

h. If the Grantee's insurer cannot provide 30 days' written notice, then it will become the obligation of the Grantee to provide the same to the Authority within forty-eight (48) hours of receipt of notification from their insurance company.

i. The Grantee shall provide the Authority with current certificates of insurance for all coverages and renewals thereof. Renewal certificates shall be provided within 30 days of the expiration of the insurance.

j. Certificates of insurance shall specify the New Jersey North to Shore Festival, including

Festival dates and cities in the Description of Operations and shall list the New Jersey Economic Development Authority PO Box 990, 36 West State Street, Trenton, NJ 08625-0990 in the Certificate Holder box. The certificates and any relevant policy endorsements shall be emailed to the Authority at: CHuss@njeda.com.

k. The insurance to be provided by the Grantee shall be as follows:

i. Commercial General Liability Insurance or Special Event Liability Insurance for the full duration of all operations pertaining to the Festival, including planning, set-up, and breakdown. The minimum limit of liability shall be agreed upon by Grantee and Authority, but no less than the limits currently purchased by Grantee, including but not limited to, coverage for death, bodily injury, property damage and personal/advertising injury. The above required Commercial General Liability Insurance policy or its equivalent shall name the New Jersey Economic Development Authority, its officers, and employees as "Additional Insureds" on a primary, non-contributory basis for both ongoing and completed operations through the use of a blanket additional insured endorsement, or its equivalent. The coverage to be provided under these policies shall be at least as broad as that provided by the standard Commercial General Liability coverage form or its equivalent currently in use in the State, which shall not be circumscribed by any endorsement limiting the breadth of coverage and shall include contractual liability coverage. High hazard activities, such as liquor sales, pyrotechnics, etc. must be included for coverage either as part of Commercial General Liability, or under a separate insurance policy.

ii. Automobile Liability Insurance which shall be written to cover any owned, hired, or non-owned automobiles/vehicles used by the Grantee or its staff. Limits of liability for bodily injury and property damage shall not be less than $1,000,000 per occurrence as a combined single limit. The New Jersey Economic Development Authority must be named as an "Additional Insured" and a blanket additional insured endorsement, or its equivalent, must be provided when the services being procured involve vehicle use in conjunction with the Festival.

iii. Worker's Compensation Insurance applicable to the laws of the State, including an endorsement to extend coverage to any state which may be interpreted to have legal jurisdiction, and Employer's Liability Insurance with limits in an amount acceptable to the Authority.

iv. Umbrella/Excess Liability may be utilized to obtain the agreed upon limits for any of the policies in (i) through (iii) above; however, coverage must follow the underlying policy form, including, but not limited to any required endorsements.

l. Grantee hereby waives all rights of subrogation against the Authority for recovery of damages to the extent those damages are covered by any insurance policies the Grantee is required to maintain as set forth herein. Grantee agrees to obtain, at its own cost, any endorsement necessary to provide such a waiver under the applicable insurance coverage.

7. Representations and Warranties of Grantee.

7.1 Grantee has been duly organized and validly exists as a **_______________** corporation under the laws of the State of **________________**, has power to enter into this Agreement and has authorized the taking of all action necessary to carry out and give effect to the transactions contemplated by this Agreement.

7.2 To the best of the Grantee's knowledge, and upon due inquiry, there is no action or proceeding pending or threatened against the Grantee before any court or administrative agency that might adversely affect the ability of the Grantee to perform its obligations under this Agreement and all consents, authorizations, and approvals of governmental bodies or agencies required in connection with the performance of the Grantee's obligations under this Agreement have been obtained and will be obtained whenever required hereunder or by law.

7.3 Neither the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any corporate restrictions or any evidence of indebtedness, agreement, or instrument of whatever nature to which the Grantee is bound, or constitutes a default under any of the foregoing.

7.4 All tax returns and reports of the Grantee required by law to be filed have been duly filed and all taxes, assessments, fees and other governmental charges upon Grantee or upon any of its respective properties, assets, income or franchises which are due and payable pursuant to any assessment received by the Grantee have been paid other than those which are presently payable without penalty or interest. Nothing in this subparagraph is intended to preclude Grantee from exercising its lawful right to contest any tax, assessment, fee or other governmental charge.

7.5 All statements, representations and warranties made by Grantee in its application to the Authority, and in any materials furnished in support of that application were true when made, are true, in all material respects, as of the date hereof, and shall remain and be true and correct during the term of this Agreement, it being understood by Grantee that all such statements, representations and warranties have been relied upon by the Authority and shall continue to be relied upon by the Authority in administering the Grant. Grantee further understands and agrees that, if, during the term of this Agreement, any such statements, representations and warranties become untrue or false, it shall have a duty to immediately notify the Authority in writing of such fact.

7.6 The principal office of Grantee is located at ________________________. All of the Grantee's books and records relating to the Festival shall be located at

__________________________. The Grantee shall notify the Authority in writing of any change in the location of such books and records prior to any such relocation.

7.7 Grantee represents that it has at all times relevant to this Agreement been represented by advisors of its own selection, including, but not limited to, attorneys at law and/or certified public accountants; that it has not relied upon any statement, representation, warranty, agreement or information provided by the Authority; that it acknowledges that it is informed by its advisors of its respective rights, duties, and obligations with respect to the transaction which is the subject of this Agreement under all applicable laws, and that it has no set-offs, defenses or counterclaims against the Authority with respect to the Festival which is the subject of this Agreement.

7.8 Grantee shall be in compliance with the New Jersey Division of Taxation, New Jersey Department of Environmental Protection, and New Jersey Department of Labor and Workforce Development for the duration of the Compliance Term.

7.9 If during the duration of this Agreement the Grantee becomes aware of any facts, occurrences, information, statements, or events that render any of the foregoing representations or warranties herein untrue or materially misleading or incomplete, Grantee shall immediately notify the Authority in writing of such facts, occurrences, information, statements, or events.

7.10 The representations and warranties made in this Section 7 shall survive termination of this Agreement.

8. <u>Publicity</u>. Grantee grants the Authority and the State the right to use Grantee's name and logo in public communications announcing or reporting this Agreement and listing the name and logo of Grantee on the Authority's and State's website(s) in relation to Grantee's participation in the Festival. Grantee must request the Authority's prior written consent for the right to use the State's or Authority's name and logo in public communications announcing or reporting this Agreement or the Grantee's participation in the Festival and on Grantee's website listing Grantee's transactions and news.

9. <u>Records, Access and Maintenance</u>.

Grantee shall establish and maintain during the Grant Term such records as are required by the Authority hereof, and all relevant supporting documentation. The Parties further agree that records required by the Authority with respect to any questioned costs, litigation or dispute between the Authority and the Grantee shall be maintained for the time needed for the resolution of any such issue and that in the event of early termination of this Agreement, or if for any other reason the Authority shall require a review of the records related to the Festival, the Grantee shall, at its own cost and expense, segregate all such records from its other records, if any. The Grantee shall maintain and organize its records in such form so that, in case of a review of its records or audit, it is able to verify and document the information it provides in its weekly reports and Final Accounting pursuant to Section 4 hereof. The Grantee agrees to be subject to review and audit of any Grant payments by the Authority, any other agency or department of the State of New Jersey, including but not limited to, the Office of the State Comptroller and the Department of Labor and Workforce Development. At Grantee's request, the Authority shall execute a non-disclosure agreement applicable to the Authority in a form satisfactory to the Authority. The provisions of this Section 9 shall survive termination of this Agreement for a period of five (5) years or any such later time period required by applicable law.

10. Default. Any one or more of the following shall constitute an event of default ("Event(s) of Default") if during the Grant Term the default is not cured within seven (7) business days after written notice of the default, provided, however, if the cure of such default reasonably requires more than seven (7) business days after written notice as aforesaid, and Grantee demonstrates it has promptly initiated steps reasonably sufficient to cure the default at its own cost, is proceeding with due diligence, in good faith and with continuity to complete the curing of such default, then the Authority may, at its reasonable discretion, extend the time necessary to cure such default by a reasonably practical period necessary for Grantee to cure such default. Notwithstanding the foregoing, if such default is not cured within said period as may be extended, termination shall, in the discretion of the Authority, be effective at the conclusion thereof.

a. If Grantee has breached or failed to perform in any material respect any covenant or promise under this Agreement.

b. If any representation or warranty made by Grantee herein, or, in any report, certificate, financial statement or other instrument furnished in connection with the subject matter of this Agreement is false or misleading in any material respect.

c. If any of the following has occurred: 1) Grantee has applied for, or consented to, the appointment of a receiver, trustee, or liquidator of all or a substantial portion of Grantee's assets; 2) Grantee has admitted in writing the inability to pay Grantee's debts as they mature; 3) Grantee has made a general assignment for the benefit of creditors; 5) an order, judgment or decree has been entered, without the application, approval or consent of Grantee, by any court of competent jurisdiction approving a petition seeking reorganization of the Grantee, or appointing a receiver, trustee, or liquidator of Grantee or of a substantial part of its assets and such order shall continue unstayed and in effect for a period of forty-five (45) consecutive days; 6) Grantee has filed a voluntary petition in bankruptcy or has failed to remove an involuntary petition in bankruptcy within forty-five (45) days of the filing thereof.

d. The failure of Grantee to timely submit the documents, materials, and information required to be submitted by this Agreement.

e. The Authority has made a determination of debarment as to Grantee pursuant to its debarment/disqualification regulations set forth in N.J.A.C. 19:30-2.1 et seq. as amended from time to time.

f. If the Grantee has ceased to operate its business without prior written notice to and consent of the Authority.

g. If the Grantee has sold or assigned its operations of the Festival, or any rights contained in this Agreement, to another company, including a related company other than wholly owned subsidiaries, without the prior written consent of the Authority.

h. If the Strategic Partnership Agreement has been breached or terminated.

11. Remedies Upon Default.

11.1 Upon the existence of any Event or Events of Default, the Authority may, in its sole and absolute discretion, do any of the following, alone or in combination, after having first given Grantee notice and opportunity to cure the default in accordance with Section 10 hereof:

a. Require the Grantee to repay all or a portion of the Grant previously paid to Grantee under this Agreement.;

b. Terminate this Agreement;

c. Withhold disbursement of the Grant; and

d. Take any other action legally available to it.

11.2 The Authority's rights under this Section 11 shall survive termination of the Agreement.

12. Modifications. Grantee must obtain prior written approval when a revision or modification is purported to be necessary for changes in the scope, objective, key personnel, timing of the Festival, or deviation from the approved budget.

13. Taxes and Other Charges. Grantee shall pay during the duration of this Agreement as the same become due, all taxes, assessments and governmental charges which may be required by law or contract to be paid by Grantee. Nothing in this Section 13 is intended to preclude Grantee from exercising its lawful right to contest any tax, assessment, fee or other governmental charge and, if authorized under law, withholding payment of such tax, assessment, fee, or other governmental charge during the period of such contest.

14. Audits and Inspections. At any time during normal business hours upon written notice and as often as the Authority may reasonably deem necessary, the Grantee shall make available to the Authority, for examination, and to appropriate State agencies or officials, all of its records with respect to matters covered by this Agreement and shall permit the Authority to audit, examine and make excerpts or transcripts from such records. The provisions of this Section 14 shall survive termination of this Agreement for a period of five (5) years. Grantee shall maintain records to adequately verify all information provided in any reports or schedules required under this Agreement.

15. <u>Assignment</u>. Grantee may not sell or assign its interests in this Agreement to another entity without the prior written consent of the Authority in its sole discretion. Unless otherwise indicated by the Authority in writing, any obligations hereunder shall become the obligations of any assignee or successor of the Grantee.

16. <u>Forbearance Not a Waiver</u>. No act of forbearance or failure to insist on the prompt performance by the Grantee of its obligations pursuant to this Agreement, either express or implied, shall be construed as a waiver by the Authority of any of its rights hereunder. In the event that any provision of this Agreement should be breached by Grantee and the breach may thereafter be waived by the Authority, such waiver shall be limited to the particular breach waived by Authority and shall not be deemed to waive any other breach. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any right and power may be exercised from time to time and as often as may be deemed expedient.

17. <u>Indemnification</u>. Grantee covenants and agrees to indemnify and hold harmless the Authority, the State and their respective members, agents, officers, employees and servants from all losses, claims, damages, liabilities, and costs whatsoever (including all costs, expenses and reasonable counsel fees incurred in investigating and defending such losses and claims, etc.), brought by any person or entity, and caused by, related to, arising or purportedly arising out of, or from: (i) the condition, use, possession, conduct, management, construction, and financing of the Festival; (ii) the performance by Grantee of its obligations under this Agreement; (iii) any loss, damage or injury to, or death of, any person occurring at or about or resulting from, the operations of the business at the Festival; and, (iv) any damage or injury to property of Grantee or to the agents, servants, employees of Grantee, caused by the negligence, gross negligence and willful misconduct of any person, except for: losses, claims, damages, liabilities and costs arising from the gross negligence or willful misconduct of the Authority and its respective members, agents, officers, employees and servants. The provisions of this Section 17 shall survive termination of this Agreement.

18. <u>Applicability of Disqualification Regulations to Entities</u>. The Authority's disqualification/ debarment regulations, which are set forth in <u>N.J.A.C.</u> 19:30-2.1 through 2.7, shall be applicable to any entities with which Grantee merges, consolidates or combines. In the event that, in accordance with the procedures and provisions set forth in such regulations, the Authority makes a determination to disqualify any entity, then, notwithstanding anything contained in the Agreement to the contrary, no disbursements of the Grant will be made after such disqualification. Based on the circumstances of (i) the disqualification and (ii) any previously disbursed Grant funds, the Authority may seek to recover some or all of such disbursements.

19. **<u>Russia</u>.** If compliance is required with N.J.S.A. 52:32-60.1, et seq., which prevents the Authority from certain dealings with businesses engaged in prohibited activities in Belarus or Russia and requires the New Jersey Department of the Treasury ("Treasury") to create a list of persons engaged in such prohibited activities, the Borrower agrees that by signing this Agreement that the Borrower may be required to certify that it is not engaged in prohibited activities and would not be identified on Treasury's list of entities engaged in prohibited activities in Russia or Belarus (https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf), and that if this statement is willfully false, Borrower shall be subject to penalty.

20. **Cannabis.** In compliance with N.J.S.A. 24:6I-49(b)(2), Grantee represents and warrants: (i) that it (a) has neither applied for nor received from the New Jersey Cannabis Regulatory Commission either a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service; or (b) is not a property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service pursuant to N.J.S.A. 24:6I-49(b)(2)(b).

(ii) Grantee acknowledges an on-going obligation to report to the Authority any change to this statement.

(iii) The Grantee acknowledges that the issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or the issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service to a person or entity that has been awarded a State or local economic incentive shall invalidate the right of the Grantee to benefit from the economic incentive as of the date of issuance of the license or certification; and that the issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service at a location that is the subject of a State or local economic incentive shall invalidate the right of the Grantee property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license or certification.

21. <u>Miscellaneous</u>.

a. Governing Law. This Agreement shall be governed by the laws of the State of New Jersey.

b. Forum and Venue. All actions related to the matters which are the subject of this Agreement shall be forumed and venued in a court of competent jurisdiction in the County of Mercer in the State of New Jersey.

c. Entire Agreement. This Agreement and its exhibits and any documents referred to herein constitute the complete understanding of the Parties and merge and supersede any and all other discussions, agreements and understandings, either oral or written, between the Parties with respect to the subject matter of this Agreement.

d. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Agreement, unless the Authority shall in its sole and absolute discretion deem the invalidated provision essential to the accomplishment of the public purposes served by this Agreement, in which case the Authority has the right to terminate this Agreement and all benefits provided to Grantee hereunder upon the giving of thirty (30) calendar days prior notice as set forth in paragraph (e) of this Section 21.

e. Notices. All notices, consents, demands, requests and other communications which may be or are required to be given pursuant to any term of this Agreement shall be in writing and shall be deemed duly given when personally delivered or sent by United States mail, registered or certified, return receipt requested, postage prepaid, to the addresses set forth hereunder or to such other address as each party to this Agreement may hereafter designate in a written notice to the other party transmitted in accordance with this provision.

f. No Authorship Presumption: Each of the Parties has had an opportunity to review the language of this Agreement in consultation with legal counsel prior to its execution. No presumption shall arise, or adverse inference be drawn by virtue of authorship. Each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party who (or whose counsel) drafted that provision. The rule of no authorship presumption set forth in this paragraph is equally applicable to any person that becomes a party by reason of assignment and/or assumption of this Agreement and any successor to a signatory Party.

g. Prohibited Activity: Grantee is prohibited from using, and shall require that its contractors and sub-contractors, if any, are prohibited from using, the Grant provided herein or personnel employed in the administration of the Festival for political activities, inherently religious activities, lobbying, political patronage, nepotism activities, and supporting either directly or indirectly the enactment, repeal, modification or adoption of any law, regulation or policy at any level of government.

h. Personal Liability of Individual Representatives: No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of any corporate Party in his or her individual capacity, and neither the officers of any Party nor any official executing this Agreement shall be personally liable with respect to this Agreement or be subject to any personal liability or accountability under this Agreement by reason of the execution and delivery of this Agreement.

Authority: New Jersey Economic Development Authority
36 West State Street
PO Box 990
Trenton, NJ 08625-0990
Attention: Tai Cooper
Chief Community Development Officer
Telephone: 609-218-0851
Email: tai.cooper@njeda.gov and christina.fuentes@njeda.gov

Grantee: ______________________________
____
____
____
____

i. Amendments or Modifications. This Agreement may only be amended in writing executed by both Parties. Such Amendments or Modifications shall become effective only upon execution of same by both Parties.

j. Headings. Section headings contained in this Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement.

k. Contractual Liability Act. The rights and remedies of the Grantee under this Agreement shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., the provisions of which are hereby incorporated herein by reference.

l. Tort Claims Act. The rights and remedies of the Grantee under this Agreement shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., the provisions of which are hereby incorporated herein by reference.

m. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. This Agreement may be delivered by telecopier, e-mail, PDF or other facsimile transmission all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

n. Successors and Assigns. This Agreement shall be binding upon the successors and assigns.

o. No Third-Party Beneficiaries. This Agreement has been entered into solely by and among the Parties that have executed this Agreement; except as otherwise expressly provided in this Agreement, this Agreement will not be deemed to create any rights in third parties or create any obligations of any party hereto to any such third parties.

p. Electronic signature on this Agreement shall be deemed to be valid execution and delivery as though an original ink. The Parties explicitly consent to the electronic delivery of the terms of the transaction evidenced by this Agreement and affirm that their electronic signatures indicate a present intent to be bound by the electronic signatures and the terms of the Agreement. The electronic signature can be done either by ADOBE Acrobat or any other similar signature software that can be used for electronic signatures or by printing, manually signing, and scanning.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective signatories duly authorized as of the date and year last written below (“Effective Date”).

GRANTOR:
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________________
Kamran Hashmi
VP-Product Operations

Date: ______________________________

GRANTEE:
NEW JERSEY PERFORMING ARTS CENTER

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

<u>Exhibit A</u>

Milestones

The successful completion of Milestones listed below will be used to evaluate the progress of the Grantee towards meeting the intended policy goals of the North to Shore Festival. The Designated Project Manager and /or designees of the Grantee and Authority staff will inquire and request reporting as to the progress in meeting these goals during the scheduled check in meetings. Capitalized terms used in this Exhibit A shall have the same meaning as ascribed to them in the Agreement relating to the New Jersey North to Shore Festival Grant unless expressly indicated otherwise.

The Milestones for the First Payment are as follows:

1. Resolution of the governing body authorizing (NEW JERSEY PERFORMING ARTS CENTER) to enter into the Agreement and to accept the payment of the Grant for the Festival
2. Executed Grant Agreement
3. Certification of Non-Involvement in Prohibited Activities in Russia or Belarus pursuant to L. 2022, c.3 (if applicable).
4. Current and valid New Jersey Tax Clearance Certificate not more than 180 days old
5. Timeline with projected dates for kickoff and performances
6. A plan for operations of the Festival that includes

   a. Proposed dates and locations

   b. Proposed performers/speakers

   c. Proposed plan for advertising/promotion

   d. Host community outreach plan Security plan

   e. Transportation/parking plan

   f. Health and Safety plan

   g. Diversity and Inclusion Plan

   h. Proposed budget

      i. The proposed budget will demonstrate how all funding sources will be utilized, which shall include the Grant and other sources that may be generated from the Festival such as ticket sales, fundraising, and ancillary sales revenue. The proposed budget must include detailing costs, which include, but are not limited to, labor costs, contract/technical services and support costs, and material costs.

ii. The proposed budget must project out that the Festival shall be executed within 2024.

iii. Projected Profit and Loss Statement

iv. Proposed fundraising plan listing

v. Projected fundraising partners,

vi. Projected targets and goals

i. Key staff resumes

j. Proposed key contractors, as needed

k. Signed agreement that the NEW JERSEY PERFORMING ARTS CENTER assumes all liability for the Festival and will indemnify, defend and hold harmless the Authority and the State for any action during or as a result of the Festival.

l. Proof of appropriate insurance coverage as recommended by the Authority insurance broker in the form of an insurance policy or policies as outlined by the Authority.

The Milestones for the Secondary Payments are as follows:

1. A revised budget showing how the First Tranche Disbursement has been spent and any remaining balance.

2. Grantee must submit a disbursement request that includes a summary of expenses to be funded with the requested disbursement.

3. Summary of funds expended to date.

4. Complete copies of invoices, bills, and/or contracts for the production of the Festival not covered by the First Tranche Disbursement. Invoices, bills, and/or contracts must identify the date of issuance, the date of the delivery of the goods or services, a summary of the type of goods or services, itemized total of quantity and cost of the goods or service services, total costs of the goods or services purchased, and the individual or company from whom the goods or services were purchased.

5. A New Jersey Business Tax Clearance Certificate not more than 180 days old is required prior to each disbursement.

6. Evidence of coordination and collaboration with community leaders, community groups, and arts, business, tech and entertainment groups in each of the three named host communities of Asbury Park, Atlantic City and Newark.
    a. The evidence will consist of the following:
        i. Scheduled Kickoff meetings with each community
        ii. Scheduled Follow up meetings with each community
        iii. Meeting agendas and schedules
        iv. Meeting reports

7. Presentation of Signed Letters of Intent for venues in each of the three named host communities of Asbury Park, Atlantic City and Newark and for artistic performers of note in each of the three named host communities of Asbury Park, Atlantic City and Newark

8. Presentation of Monthly Reports that shall consist of but are not limited to:
    a. Report of operations detailing major events during the reporting month
    b. Revised budget as of the last day of the reporting month comparing projected to actual budget
    c. Revised Profit and Loss Statement for reporting month and project to date
    d. Ticket sales report for reporting month
    e. Outside fundraising report for reporting month
    f. Report detailing major performer, speaker and/or presenter contracts signed during reporting month
    g. Report detailing major venue contracts/agreements signed during reporting month
    h. Insurance Coverage reports
    i. Prevailing Wage compliance reporting for sub-contractors

9. Presentation of monthly summaries on community impact measures including
    a. community employment statistics
    b. community group engagements
    c. municipal government engagements
    d. goods and services contracts signed by firms located in host municipality
    e. performance contracts signed by or on behalf of individuals or groups presenting or performing

EXHIBIT B
FORM OF FIRST PAYMENT REQUISITION
The form below will be created by the New Jersey Economic Development Authority (“Authority”) following receipt of a fully executed Agreement and the required disbursement documentation including but not limited to the Spending Plan. The Authority will send the form to the Grantee for completion, execution, and return. Upon receipt and acceptance of the executed form, completion of the applicable Milestones and submission of the required documentation, the Authority will transfer the funds to the Grantee.

New Jersey North to Shore Festival Grant
GRANT REQUISITION NO.: 01

INSTRUCTIONS:

This form must be used to request the First Payment.

1. **Requisitions are limited to one in the aggregate amount of not less than $500,000 unless specifically approved by the Authority.**
2. **All funding requests must be submitted to the Authority within 12 months of the date of execution.**

The undersigned, on behalf of ______________________ (the “Grantee”), hereby requisitions the following amount of funds to be delivered by wire transfer from the Authority:

Payee/Grantee:	Amount:	NJEDA Controller/MIS Use Only Date Wire #

WIRE INSTRUCTIONS

The Authority is instructed to transfer funds electronically to the Grantee to the account detailed below:

Grantee’s full name:	
Name Grantee’s bank:	
Grantee’s account number:	
Grantee bank’s routing number:	
Transfer amount:	
Grant Requisition #:	

CERTIFICATION

The undersigned, a duly authorized representative of Grantee, hereby certifies to the Authority on behalf of Grantee, that: the requisition will be expended to subsidize eligible Festival costs and not for any other use or purpose;

Capitalized terms used in this Requisition shall have the same meaning as ascribed to them in the Agreement relating to the New Jersey North to Shore Festival Grant unless expressly indicated otherwise.

Pursuant to written policy, the Authority allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. Your signature below shall serve as evidence that the Grantee also agrees to be bound by electronic signatures.

GRANTEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

DO NOT WRITE BELOW THIS LINE – FOR USE BY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ONLY

Grantee Name:		Product (P) Number:	
Fund**:**		Total Amount of Grant/Loan:	$
Grant/Loan:	Grant	Total Amount of Prior Payment(**s):**	$
Term/Interest Rate:	N/A	Total Amount of this Wire:	$
Agmt. Effective Date:	__/__/25	Total Amount to be Escrowed:	$
		Date & Time Wire Needed:	ASAP

Reviewed by:	**Approved by:**
Assistant Director or above	EVP of Community & Business Development, or Chief Community Development Officer
Date: __/__/25	Date: __/__/25

EXHIBIT C
FORM OF SECONDARY PAYMENT REQUISITION

The form below will be created by the New Jersey Economic Development Authority (the "Authority") following receipt of a fully executed Agreement and the required disbursement documentation including but not limited to the Spending Plan for the First Payment. The Authority will send the form to the Grantee for completion, execution and return. Upon receipt and acceptance of the executed form completion of the applicable Milestones and submission of the required documentation, the Authority will transfer the funds to the Grantee.

New Jersey North to Shore Festival Grant
GRANT REQUISITION NO.:__

INSTRUCTIONS:

This form must be used to request a Secondary Payment under the
w Jersey North to Shore Festival Grant

1. **Requisitions are limited in the aggregate amount, being not less than $100,000, unless specifically approved by the Authority.**
2. **All funding requests must be submitted to the Authority within 12 months of the date of execution.**

The undersigned, on behalf of ______________________ (the "Grantee"), hereby requisitions the following amount of funds to be delivered by wire transfer from the Authority:

Payee/Grantee:	Amount:	NJEDA Controller/MIS Use Only Date Wire #
______________________	______________	

WIRE INSTRUCTIONS

The Authority is instructed to transfer funds electronically to the Grantee to the account detailed below:

Grantee's full name:	
Name Grantee's bank:	
Grantee's account number:	
Grantee bank's routing number:	
Transfer amount:	

Grant Requisition #:	

CERTIFICATION

The undersigned, a duly authorized representative of Grantee, hereby certifies to the Authority on behalf of Grantee, that this requisition will be expended to subsidize eligible Festival costs and not for any other use or purpose;

Capitalized terms used in this Requisition shall have the same meaning as ascribed to them in the Agreement relating to the New Jersey North to Shore Festival Grant unless expressly indicated otherwise.

Pursuant to written policy, the Authority allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. Your signature below shall serve as evidence that the Grantee also agrees to be bound by electronic signatures.

GRANTEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

DO NOT WRITE BELOW THIS LINE – FOR USE BY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ONLY

Grantee Name:		Product (P) Number:	
Fund**:**		Total Amount of Grant/Loan:	$
Grant/Loan:	Grant	Total Amount of Prior Payment(**s):**	$
Term/Interest Rate:	N/A	Total Amount of this Wire:	$
Agmt. Effective Date:	__/__/25	Total Amount to be Escrowed:	$
		Date & Time Wire Needed:	ASAP

Reviewed by:	**Approved by:**
Assistant Director or above	EVP of Community & Business Development, or Chief Community Development Officer
Date: __/__/25	Date: __/__/25

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Employee Stock Ownership Plan Assistance – Vendor Procurement

Summary:

The Members are requested to approve:

1. Entering into contracts with the two (2) firms indicated in this memo to provide ESOP Feasibility Study Services to New Jersey businesses interested in transitioning to an Employee Stock Ownership Plan for a one (1) year term, with a (1) year extension option to be exercised at the sole discretion of the Authority at the same pricing, terms, and conditions.
2. Utilization of up to two million and seven hundred thousand dollars ($2,700,000) from the Wealth Disparities Initiatives funds, authorized in the Fiscal Year 2024 Appropriations Act (P.L.2023, c.74) signed in June 2023, with delegation to the Authority's Chief Executive Officer to increase funding through contract amendments up to a total of three million and seven hundred dollars ($3,700,000) in the event the demand exceeds the two million and seven hundred thousand dollars ($2,700,000).

Background:

Under Executive Order 262 (2021), issued by Governor Phil Murphy, a Wealth Disparity Taskforce was established to "examine the causes of and remedies for the long-standing wealth disparities that affect Black and Hispanic or Latino New Jerseyans". In order to execute these proposed remedies, the New Jersey State Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) included $6 million in overall funding for Wealth Disparities Initiatives.

Recommendations issued by the Taskforce included development of a statewide employee ownership program to achieve the above stated mission. In April 2024, a Request for Information was issued, 2023-RFI-199 – Development of a Statewide Employee Ownership Program, to solicit information on the current ecosystem surrounding employee ownership models, assistance programs offered by other jurisdictions, and barriers faced by aspiring employee owned companies. The RFI revealed that the employee ownership transition process has technical and financial barriers to entry that often present challenges to business owners and employees related to the complex legal, accounting, administrative and compliance requirements.

Despite these hurdles, many employee-owned companies continue to thrive, creating and sustaining wealth for their employee owners. Additionally, we found that a variety of states and local jurisdiction have been committed to fostering an ecosystem around employee ownership models, with assistance programs growing in popularity. To support the development of this Program, the NJEDA entered into a Memorandum of Understanding with Rutgers University School of Management and Labor Relations to conduct an education and outreach campaign that is already underway. The campaign is integral to engaging interested parties to receive the technical assistance the proposed Program will offer.

The approval being requested in this memorandum is for the contracting of two firms to provide Employee Stock Ownership Plan Feasibility Study Services through a forthcoming Program which will be presented to the Board in March. The contracts to be approved for these services are not to exceed three million and seven hundred thousand dollars ($3,700,000) for the aforementioned Services eligible New Jersey businesses. A summary of the technical assistance product including contractor engagement, product details, eligibility criteria, available support, maximum assistance amounts, and the approval process is provided below. The proposed Program would fund up to 90% of each interested business's Feasibility Study Services, not to exceed $35,000 per business.

Contractor Responsibilities

The approved contractors under this proposal will provide technical assistance to eligible New Jersey businesses to offer Feasibility Study Services to assist with the beginning stages of ESOP transitions. The goal of the initiative is to increase the number of New Jersey businesses under employee ownership structures, providing employees with opportunities to have a greater stake in the businesses, generate sustainable and equitable wealth, and ensure greater financial security.

Feasibility Study Services includes but are not limited to, the analysis of a business' earnings with interest, taxes, depreciation, and amortization added back in (EBITDA), management team structure, structure and number of employees, value of a company, existing employee benefits, transaction structure, and any tasks that may be necessary to execute to assist a business in achieving the optimal metrics for an ESOP transition. At minimum, Services should produce an in-depth, written assessment of the companies' outcomes based on the above measures.

The purpose of this memorandum is to approve entering into the contract for professional services with the selected entities, but staff will follow up with the Members in a later and separate memorandum that will establish this technical assistance program and outline the specific eligibility requirements and application process that will determine how the Authority will select businesses to receive technical assistance from these contactors.

Under the proposed contract and as outline in the RFQ/P. contractors will complete the following tasks in the performance of the work:

1. Obtain Business Owner Input: Contractor will work with client to gain an understanding of the business owner's current leadership structure, employee structure, need for transition, and any other relevant structural needs.

2. Assess Financial Viability: Contractor will begin building a study to include identification of goals and objectives of the current business owner, projected financial modeling, assessment of the historical financial results, determine the impact of an ESOP on current benefits offerings (such as retirement and 401k funds), deliver projections on future eligible

compensation, and assess senior debt capacity and financing options. Contractor shall communicate and update the client during the process.

3. Complete Feasibility Study: Contractor will deliver a comprehensive and complete feasibility study on behalf of the business with clear direction on next steps in the ESOP transition process or other potentially viable employee ownership/succession solutions based on client's business needs.

Once the project is fully completed, the Contractor will submit its final invoice to the Authority, accompanied by a copy of the signed proposal and evidence of the completed work (e.g., final feasibility study with sensitive personal information redacted, final recommendations, supporting documents, documents, etc.). The Contractor's invoice will include the initial and final cost estimate of any feasibility study service. The business owner will be responsible for all subsequent, ongoing costs/fees associated with executing final recommendations, including but not limited to transition services if the business elects to proceed with an ESOP transition. The Authority will issue final payment upon receipt and review of the final invoice and after confirming that the client is satisfied with the work, as evidenced by a customer satisfaction survey completed by the client.

Contractor Procurement Process

On September 3, 2024, the New Jersey Economic Development Authority (NJEDA) issued a Request for Proposals (RFP), #2024-RFP-220 Employee Stock Ownership Plan Assistance Program. The RFP was duly advertised in four (4) newspapers - the Asbury Park Press, Courier Post, Star Ledger, and Trenton Times for one (1) day on September 3, 2024, posted on the Authority's website, and on the NJ State Business Portal, under Commodity Codes: 918-20, 918-40, 918-49, 946-45, and 946-49. One thousand three (1,003) total email contacts were identified by the NJEDA, through an NJSTART search, and identified firms were sent an e-mail. A list of potential Proposers was also provided by Rutgers University to the Diversity, Equity, and Inclusion Team and an additional eight (8) firms were sent an e-mail.

The RFP sought to solicit proposals from firms experienced in Employee Stock Ownership Plan transitions, Employee Ownership transitions, or Mergers and Acquisition services, including the design/development of feasibility studies and valuations. The RFP language provided for contract awards of up to five (5) firms to assist New Jersey business owners in developing Employee Stock Ownership Plan (ESOPs) feasibility studies for employees of their respective companies. The contract awards would be for a term of one (1) year, with an extension option of up to one (1) year, to be exercised at the sole discretion of the Authority. Neither the RFP nor Exhibit A – Contract for Professional Services indicated a budgetary amount.

Proposals were due at or before 2:00 PM (ET) on October 3, 2024. Three (3) Proposals were received electronically, prior to the opening date and time. Two of the three proposals were deemed responsive and forwarded to an Evaluation Committee comprised of qualified Authority staff for review and evaluation. As set forth in the RFP, proposals were evaluated and scored by the Evaluation Committee members based on:

- Personnel qualifications and experience
- Experience demonstrated on projects of a similar size and scope
- Ability to complete the scope of work based on the technical proposal

Fee schedules were not provided to the Evaluation Committee. The Authority's Procurement staff evaluated and scored the pricing, applied the weighting percentages to all criteria, then compiled and completed the overall scoring for each Proposal. The following firms were recommended for contract award.

Once combined, the overall scoring results for this RFP's Proposals for the responsive firms based upon the above Evaluation Criteria were as follows:

Rank	Proposer	Score
1	Onyx	4.0
2	Lazear	3.9

Based on the above scoring, we are requesting that the Board approve the contract award to Onyx Partners Group and Lazear Capital Partners.

Budget and Payment

The two million dollar and seven hundred thousand ($2,700,000) contract award will be expended incrementally, on a rotating basis between Contractors over the Contract term as services are provided. Following approval by the Designated Contract Manager (DCM) of completed, authorized work, the Contractor shall submit a final electronic invoice. The Authority will pay the Contractor ninety percent (90%) of the pre-approved services costs, per the invoiced amount.

Recommendation:

The Members are requested to approve:

1. Entering into contracts with the two (2) firms indicated in this memo to provide ESOP Feasibility Study Services to New Jersey businesses interested in transitioning to an Employee Stock Ownership Plan for a one (1) year term, with a (1) year extension option to be exercised at the sole discretion of the Authority at the same pricing, terms, and conditions.
2. Utilization of up to two million and seven hundred thousand dollars ($2,700,000) from the Wealth Disparities Initiatives funds, authorized in the Fiscal Year 2024 Appropriations Act (P.L.2023, c.74) signed in June 2023, with delegation to the Authority's Chief Executive Officer to increase funding through contract amendments up to a total of three million and seven hundred dollars ($3,700,000) in the event the demand exceeds the two million and seven hundred thousand dollars ($2,700,000).

Tim Sullivan, CEO

Prepared by**:**
Brianna Hill, Team Lead – Economic Equity

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – DIGITAL MEDIA TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, and amended and expanded under P.L.2019, c.506, P.L.2020, c.156 and P.L.2021, c.367, P.L.2024, c.33, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Digital Media Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified digital media content expenses, or 35% of qualified digital media content expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: Audible Inc PROD-00316029

APPLICANT BACKGROUND:
Audible, Inc. is a producer and provider of spoken-word entertainment and audiobooks. The Company creates content and listening experiences for customers in over 150 countries. The Company employs a team of production staff in Newark, NJ utilizing technologies to record, produce, and edit Audible entertainment.

In May 2015, Audible, Inc. was approved for Grow New Jersey tax credit award of $3,937,500 per year over 10 years, totaling $39,375,000 for the creation of 350 new full-time jobs and the retention of 50 full-time jobs. In addition, Audible Inc was approved for $7,047,240 in Digital Media Tax Credit for qualified digital media expenses incurred during FY2020; and $9,631,883 for qualified digital media expenses incurred during FY2021. This application is for qualified digital media expenses incurred during FY2022.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet the statutory and regulatory definition of digital media content. Digital media content is any data or information that is produced in digital form, including data or information created in analog form but reformatted in digital form, text, graphics, photographs, animation, sound and video content. Digital media tax credit is calculated as a percentage of qualified digital media content production expense. "Qualified digital media content production expenses" means an expense incurred in New Jersey for the production of digital media content.

All Audible Studios, Audible Originals, and ACX audiobook and other spoken-word productions meet the definition of digital media content. For each digital audio production, data/information is transitioned, transformed and converted from an analog form (scripts, books, music, lyrics, articles, reports, etc.) to a digital form (a sound file) for mass audience release and consumption. In the production of audiobooks (Studios, Originals, ACX), spoken word or pre-published written content is narrated by a selected voice actor and recorded onto a digital format. The Audible Team will take the raw sound data and produce the file to be uploaded for a listener experience on the Audible website along with the digital text, graphics, and images related to the content title. Production activities include, but are not limited to, record, review and select the narration takes, piece audio takes together to create one final high-quality audiobook or other audio content, add music and/or sound effects to narration, and conduct final quality checks.

As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet two expense eligibility thresholds:

1. Total Digital Media Content Production Expenses: At least $2,000,000 of the total digital media content production expenses incurred for services performed, and goods purchased through vendors authorized to do business in New Jersey.
   For the purposes of this eligibility criteria, salaries to full-time employees working on digital media are included in this category for all applications submitted before July 10, 2024, as is applicable here, and they will be excluded for applications submitted on or after July 10, 2024.

Total Digital Media Content Production Expenses to be incurred in NJ during a single privilege period after July 1, 2018.	$33,480,663.00
Criterion Met	**Yes**

2. Percentage of the qualified digital media content production expenses for wages: A minimum of 50% of the qualified digital media content production expenses of the taxpayer are for wages and salaries paid to full-time or full-time equivalent employees in New Jersey; "Qualified digital media content production expenses" are expenses incurred in New Jersey after July 1, 2018 but before July 1, 2039 for services performed and goods purchased through vendors authorized to do business in New Jersey. "Qualified digital media content production expenses" shall include but shall not be limited to: wages and salaries of individuals employed in the production of digital media content on which the tax imposed by the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. has been paid or is due, and any wages and salaries of individuals employed in the production of digital media content that are not subject to tax under the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq,. due to the provisions of a reciprocity agreement with another state; the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing, and the rental of facilities and equipment; and the costs for post-production including, but not limited to: editing, sound design, visual effects, animation, music composition, color grading, and mastering. Payment made to a loan out company or to an independent contractor shall not be a "qualified digital media content production expense" unless the payment is made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required. For applications submitted prior to the effective date of P.L. 2024, c.33, "Qualified digital media content production expenses" shall not include expenses incurred in marketing, promotion, advertising digital media or other costs not directly related to the production of digital media content. For applications submitted after July 10. 2024, “Qualified digital media content production expenses” shall not include expenses incurred in marketing, promotions, or advertising digital media; costs incurred for the design maintenance, and hosting of websites; or other costs not directly related to the production of digital media content. Costs related to the acquisition or licensing of digital media content by the taxpayer for distribution or incorporation into the taxpayer's digital media content or any costs included in an application submitted to the authority, shall not be deemed “qualified digital media content production expenses”.

A. Total Qualified Digital Media Content Production Expenses to be incurred after July 1, 2018	$33,480,663.00
B. Wages To Be Paid to Employees in New Jersey	$30,988,209.00
C. Percentage of the qualified digital media content production expenses to be incurred for wages in New Jersey	92.56%
Criterion Met	**Yes**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
35% of Qualified Digital Media Content Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$0.00 x 35% =	$0.00
30% of Qualified Digital Media Content Production Expenses	$33,480,663 x 30% =	$10,044,198.90
Bonus Criteria Met		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 4% of Qualified Digital Media Content Production Expenses.	$33,480,663 x 4% =	$1,339,226.52
Total Award		**$11,383,425**

APPLICATION RECEIVED DATE: 06/18/2024
DATE APPLICATION DEEMED COMPLETE: 08/01/2024
ESTIMATED DATE OF PROJECT COMMENCEMENT: 01/01/2022
ESTIMATED DATE OF PROJECT COMPLETION: 12/31/2022
APPLICANT'S FISCAL YEAR END: 12/31/2024
TAX CREDIT VINTAGE YEAR(S): 2025
TAX FILING TYPE: Corporate Business Tax
ANTICIPATED CERTIFICATION DATE: 07/31/2024

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

APPROVAL REQUEST:
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division

of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

Prepared by:
Kremena Mironova
Team Lead – Product Operations

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56 (the Act), the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain film and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

As amended by P.L.2021, c.160, the eligible tax credit for qualified film production expenses increased from 30% to 35% for applications received after Jan 7, 2021. Additionally, for applications received after July 2, 2021, the program amendment also eliminates the targeted county bonus and specifies a tax credit of 30% for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New, York.

APPLICANT: Delta Films LLC PROD-00317237

APPLICANT BACKGROUND:
"Song Sung Blue" aka "Denim & Diamonds" by Delta Films LLC is a musical drama that takes its name from Neil Diamond's 1972 song and is based on the 2008 documentary. Starring Hugh Jackman and Kate Hudson, the movie tells the story of Mike and Claire Sardina, a Milwaukee couple who became local icons as the singing duo "Lightning & Thunder".

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the program.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. <u>Total Film Production Expenses</u>: A minimum of 60% of the film's total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2039 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	$43,585,745.00
B. Total Post-Production Expenses	$7,216,543.00
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	$29,542,494.00
Percentage Calculation = C/(A-B)	81%
Criterion Met	**YES**

2. <u>Qualified Film Production Expenses</u>: During a single privilege period, the film must have more than

$1 million in qualified film production expenses. "Qualified film production expenses" are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. "Qualified film production expenses" shall include, but shall not be limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due, and any wages and salaries of individuals employed in the production of a film that are not subject to tax under the "New Jersey Gross income Tax Act.," N.J.S.54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a "qualified film production expenses" unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). "Qualified film production expenses" shall not include: expenses incurred in marketing or advertising a film; and payment in excess of $750,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines, except for other expenses above certain thresholds as set forth in P.L. 2021, c. 367. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Qualified Film Production Expenses incurred in NJ during a **single** privilege period after July 1, 2018.	$29,506,259.00
Criterion Met	**YES**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Estimated Qualified Film Production Expenses incurred within 30-mile radius of Columbus Circle, NYC	$13,010,931 x 30% =	$3,903,279.30
35% of Estimated Qualified Film Production Expenses	($29,506,259-$13,010,931) x 35% =	$5,773,364.80
Bonus Criteria Met		
Submission of satisfactory Diversity Plan 2% of Qualified Film Production Expenses for hiring employees of diverse backgrounds	$29,506,259 x 2% =	$590,125.18
Submission of satisfactory Diversity Plan 2% of Qualified Film Production Expenses for hiring onscreen performers of diverse backgrounds	$0 x 2% =	$0.00
Total Award		**$10,266,769**

APPLICATION RECEIVED DATE:	10/04/2024
DATE APPLICATION DEEMED COMPLETE:	10/22/2024
PRINCIPAL PHOTOGRAPHY COMMENCEMENT:	10/14/2024
PRINCIPAL NJ PHOTOGRAPHY LOCATION:	Old Tappan Borough, NJ
ESTIMATED DATE OF PROJECT COMPLETION:	12/06/2024
APPLICANT'S FISCAL YEAR END:	12/31/2024

TAX CREDIT VINTAGE YEAR(S): 2025
TAX FILING TYPE: Corporate Business Tax
ANTICIPATED CERTIFICATION DATE: 05/06/2025

In general, the final documentation shall be submitted to the Authority no later than four (4) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three (3) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

Prepared by:
Kremena Mironova
Team Lead – Product Operations

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANTS: Delaware River Partners LLC and DRP Urban Renewal 4, LLC PROD-00318000

PROJECT USER: Delaware River Partners LLC and DRP Urban Renewal 4, LLC

PROJECT LOCATION: 200 N Repauno Avenue Greenwich Township Gloucester

APPLICANT BACKGROUND:

Delaware River Partners LLC ("DRP"), the Applicant, was formed in Delaware on March 9, 2015 and registered in New Jersey as a foreign limited liability company on April 11, 2016. DRP owns fee simple title to, and operates, the Repauno Port & Rail Terminal, a deepwater port located on the Delaware River in Gibbstown, Gloucester County, New Jersey. DRP's ultimate parent company FTAI Infrastructure Inc. acquires, develops, owns and operates critical infrastructure in the transportation and energy sectors in key markets throughout North America.

DRP Urban Renewal 4, LLC ("DUR4"), the Co-Applicant and wholly owned subsidiary of DRP, is a new limited liability company formed in Delaware on January 23, 2025. It is an urban renewal entity formed specifically to develop the Series 2025 Facilities as detailed below.

The project qualifies for Authority assistance as an Exempt Facility (docks & wharves) under Section 142(a)(2) of the Internal Revenue Code Bond of 1986. This project is exempt from the volume cap limitations under Section 146(g).

OTHER NJEDA SERVICES: None

APPROVAL REQUEST: This request is for Final Approval.

Authority assistance will enable the Applicants to finance the costs of a project (the "Project") consisting of (i) the expansion, renovation, construction and/or equipping of certain dock and dock-related facilities at the Repauno Port & Rail Terminal (the "Terminal"), a port and rail terminal located on a brownfield site within DRP's approximately 1,630-acre property in Gibbstown, New Jersey, located in the Township of Greenwich, County of Gloucester, New Jersey of which property approximately 18.7 acres (the "Project Site") is to be so improved, including the expansion, renovation, construction and/or equipping of (a) two new loading arms and related facilities at the existing Terminal dock; (b) a functionally related new above-ground cryogenic tank for storing bulk liquid products at very low temperatures, together with associated product chilling facilities; (c) new piping and related facilities connecting the cryogenic tank facilities to the new liquids dock facilities, and connecting the new system with the existing terminal facilities; and (d) facilities ancillary to the foregoing (collectively, the "Series 2025 Facilities"); (ii) paying certain costs incurred in connection with the issuance of the bonds; (iii) funding a deposit to a debt service reserve fund securing the payment of principal and interest on the bonds; and (iv) funding a deposit into an interest reserve fund to pay interest during the construction of the Series 2025 Facilities.

DRP will provide access and use rights to the Project Site (including a lease, for approximately 18.7 acres of the Project Site) to DUR4, a special purpose entity, pursuant to the terms of a ground lease between DRP and DUR4. Pursuant to a Lease Agreement between DUR4 and the Authority, DUR4 will sub-lease and provide its other access and use rights in the Project Site to the Authority, which will then immediately sub-sub-lease and provide the access and use rights in the Project Site back to DUR4. DUR4 will be obligated to construct and operate the Series 2025 Facilities on the Project Site. Section 142(a)(2) of the I.R.C. requires that the Series 2025 Facilities be governmentally owned, which will be satisfied by the Authority being the lessee of the Series 2025 Facilities from DUR4, pursuant the Lease Agreement, along with suitable economic value payable to the Authority on exit. The Lease Agreement is expected to have a term of at least thirty years or for as long as Authority Bonds are outstanding under the Indenture or DUR4 is the occupant of the Series 2025 Facilities, but will in all cases be limited by a maximum outside date. The Authority will have no operational obligations with respect to the Series 2025 Facilities or the Project Site and will retain its standard Reserved Rights in connection with a traditional bond financing, including rights to enforce DUR4's compliance with applicable public purpose covenants.

FINANCING SUMMARY:

BOND PURCHASER:	Morgan Stanley & Co. LLC (Public Offering)
AMOUNT OF BOND:	Not To Exceed $350,000,000 Tax-Exempt
TERMS OF BOND:	Anticipated 10, 20, and 30 year maturities, No Rating
ENHANCEMENT:	None

PRODUCT COSTS:

Engineering, CM, Inspections:	$ 20,788,713.00
LPG Tank:	$117,800,000.00
Chiller System:	$ 22,000,000.00
Construction:	$ 74,568,262.48
Procurement/Other:	$ 24,283,737.52
Permitting:	$ 6,800,000.00
Debt Service Reserve Fund:	$ 11,375,000.00
Capitalized Interest Fund:	$ 42,466,666.66
Cost of Issuance:	$ 7,000,000.00
Contingency:	$ 22,915,000.00
Other:	$ 2,620.34

TOTAL COSTS: $350,000,000.00

In addition to bond financing, the Applicants will receive a $110,280,000 loan for additional project costs from private investment firms not party to this bond issue.

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
27	12	27	300

PUBLIC HEARING: February 24, 2025

BOND COUNSEL: McCarter & English, LLP

DEVELOPMENT OFFICER: Saurin Parikh

UNDERWRITER OFFICER: Angela Kiel

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Maternal and Infant Health Innovation Center (Center)
Approval of the Comprehensive Development Budget (Budget) and Request for Additional Funds
Product Number PROD-00310664

Request

I request the Members approve the Center's Budget and request for additional funds as outlined below:

1. The Center's total development cost of $86.737 million. As detailed below, the Members have already approved $20 million to fund the Center's design and construction.:

2. Allocate an additional $52 million for the Center's design and construction as follows:

   a. $25 million of American Rescue Plan Capital Project Funds (ARP CPF) for the uses included the Center's Budget

   b. $20 million of additional American Rescue Plan State and Local Fiscal Recovery Funds (ARP SLFRF) of which $19.5 million is available for the uses included in the Center's Budget and $.5 million for the Authority's administrative expenses

   c. $7 million of Strategic Innovation Funds (SIC) for the uses included in the Center's Budget

3. Reallocate the balance of the $2.9 million Fiscal Year 2022-23 State appropriation, approximately $1.856 million, for the uses included in the Center's Budget

4. Reallocate any balance of the previously approved $3 million SIC funds to acquire the Center's site to other uses included in Center's Budget

5. Reallocate $35,380,911 of the $70 million FY 2022-23 State appropriation – Real Estate Project Fund (RE Project Fund) as follows:

a. From the previously Board approved Local Property Acquisition Program, $6,980,325

b. From the previously Board approved Stranded Assets Investment Program, $25 million

c. From the previously Board approved Emerging Developers Program, $3,400,586

The reallocated RE Project Fund money will be used as follows: $10,380,911 for the uses included in the Center's Budget, and $25 million held in reserve in the event the United States Treasury does not fund $25 million ARP CPF.

Background

Released by the First Lady in January 2021, the Nurture NJ strategic plan features nine action areas, and dozens of recommendations, including to "establish a Center in the state capital [Trenton] that focuses on innovation and research in maternal and infant health through partnerships with the state's academic, funder, business, and faith communities" and charged the Authority with a central role in implementing this recommendation, with support from the Departments of Health, Human Services, and Office of the Secretary of Higher Education. Trenton has amongst the highest maternal and infant health disparities in the state, making it the natural choice to host the Maternal Infant Health Innovation Authority ("MIHIA"). Only 47 percent of women in Trenton receive prenatal care in their first trimester and the city has the largest Medicaid population in the state. The MIHIA will work to achieve the Nurture NJ goal of making New Jersey the safest and most equitable place in the nation to give birth and raise a baby.

In April 2021, the EDA issued a Request for Information about its plans to establish the Maternal Infant Health Innovation Center ("Center") and received more than 50 responses. Many respondents emphasized that the Center should prioritize offering prenatal and postpartum services and community-based education and health programs. Respondents also recommended that the Center engage in workforce development through trainings and certifications to develop a diverse, high-quality perinatal workforce (e.g., midwives, doulas, community health workers).

In the 2022-23 State budget, the Authority received a $2.9 million appropriation for the Center's planning, development and construction. Of the $2.9 million appropriation, $1.964 million remains available for the Center's design and construction. As outlined below, Staff requests that the Member's reallocate the $1.964 million to the Center's design and construction.

To date, the Members have approved $23 million for the Center's design and construction and $3 million to acquire the site as follows:

- On December 14, 2023, $20 million of ARP SLFRF for the Center's design and construction. These funds remain unspent.

- On May 8, 2024, $3 million of Strategic Innovation Center (SIC) funds to pay the purchase price, existing New Jersey School Development Authority's "equitable lien," and related costs to acquire the Center's site. Staff currently anticipates the closing for the Center's site will occur prior to the end of the first quarter 2025, and that there will be approximately $409,315 remaining from the $3 million purchasing the Center's site.

On November 21, 2023, the United State Department of Treasury approved $25 million of ARP CPF for the Center's design and construction, and on July 3, 2024, the Authority and the New Jersey Department of Community Affairs entered a Memorandum of Understanding for the $25 million ARP CPF. These funds remain unspent. As discussed below, Staff requests the Members allocate the $25 million of ARP CPF to support the Center's design and construction.

In addition, in 2024-25 State budget, the Murphy administration allocated an additional $20 million ARP SLFRF for the Center's design and construction. In September 2024, The Authority and the New Jersey Department of Community Affairs amended the May 30, 2024, Memorandum of Understanding for the initial $20 million of ARP SLFRF to include the additionally allocated $20 million of ARP SLFRF, for a total of $40 million. As discussed below, Staff requests the Members allocate the additional $20 million of ARP SLFRF funds to support the Center's design and construction.

The Comprehensive Development Budget

To advance the Project's development the Real Estate Design and Construction Division has developed the Budget which is attached as Exhibit A. Real Estate staff have been working our previous Board approved consultants, along with our anchor partners to advance the project. Ballinger has concluded space programming and developed a basis of design to a schematic design level. Torcon has been working simultaneously on the pre-construction effort which resulted in a construction cost estimate. Ballinger also developed an independent construction cost estimate. EDA has conducted estimate reconciliation meetings between the two firms and the results of these meetings are included the Budget.

Staff requests the Members approve the total development cost of $86.737 million, which is summarized below:

PROJECT USES		AMOUNT
Acquisition		$2,608,000
Improvements - Construction		$71,725,000
Professional Services		$6,380,000
Finance and Administration		$350,000
Contingency		$5,674,000
	TOTAL USES	**$86,737,000**

Request For Additional Funds

Based on the Budget, Staff requests the Members approve the following additional funds to design and construct the Center:

- Allocating $25 million of American Rescue Plan Capital Project Funds (ARP CPF) for the uses included the Center's Budget

- Allocating the Fiscal Year 2024-2025 $20 million ARP SLFRF for purposes outlined in the Center's Budget of which $19.5 million is available for the Center's design and construction and $.5 million is available for the Authority's administrative expenses

- Allocating $7 million of SIC funds for the purposes outlined in the Center's Budget

- Reallocating the balance of the Fiscal Year 2022-23 State appropriation, approximately $1.856 million, for purposes outlined in the Center's Budget

- Reallocating any balance remaining of the $3 million of SIC funds to acquire the Center's site to other uses within the Center's Budget.

- Reallocating $35,380,911 of the $70 million FY 2022-23 State appropriation – Real Estate Project Fund as follows:

    - From the previously Board approved Local Property Acquisition Program, $6,980,325

    - From the previously Board approved Stranded Assets Investment Program, $25 million

    - From the previously Board approved Emerging Developers Program, $3,400,586

Approximately $10.380 million of the reallocated RE Project Fund will be used for the purposes outlined in the Center's budget, and the balance will be set aside for a $25 million reserve as discussed more fully below.

The Center's total sources will include the following:

PROJECT SOURCES	AMOUNT
Federal ARP - State & Local Fiscal Recovery	$39,500,000
Federal ARP Capital Project Fund	$25,000,000
Strategic Innovation Center	$10,000,000
FY 2021-22 State Appropriation - MIHIC Planning	$1,856,089
FY 2022-23 State Appropriation - Real Estate Project Funding	$10,380,911
TOTAL SOURCES	**$86,737,000**

Reservation of $25 million of FY 2022-23 Real Estate Project Funding

Staff requests that the Members reserve $25 million of Real Estate Project Funding to serve as a back stop in case the US Treasury does not provide the funds. This acknowledges current uncertainty about federal funding. Additionally, the ARP funds have a spending deadline of December 31, 2026, which Real Estate staff and the construction manager currently believe can be met. In addition, the CPF ARP requires the Center become operational on or before December 31, 2026, and the United State Treasury could decide to recapture the $25 million CPF ARP for failing to meet that deadline.

Recommendation

For the reasons outlined in this memo, I request the Members approve:

1. The Center's total development cost of $86.737 million. As detailed below, the Members have already approved $20 million to fund the Center's design and construction.:

2. Allocate an additional $52 million for the Center's design and construction as follows:

   a. $25 million of American Rescue Plan Capital Project Funds (ARP CPF) for the uses included the Center's Budget

   b. $20 million of additional American Rescue Plan State and Local Fiscal Recovery Funds (ARP SLFRF) of which $19.5 million is available for the uses included in the Center's Budget and $.5 million for the Authority's administrative expenses

   c. $7 million of Strategic Innovation Funds (SIC) for the uses included in the Center's Budget

3. Reallocate the balance of the $2.9 million Fiscal Year 2022-23 State appropriation, approximately $1.856 million, for the uses included in the Center's Budget

4. Reallocate any balance of the previously approved $3 million SIC funds to acquire the Center's site to other uses included in Center's Budget

5. Reallocate $35,380,911 of the $70 million FY 2022-23 State appropriation – Real Estate Project Fund (RE Project Fund) as follows:

   a. From the previously Board approved Local Property Acquisition Program, $6,980,325

   b. From the previously Board approved Stranded Assets Investment Program, $25 million

   c. From the previously Board approved Emerging Developers Program, $3,400,586

The reallocated RE Project Fund money will be used as follows: $10,380,911 for the uses included in the Center's Budget, and $25 million held in reserve in the event the United States Treasury does not fund $25 million ARP CPF.

____
Tim Sullivan, CEO

Prepared by**:** Stephen Martorana, Director-Design & Construction

Exhibit A: Comprehensive Development Budget

EXHIBIT A: COMPREHENSIVE DEVELOPMENT BUDGET

Comprehensive Development Budget: Maternal & Infant Health Innovation Center

	Uses of Funds	
1.00	**Acquisition**	**68,000 SF**
1.01	Property Acquisition	$2,575,000
1.02	Appraisal	$16,000
1.03	Title, Closing Costs	$17,000
	Subtotal Acquisition	**$2,608,000**
2.00	**Improvements - Construction**	
2.01	Site & Building Construction + FF&E	$70,000,000
2.02	Site Environmental Remediation "Allowance"	$275,000
2.03	Permits and Fees	$350,000
2.04	DOL Woirkforce Development Fund	$350,000
2.05	Public Art Inclusion Requirement	$750,000
	Subtotal Improvements - Construction	**$71,725,000**
3.00	**Professional Services**	
3.01	Architect/Engineer - Design	$5,980,000
3.02	Construction Manager - Pre-Construction	$90,000
3.03	Survey	$60,000
3.04	Environmental Engineering	$250,000
	Subtotal Professional Services	**$6,380,000**
4.00	**Finance and Administration**	
4.01	Legal - DAG & Outside Counsel	$200,000
4.02	Insurances (Builders Risk)	$150,000
	Subtotal Finance and Administration	**$350,000**
5.00	**Contingency**	
5.01	Project Contingency	$5,674,000
	Subtotal Contingency	**$5,674,000**
6.00	**Total Budget**	
6.01	Total	$86,737,000
	Total	**$86,737,000**
	ROUNDED	**$86,737,000**

	Uses	
Summary of Uses		**68,000 SF**
1.00	Acquisition	$2,608,000
2.00	Improvements - Construction	$71,725,000
3.00	Professional Services	$6,380,000
4.00	Finance and Administration	$350,000
5.00	Contingency	$5,674,000
	Total Uses	**$86,737,000**
	ROUNDED	**$86,737,000**

	Sources	
Summary of Sources		**68,000 SF**
1.00	Federal ARP - State & Local Fiscal Recovery	$39,500,000
2.00	Federal ARP Capital Project Fund	$25,000,000
3.00	Strategic Innovation Center Funding	$10,000,000
4.00	FY 2021-22 State Appropriation - MIHIC Planning	$1,856,089
5.00	FY 2022-23 State Appropriation - Real Estate Project Funding	$10,380,911
	Total Sources	**$86,737,000**
	ROUNDED	**$86,737,000**

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

RE: 1) Acceptance of $65 million from the NJ Department of Treasury (Treasury) for purchase of New Jersey Transit (NJT) properties
2) The allocation of $35 million from the economic growth account for the development of properties purchased from NJT.
3) Creation of a fund, for NJEDA's use, combining the $65 million from the NJ Treasury and the $35 million from the economic growth account to fund the required due diligence and purchase of the properties

Summary

I am request the Members approve:

1) Accepting of up to $65 million from the New Jersey Treasury, appropriated to the NJEDA for the purchase of NJT property
2) 2) Allocating $35 million from the economic growth account for the development of the properties purchased as required by P.L. 1992, c. 16, and
3) Creating a fund, for NJEDA's use, combining the $65 million from the NJ Treasury and the $35 million from the economic growth account to fund due diligence and the purchase of the properties.

Background and Benefits

It is a priority of New Jersey Governor Phillip Murphy and his administration to facilitate the state's economic growth and to ensure the financial stability of NJT. To achieve this goal the New Jersey Legislature amended P.L.1992, c.16 (C.34:1B-7.13) allocating up to $65 million from the state's 2024-2025 budget and the use of up to $35 million from NJEDA's economic growth account to purchase properties from NJT and develop Transit Oriented Developments (TOD) by the NJEDA. By redeveloping these vacant and underutilized properties into mixed-use developments NJEDA will be creating an ongoing revenue source for NJT by increasing ridership on trains and buses. This is in addition to the revenue generated to NJT via the sale of the properties. It will also increase local tax revenue and provide much needed housing opportunities to persons and families of different incomes. NJT will continue to manage all current businesses located on the properties purchased until the redevelopment is implemented.

This includes parking businesses, shops, etc. Additionally, per the legislation, NJT is entitled to 33% of the proceeds made at the time the properties are sold or leased for development.

Objective

The objective of this initiative is to improve NJT's long term financial position by increasing ridership on its trains and buses and to grow local economies by purchasing and redeveloping vacant and underutilized real estate owned by NJT to TODs.

NJEDA's Role

Real Estate Staff will assess the potential development of each of NJT properties, identify and purchase (or long-term lease) the properties that best meet the objective and work to facilitate TODs on the sites purchased. This work includes but is not limited to planning for the property's redevelopment in concert with local municipalities, clearing title, subdividing and resolving boundary issues, addressing environmental concerns, zoning or rezoning the properties for future development.

Process

The site identification and acquisition will follow the following process:

- *Assessment* – NJEDA in partnership with NJT, along with Jones Lang LaSalle Incorporated (JLL), a global real estate services company, will evaluate each of NJT's 400 plus properties to identify the sites that best meet the objective. This is currently underway.
- *Due diligence* – perform due diligence, standard to all large-scale development including environmental, financial and legal.
- *Local input* – meet and work with local municipalities to plan for the redevelopment of selected properties.
- *Development Plan* – the creation of a development plan for properties identified for purchase
- *Negotiate* - the purchase of the properties that will most likely achieve the objective.
- *Seek board approvals* – NJT and NJEDA will each seek board approval for the sale/purchase of the identified properties.
- *1st Approval of Joint Budget Oversite Committee (JBOC)* – per the legislation NJT and NJEDA will seek the approval of the JBOC for NJT's sale of the identified properties and NJEDA's purchase.
- *2nd Approval of the Joint Budget Oversite Committee (JBOC)* – Prior to developing, redeveloping, leasing or selling properties acquired from NJT using funds approved under P.L.2024, c.25 (C.34:1B-7.13a et al.) the NJEDA is required to seek approval from JBOC.
- *Redevelopment* – post the purchase of properties from NJT, NJEDA will begin their redevelopment per the legislation.
- *Sale/Lease* – at the point NJEDA sells or leases the properties purchased from NJEDA they will seek the approval of the Members, Joint Budget Oversite Committee and NJT will receive no less than 33 percent (33%) of the proceeds from such sale above the appraised value of the property at the time of its purchase by NJEDA from NJT.

Recommendation
For the reasons stated in this memo, I recommend the Members approve:

1) Accepting of up to $65 million from the New Jersey Treasury, appropriated to the NJEDA for the purchase of NJT property
2) 2) Allocating $35 million from the economic growth account for the development of the properties purchased as required by P.L. 1992, c. 16, and
3) Creating a fund, for NJEDA's use, combining the $65 million from the NJ Treasury and the $35 million from the economic growth account to fund due diligence and the purchase of the properties.

Tim Sullivan, CEO

Attachment: P.L. 1992, c 16

Prepared by: Brian Keenan, Senior Project Manager

CHAPTER 25

AN ACT concerning the purchase of certain properties owned by the New Jersey Transmit Corporation, amending P.L.1992, c.16, supplementing Title 34 of the Revised Statutes, and making an appropriation.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to read as follows:

C.34:1B-7.13 Use of moneys in fund.

4. The authority may use the moneys in the fund to pay principal of, premium, if any, and interest on bonds or notes, which shall be entitled "Economic Recovery Fund Bonds or Notes," as appropriate, the proceeds, or net proceeds, of which shall be deposited into the fund, or used for purposes of the fund, and moneys in the fund, including money received from the sale of bonds shall, in such manner as is determined by the authority, and pursuant to subsections d., e., and f. of this section, be used for the financing of projects as set forth in section 3 of P.L.1974, c.80 (C.34:1B-3) and to establish:

a. an economic growth account for programs and initiatives, which will support and invest in small and medium-size businesses and other entities engaged in economic, community, and workforce development that have the greatest potential for creating jobs and stimulating economic growth through such elements including, but not limited to:

(1) a Statewide lending pool and guarantee pool for small business, whether directly or through a community development financial institution;

(2) a business composite bond guarantee;

(3) a fund to further supplement the export finance program of the authority to provide direct loans and working capital necessary for New Jersey businesses to compete in the global market, real estate partnerships;

(4) a Statewide composite bond pool to assist municipalities in acquiring needed financing for capital expenditures;

(5) financial assistance to assist municipalities, municipal entities, counties, county entities, regional entities, State instrumentalities, and not-for-profit local economic and community development entities to execute programs and initiatives to stimulate community and economic development;

(6) a venture, seed, or angel capital fund for start-up costs for businesses developing new concepts and inventions;

(7) a fund to assist businesses, either directly or through a not-for-profit or for-profit entity with expansion or transition to a new business model in such areas including, but not limited to, manufacturing retooling to improve quality, to reduce production costs and to train employees to apply the latest technology;

(8) a "Main Street Business Assistance Program" to provide guarantees and loans to small and mid-size businesses and not-for-profit entities to stimulate the economy;

(9) in consultation with the Department of Labor and Workforce Development and the Office of the Secretary of Higher Education, a fund to support and invest in innovative workforce development approaches and programs, including those that could benefit individuals directly, either undertaken directly by the authority or through a governmental, not-for-profit, or for-profit entity, that align with targeted industries as defined by the authority's board or support a high-demand occupation;

(10) a fund to provide grants, financing, or equity to collaborations between large corporations, small-to-medium sized businesses, academic institutions, government entities, or not-for-profit entities, where one of the purposes of the collaboration is to stimulate community or economic development;

(11) a fund to provide grants, financing, or equity in innovation centers, research centers, incubators, and accelerators, and other similar innovation-oriented entities, which are focused on the targeted industries as defined by the authority's board or support increasing diversity and inclusion within the State's entrepreneurial economy; the fund may also be used to pay for membership fees, or other similar arrangements, for the authority to join or participate in such innovation-oriented entities;

(12) a fund to provide grants or competition prizes to fund initiative-based activities which stimulate growth in targeted industries as defined by the authority's board or supports increasing diversity and inclusion within the State's entrepreneurial economy; this fund may also support not-for-profit industry, trade, and labor organization initiatives;

(13) a fund to provide grants or competition prizes, either directly or through a not-for-profit entity, that is consistent with economic development priorities as defined by the authority's board, where funds have been specifically allocated to the economic recovery fund for this purpose, including but not limited to an appropriation or transfer from another government entity;

(14) a fund for real estate partnerships to construct, reconstruct, rehabilitate, improve, alter, equip, maintain, repair, or provide for the construction, reconstruction, improvement, alteration, equipping, maintenance, or repair of any property, and to award and enter into construction contracts, purchase orders, and other contracts with respect thereto, upon such terms and conditions as the authority shall determine to be reasonable. The authority shall use no less than $35,000,000

from the economic growth account to effectuate the provisions of section 2 of P.L.2024, c.25 (C.34:1B-7.13a); and

(15) a fund for the planning, designing, acquiring, constructing, reconstructing, improving, equipping, and furnishing by small and medium-size businesses and not-for-profit corporations of a project as defined by section 3 of P.L.1974, c.80 (C.34:1B-3), including, but not limited to, grants for working capital and meeting payroll requirements, upon such terms and conditions as the authority shall deem reasonable.

The authority may promulgate rules and regulations for the effective implementation of the "Main Street Business Assistance Program." Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the authority may adopt, immediately upon filing with the Office of Administrative Law, such regulations as are necessary to implement the provisions of this act, which shall be effective for a period not to exceed 12 months following enactment, and may thereafter be amended, adopted, or readopted by the authority in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

b. an economic development infrastructure program account, which shall provide for the financing and development of infrastructure and transportation projects, including but not limited to ports, terminal and transit facilities, roads and airports, parking facilities used in connection with transit facilities, and related facilities, including public-private partnerships, that are integral to economic growth;

c. an account for a cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation project and tourism facilities and improvements program, which shall provide for the financing and development of cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation and tourism projects, including partnerships with public, private and nonprofit entities;

d. an account, into which shall be deposited an amount not less than $45,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of capital facilities for primary and secondary schools in the State for the purpose of the renovation, repair or alteration of existing school buildings, the construction of new school buildings or the conversion of existing school buildings to other instructional purposes.

(1) Of the amount deposited in the account, not less than $25,000,000 shall be deposited in the "Public School Facilities Code Compliance Loan Fund" established pursuant to section 4 of P.L.1993, c.102 (C.34:1B-7.23).

(2) Of the amount deposited in the account, not less than $20,000,000 shall be deposited in the "Public School Facilities Loan Assistance Fund" established pursuant to section 5 of P.L.1993, c.102 (C.34:1B-7.24);

e. an environmental cleanup assistance account, into which shall be deposited an amount not less than $10,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, to provide financial assistance to the persons and other entities entitled to apply for financial assistance pursuant to P.L.1993, c.139; and

f. an account, into which shall be deposited an amount not less than $15,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of shore restoration, maintenance, monitoring, protection and preservation projects pursuant to the shore protection master plan prepared by the Department of Environmental Protection pursuant to P.L.1978, c.157.

C.34:1B-7.13a Purchasing properties, certain, maximize development potential.

2. a. The money made available to the authority by section 4 of P.L.1992, c.16 (C.34:1B-7.13) as amended by section 1 of P.L.2024, c.25 and appropriated pursuant to section 3 of P.L.2024, c.25 shall be used by the New Jersey Economic Development Authority for the purpose of purchasing certain properties from the New Jersey Transit Corporation identified by the New Jersey Economic Development Authority to maximize the development potential of such properties, including, but not limited to, performing site preparation for, developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment to a public or private entity such property, and which development may include a project consisting solely of residential units.

b. (1) In accordance with the process set forth in this subsection, the New Jersey Economic Development Authority shall purchase the properties identified pursuant to subsection a. of this section from the New Jersey Transit Corporation for a purchase price based on appraisals obtained by the New Jersey Economic Development Authority of the highest and best use value of the properties.

(2) Prior to the purchase of New Jersey Transit Corporation properties by the New Jersey Economic Development Authority using the funds made available for such purpose pursuant to the provisions of P.L.2024, c.25 (C.34:1B-7.13a et al.), the authority shall notify the Joint Budget Oversight Committee that the authority has identified properties owned by the New Jersey Transit Corporation for purchase. Following notification made by the authority, the Joint Budget Oversight Committee shall hold a meeting within 10 State working days from the date of notification for the purpose of receiving a joint presentation from the New Jersey Transit Corporation and the New Jersey Economic Development Authority at which

the corporation and the authority shall describe the terms and conditions for the conveyance of the identified properties. In the event that the Joint Budget Oversight Committee fails to meet within the time prescribed by this paragraph, the conveyance shall proceed in accordance with the terms and conditions agreed to by the corporation and the authority.

(3) The process set forth in this subsection shall apply only to the conveyance of properties from the New Jersey Transit Corporation to the New Jersey Economic Development Authority using the funds appropriated for such purpose pursuant to section 3 of P.L.2024, c.25 and the funds required from the economic growth account for such purpose pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L.2024, c.25 (C.34:1B-7.13).

c. The New Jersey Transit Corporation shall maintain a participation interest in the properties sold to the authority, which participation interest shall be determined through an agreement entered into between the New Jersey Transit Corporation and the New Jersey Economic Development Authority. An agreement entered into pursuant to this subsection shall be subject to the following conditions: (1) if a property is sold by the New Jersey Economic Development Authority to a public or private entity, the New Jersey Transit Corporation shall receive no less than 33 percent of the proceeds from such sale above the appraised value of the property at the time of its purchase from the New Jersey Transit Corporation by the New Jersey Economic Development Authority; and (2) if a property is leased by the New Jersey Economic Development Authority to a public or private entity, the New Jersey Transit Corporation shall receive no less than 33 percent of the proceeds from such lease.

d. Prior to the New Jersey Economic Development Authority developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment the properties acquired from the New Jersey Transit Corporation pursuant to P.L.2024, c.25 (C.34:1B-7.13a et al.), the authority shall notify the Joint Budget Oversight Committee that the authority intends to develop, redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease, sublease, or contribute as an investment such properties. Following notification made by the New Jersey Economic Development Authority, the Joint Budget Oversight Committee shall hold a meeting within 10 State working days from the date of notification for the purpose of receiving a presentation from the New Jersey Economic Development Authority at which the authority shall describe the intended actions to be taken with respect to the properties. In the event that the Joint Budget Oversight Committee fails to meet within the time prescribed by this subsection, the authority may proceed with its plans to develop, redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease, sublease, or contribute as an investment such properties. The process set forth in this subsection shall apply only to the properties acquired by the New Jersey

Economic Development Authority from the New Jersey Transit Corporation using the funds appropriated for such purpose pursuant to section 3 of P.L.2024, c.25 and the funds required from the economic growth account for such purpose pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L.2024, c.25.

3. There is appropriated from the General Fund to the New Jersey Economic Development Authority an amount not to exceed $65,000,000 to effectuate the provisions of section 2 of P.L.2024, c.25 (C.34:1B-7.13a), subject to the approval of the Director of the Division of Budget and Accounting.

4. This act shall take effect immediately.

Approved June 28, 2024.

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 12, 2025

SUBJECT: Request for Approval of Memorandum of Understanding between NJEDA, NJDEP, and NJT for the New Jersey Greenway Project (#PROD-00316989)

Request

The Members are requested to approve entering into a Memorandum of Understanding ("MOU") with the New Jersey Department of Environmental Protection ("NJDEP") and New Jersey Transit Corporation ("NJT") whereby the Authority will collaborate with the parties to plan, design, and construct the New Jersey Greenway Project ("NJGW") of Essex and Hudson Counties. This is inclusive of the delivery of the Newark section ("Phase 1") of the project by the Authority, which is being fully funded by the NJDEP through federal and state monies.

Background

With approximately 1.5 million people in the surrounding area of Essex and Hudson counties, the NJGW seeks to provide outdoor recreation and alternative transportation opportunities to over 16% of New Jersey's population. In this heavily developed region of the State, the NJGW is a unique and transformative opportunity to create a linear recreational and transit park enabling seamless walking, biking, and transit options between Montclair and Jersey City, while serving as a catalyst for environmental improvements and economic development in the adjacent communities. It stands to become a destination unto itself as a place for exercise, recreation, and access to the great outdoors.

On August 19, 2022, NJDEP acquired an approximately 9-mile-long, 100-foot-wide former rail corridor spanning Essex and Hudson Counties through eight municipalities and consisting of approximately 138 acres. The development strategy of the Greenway is to create a state-of-the-art linear park that is inclusive and accessible for the adjacent communities it traverses, i.e., Newark (Phase 1), Kearny (Phase 2), and Montclair, Glen Ridge, Bloomfield, Belleville, Secaucus and Jersey City, New Jersey (Phase 3). These phases will also include the development of a mass transit corridor within the Greenway known as the Transitway, which will be planned, designed, and constructed in collaboration with NJT to support multimodal transportation.

Phase 1 and Phase 2 are separated by the Passaic River. The Newark section (Phase 1) extends 0.82 miles from Branch Brook Park Drive eastwards to Broadway. The Kearny section (Phase 2) begins at the eastern edge of the Passaic River and culminates at the western edge of the Meadowlands, totaling approximately 1.11 miles. These areas were selected upon in-depth analyses as critical zones of community impact, construction feasibility, and historical and cultural significance. Phase 3 has yet to be designed, and will likely include similar features, as well as significant improvements to road and bridge infrastructure to create a contiguous Greenway and Transitway.

All sections are divided into a series of experiences and connections. Experiences are categorized as hubs or overlooks and provide opportunities for rest, gathering, and play. Connections are primarily corridors of active recreation, serving as thoroughfare between hubs and overlooks. Hubs and overlooks require a higher level of investment than connections due to the complex level of programming involved. Together, experiences and connections curate a diverse set of recreational and gathering opportunities for the surrounding communities. Phase 1 development is currently estimated at $51.13 million (inclusive of NJEDA administrative fees) and all federal monies must be expended by December 31, 2026. Construction is anticipated to begin in Quarter 3 2025, Phase 2 and Phase 3 pre-construction and construction timeframes and funding sources are still yet to be determined.

The NJGW is being administered and coordinated by the three (3) entities that will enter partnership upon approval of the MOU; NJDEP, NJT, and NJEDA. These parties executed an Initial Tri-Party Memorandum of Understanding ("Initial Tri-Party MOU") on February 12, 2024, which most notably designated NJT as the construction delivery method for Phase 1. Due to circumstances surrounding the funds sourced for Phase 1 and NJEDA's availability to deliver this project in a timely manner, it was determined by all parties that the MOU, requested for approval, would supersede the Tri-Party MOU, redefining roles, and responsibilities of the partners for Phase 1 and the entirety of the NJGW development. An overview of the roles for each party is described herein:

- **NJDEP** – Serve as the primary responsible party for obtaining free and clear unencumbered ownership of the Property, including any easements and/or other property rights required for the Greenway aspects of the Project, as well as the design, planning, and engineering of the Greenway aspects of the Project to serve recreational purposes. NJDEP will also be responsible for funding the development of the Greenway and for satisfying all State and federal regulatory requirements related to the development of the Greenway, including but not limited to permitting, environmental remediation, relocation assistance, and natural resources mitigation.

- **NJT** – Serve as the primary responsible party for the design, planning, engineering, development, and operation of the Transitway aspects of the Project to serve transportation purposes. NJT shall also be responsible for shared infrastructure-related designs such as bridge, wall, and right-of-way improvements.

- **NJEDA** – Serve as the primary responsible party for identifying and leveraging potential opportunities for equitable economic development on and adjacent to the Greenway and Transitway and advising the Parties as to methods to best realize the Project's economic and development potential.

  NJEDA shall also serve as the delivery partner for development of the Greenway and possibly the Transitway components of the Project, including procuring a Construction Manager to execute phases of the Project (including preconstruction and construction). The

Construction Manager will utilize subcontractors to complete activities in accordance with plans and designs prepared by NJDEP and its consultants beginning with Phase 1 of the Greenway component of the Project.

As of February 12, 2025, NJDEP has sourced the funds described in Table 1 below for NJGW, specifically to address the development of Phase 1. Note the available funds reported from NJDEP reflect the balance at the time of this request and are subject to change.

Table 1 - NJGW Funding Summary Table

Funding Source	Authorized Amount	Remaining/Available Funds
ARPA[1]	$65 million	$38.5 Million
DDPF[2]	$34.2 million	$34.2 Million
NJTPA[3]	$27.3 million	TBD
Total Available to NJEDA (Minimum)		$72.7 Million

[1]NJDEP was allocated $65 million in American Rescue Plan Act ("ARPA") funding for use on the Greenway. $20 million was previously used to acquire the Greenway property, with the balance available for remediation, design and development of the property for public use. ARPA funding must be fully expended by December 31, 2026. As of this request, there is approximately $38.5 million remaining.

2NJDEP was appropriated $34.2 million from the New Jersey Debt Defeasance and Prevention Fund ("DDPF") pursuant to P.L. 2024, c.18 in State Fiscal Year 2025 for Greenway planning, revitalization, and remediation specific to a two-mile non-contiguous segment of the Greenway, between Newark and Kearny. The Parties agree to make all reasonable efforts to expend these funds by August of 2026. As of this request, the full appropriated amount remains available to use.

[3]North Jersey Transportation Planning Authority ("NJTPA") allocated $27.307 million in Federal Carbon Reduction Program funds authorized in Federal Fiscal Year 2022 and 2023 pursuant to the federal Infrastructure Investment and Jobs Act to NJDEP for use on the Greenway, to be administered through NJT's Transit Enhancements/Transportation Alternatives Program/Alternative Transit Improvements program. As of this request, the funds remain available and NJDEP remains in contact with NJTPA regarding funding deadlines. The Parties acknowledge that the NJTPA funds cannot be paid to NJEDA directly, but such funds may be allocated to NJEDA by means of a future funding agreement between NJEDA and NJT.

Given the Authority's history of engaging in development activities throughout the State and in consideration of the alignment of goals between all parties, the Authority desires to enter into a MOU with NJDEP and NJT to collaborate on the planning, design, and construction of the NJGW, and to serve as the delivery partner for Phase 1 of the project. The MOU attached as Exhibit A to this memo is in a substantially final format. The final document may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the Agreement will be subject to the approval of the Chief Executive Officer and the other parties to the Agreement.

The Authority intends to contract with a construction management firm, to carry out the development of Phase 1. The Authority is actively seeking vendors either procured directly by the Authority or procured by another State entity in a manner that is consistent with the Authority's procurement policy. It is anticipated a subsequent request will be submitted to the members for approval upon the conclusion of the solicitation process and a recommendation to award has been developed. It is also envisioned that the Project Budget will be presented in the same request. This request is anticipated to be submitted to the Board in Q2 2025.

The primary funding source identified for Phase 1 is from ARPA, which is administered by DCA. The secondary funding source identified for Phase 1 is DDPF. The tertiary funding source of

NJTPA funds would require a separate funding agreement if to be utilized by the Authority to execute Phase 1, but it is currently not anticipated these funds will be needed for Phase 1 development. They are likely to be utilized by NJDEP for other portions of the Greenway development. In the event NJTPA funds are required for Phase 1 development, a funding agreement between all necessary parties will be presented to the members as a separate request at an unspecified date.

Recommendation

Members are requested to approve entering into a MOU with NJDEP and NJT whereby the Authority will collaborate with the parties to plan, design, and construct all or portions of the NJGW in Essex and Hudson Counties for the betterment of the health and welfare of citizens of the State of New Jersey.

____

Tim Sullivan, CEO

Prepared by: John Benigno, PE

Attachment

Exhibit A – Final Form MOU between NJDEP, NJT, and NJEDA

EXHIBIT A

MEMORANDUM OF UNDERSTANDING
BETWEEN NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, NEW JERSEY TRANSIT CORPORATION, AND NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Memorandum of Understanding ("MOU") made on the ____ day of ________________, 2025, and effective as of the date of the last signature of the parties hereto (the "Effective Date"), will confirm the mutual understanding and intention between New Jersey Department of Environmental Protection ("NJDEP"), New Jersey Transit Corporation ("NJT") and the New Jersey Economic Development Authority ("NJEDA") regarding the planning, design, and development of the Greenway/Transitway project ("Project") described herein.

NJDEP, NJT, and NJEDA are each a "Party" and are collectively referred to herein as the "Parties."

WHEREAS, on August 19, 2022, NJDEP acquired an approximately 9-mile, 100-foot- wide former rail corridor spanning Essex and Hudson Counties through eight municipalities (Montclair, Glen Ridge, Bloomfield, Belleville, Newark, Kearny, Secaucus, Jersey City), which consists of approximately 138.81 acres located between Milepost WD 2.9 (near Station 255+61) in Jersey City, Hudson County to Milepost WD 11.5 (near Station 600+48) in Montclair Township, Essex County ("Property") with a combination of funding from the Garden State Preservation Trust Green Acres Fund ("Green Acres") and the Federal American Rescue Plan Act - Coronavirus State Fiscal Recovery Fund; and

WHEREAS, while NJDEP's acquisition with the use of Green Acres funding requires the Property to be utilized for recreation and conservation purposes, NJDEP recognized the need for appropriate flexibility to allow the Property to be developed for outdoor recreation as a multi-modal walking and biking path ("Greenway") with complementary public transportation projects for passenger services uses ("Transitway") with both aspects contiguous along its full length, as well as utility facilities (e.g. internet, electrical, etc.) and other economically beneficial uses consistent with the Property's principal recreational purpose; and

WHEREAS, in connection with the acquisition, NJDEP and NJT executed a Memorandum of Agreement ("Acquisition MOA") on August 19, 2022, for the reservation of rights necessary to facilitate NJT's design, construction, and operation of the Transitway in harmony with the Greenway in such a way as to minimize: (i) interference with the Greenway, (ii) impacts on the environment of the Greenway, and (iii) impacts to access, use, aesthetics, and amenities associated with the Greenway and the surrounding communities, in order to allow interconnectivity within the metropolitan region; and

WHEREAS, more specifically, in the Acquisition MOA, NJDEP agreed to provide reservations in favor of NJT for the design of active transportation on the Property in harmony with its principal recreational purpose while enhancing regional transit connectivity, the operation of which would be overseen directly by NJT; and

WHEREAS, on August 19, 2022, NJDEP also executed a Memorandum of Agreement with NJEDA ("NJEDA MOA") for the development of the Greenway, which reserved certain rights to pursue complementary economic development initiatives on the Property; and

WHEREAS, the Project represents a unique and transformative opportunity to create a linear recreational and multi-modal transit corridor enabling seamless walking, biking, and transit opportunities between Montclair and Jersey City, while serving as a catalyst for economic development and environmental improvements in the adjacent communities and facilitating public transportation linkages to meet the mobility needs of the larger region; and

WHEREAS, on April 4, 2023, NJDEP retained three consultant firms to assist with planning and design activities for the environmental remediation and recreational designs, including assessment services, development of planning and design documents, community and stakeholder engagement, and to participate in the creation of a comprehensive "Design Plan" for the Greenway; and

WHEREAS, the selected firms are being assigned specific design and planning tasks by NJDEP through a series of mini-bids and associated work orders; and

WHEREAS, NJDEP has committed to completion of initial development of the Greenway aspects of the Project along an approximately 0.9-mile defined segment of the Property within the City of Newark ("Phase 1") with groundbreaking as soon as possible in order to utilize time-restricted federal funding for construction; and

WHEREAS, on February 12, 2024[1], the Parties executed a Memorandum of Understanding ("Initial Tri-Party MOU") for the purpose of allocating certain responsibilities and scopes of work related to the development and delivery of the Project; and

WHEREAS, the Initial Tri-Party MOU set forth NJDEP's responsibility to develop the "Greenway" portion of the Project, NJT's responsibility to develop the "Transitway" portion of the Project, and NJEDA's responsibility to identify and develop opportunities of potential economic growth related to the Project; and

WHEREAS, in the Initial Tri-Party MOU, NJT agreed to assist NJDEP in delivering on this commitment by serving as its delivery partner for Phase 1 while the Parties created appropriate development standards and engaged in a long-term master planning process for the Project; and

WHEREAS, NJDEP has experience in the planning, engineering, development, and programming of recreational and open space assets across the State of New Jersey; and

WHEREAS, NJT has experience in the planning, engineering, and development of large linear infrastructure projects and operation of associated infrastructure; and

WHEREAS, NJEDA is an independent State authority established pursuant to N.J.S.A. 34:1B-1, et seq., in but not of the Department of Treasury, which serves as the State's principal agency for driving economic growth and has developed expertise in the timely delivery of both vertical and linear construction projects; and

[1]The executed Initial Tri-Party MOU is dated February 12, 2023. However, this is a clerical error; the Initial Tri-Party MOU was executed on February 12, 2024.

WHEREAS, NJDEP and NJT consequently desire to assign certain construction and Project delivery responsibilities under the Initial Tri-Party MOU for the Greenway and Transitway components of the Project to NJEDA and NJEDA is prepared to accept said responsibilities; and

WHEREAS, NJDEP and NJT are prepared to provide construction and delivery support for Project elements where specific expertise is required, such as bridges and related infrastructure, as requested by NJEDA; and

WHEREAS, N.J.S.A. 52:14-2 authorizes government entities to call upon any department, office, division or agency of the State to assist with its mission; and

WHEREAS, the Parties are ready to implement Phase 1 of the Project, with the expectation that additional phases will be implemented in the future via written addenda to this MOU signed by all Parties; and

WHEREAS, the Parties recognize that the Project can only reach its full potential through their evolving and coordinated partnership, leveraging their individual areas of expertise to inform the development, long-term maintenance, and post-acquisition utility of the Greenway and Transitway; and

WHEREAS, the Parties have determined that they can assist each other with the implementation of the Project by providing the support outlined below, and that it is mutually beneficial to enter into a new MOU; and

WHEREAS, in order to effectively pursue comprehensive recreational, transit, and economic development objectives for the Project, the Parties agree to enter into this MOU as an inter-departmental governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation: The recitals set forth above are hereby incorporated into and made part of this MOU.

2. Purpose of MOU: The Parties agree to work collaboratively on the Project to facilitate the development, long-term maintenance, and post-acquisition utility of the Greenway and Transitway in the manner set forth herein.

3. General Responsibilities: As more specifically described herein for each relevant phase of the Project, the roles and responsibilities of the Parties shall be as follows:

   a. NJDEP shall be primarily responsible for obtaining free and clear unencumbered ownership of the Property, including any easements and/or other property rights required for the Greenway aspects of the Project, as well as the design, planning, and engineering of the Greenway aspects of the Project to serve recreational purposes. NJDEP will also be responsible for funding the development of the Greenway and for satisfying all State and federal regulatory requirements related to the development of the Greenway, including but not limited to permitting, environmental remediation, relocation assistance, and natural resources mitigation.

b. NJT shall be primarily responsible for the design, planning, engineering, development, and operation of the Transitway aspects of the Project to serve transportation purposes. NJT shall also be responsible for shared infrastructure-related designs such as bridge, wall, and right-of-way improvements.

c. NJEDA shall be primarily responsible for identifying and leveraging potential opportunities for equitable economic development on and adjacent to the Greenway and Transitway and advising the Parties as to methods to best realize the Project's economic and development potential, which may include the following:
   i. Facilitating appropriate economic development on and adjacent to the Property by way of leasing/licensing the future right-of-way for uses including, but not limited to, the installation of underground and above-ground utilities infrastructure and the construction of transmission and battery storage infrastructure that do not otherwise interfere with the recreational use of the Greenway or the transportation use of the Transitway.
   ii. Developing the Greenway to allow for zero emission mass transit in coordination with NJT and active transportation (e.g., bicycles, e-bikes) along the trail.
   iii. Preserving the ability to implement future aerial uses which are compatible with the use of the Greenway and Transitway, including but not limited to possible future transit and logistics uses.
   iv. Providing public access to the Greenway from adjacent properties to enhance public access and maximize equitable economic development opportunities without unreasonable interference to the operational use of Transitway. NJDEP will collaborate with NJEDA to establish, where appropriate, value-capture mechanisms that are reflective of the amenity value created by connecting the Greenway to adjacent parcels. These mechanisms may include (but are not limited to) tax increment or special tax financing zones, access fees charged to private property owners and developers for direct non-public access to the Property, and use/access fees charged to private and/or public entities that may have ownership or leasehold interest in adjacent parcels in the future.
   v. Locating commercial concessions that would provide various amenities directly related to the general public's use of the Greenway.

NJEDA shall also serve as the "Delivery Partner" (defined in Section 5.a below) for development of both the Greenway and Transitway components of the Project, including procuring a construction manager to execute phases of the Project (including preconstruction and construction) ("Construction Manager"). The Construction Manager will utilize subcontractors to complete activities in accordance with plans and specifications prepared by NJDEP and its consultants beginning with Phase 1 of the Greenway component of the Project. Except for work performed in Phase 1, NJDEP or NJT may utilize alternative means to procure their own construction manager and/or necessary contractors for the Greenway and Transitway components of the Project upon written notice to the other Parties where such work is in conformance with approved Greenway Development Standards and Transitway Development Standards (defined in Section 4.a below), the Design Plan, and Master Plan and does not interfere with NJEDA's delivery of Phase 1 of the Project.

4. Planning and Design Responsibilities: The Parties agree to conduct all planning, design, and engineering activities for the Project collaboratively and in accordance with their mutual intent to ensure harmony and consistency between the Greenway and Transitway aspects of the Project. In so doing:

a. The Parties shall work collectively to create Greenway development standards (i.e., construction specifications outlined by NJDEP consultants)("Greenway Development Standards") and Transitway development standards (i.e., construction specifications outlined by NJT consultants)("Transitway Development Standards") which shall depict and designate the portions of the Project to be utilized for the Greenway and Transitway aspects of the Project, respectively. The Parties expect the width of the Project devoted to the Transitway will be:

   i. a minimum of 15' in width to provide safe travel way and separation distance for a single lane of usage;

   ii. generally 25' in areas where that width comprises 50% or less of the available right of way width;

   iii. additional width beyond the 25' where passing sidings or station locations are mutually agreed upon by the Parties; and

   iv. where the above right-of-way width is available but not practical for mixed use, NJT will include in their design infrastructure improvements to facilitate safe usage for both the Greenway aspects and Transitway aspects of the Project.

NJT will be the lead agency for the preparation of the Transitway Development Standards subject to NJDEP and NJEDA review and concurrence.

Once approved, all design and construction activities shall be conducted in accordance with the approved Greenway Development Standards and Transitway Development Standards, and any changes that materially impact the project delivery or maintenance and operations responsibilities of any Party must be approved in writing by the CEO of NJT, the CEO of NJEDA, and the Commissioner of NJDEP, or their respective designees.

b. NJDEP shall act as the lead agency for the preparation of the Greenway Development Standards subject to NJT and NJEDA review and concurrence. NJDEP shall lead the planning, design, and engineering of all Greenway aspects of the Project in a manner that considers and accounts for future complimentary Transitway use. NJDEP, through its consultants or otherwise, shall coordinate the preparation of all necessary design plans with NJT and NJEDA and provide each Party with an opportunity for comment to ensure consistency and suitability of all plans for implementation under this MOU, beginning with the design plans for Phase 1.

c. NJEDA shall coordinate and cooperate with NJT and NJDEP to inform NJT's and NJDEP's planning and design of the Project, including all requested aspects of engagement with its consultants, to ensure the Project supports and, as appropriate, incorporates NJEDA's economic development strategies and initiatives. NJEDA shall advise and provide support in identifying additional parcels for inclusion in the Project and acquisition by NJDEP.

d. All Parties shall be responsible for planning for seamless, end to end access along the Greenway for active and passive recreation and free flow of Transitway operations with a focus on user safety once the Greenway and Transitway are fully open to the public. Areas where the Greenway and Transitway may cross over each other, or in other ways interact, shall be identified by NJDEP, NJT, and their respective consultants with mitigation strategies as defined in the Greenway Development Standards, Transitway Development Standards, the Design Plan, and/or Master Plan.

e. The Parties agree to ensure coordination and cooperation amongst their respective consultants in the advancement of the Project.

5. Construction Responsibilities:

a. NJEDA shall serve as the "Delivery Partner" for development of the Greenway and will support Transitway components of the Project, subject to future amendments to this MOU or as otherwise agreed to by the Parties, including utilization of its contractors to complete activities in accordance with plans and designs prepared by NJDEP and/or NJT, or their consultants. Delivery Partner responsibilities include receipt of design and construction documents for the Greenway portion of the Project from NJDEP for integration into biddable construction documents. NJEDA and NJT will review all submitted documents and offer comments and suggested changes for constructability and overall efficiency of the proposed work within the timeframe established by NJEDA, NJDEP and their consultants. No changes to submitted materials for the Greenway portion of the Project will be made without the express consent of NJDEP, as appropriate. NJDEP's Phase 1 designs shall reserve such widths for the future Transitway aspects of the Project as outlined in Section 4.a. above and shall not otherwise preclude the development of the Transitway component of the Project.

b. Upon design completion of each of NJDEP's Greenway phases, NJEDA shall, through its contractors, implement the development and construction of the plan, including all necessary goods and services related to work on the Project. NJDEP shall provide, through its engineer of record, resident engineer services to support NJEDA's Delivery Partner obligations under this MOU. This support shall include "Construction Administration", such as reviewing submittals, answering subcontractor Requests for Information, performing inspections of work, and attending meetings with NJEDA's Construction Manager. NJEDA shall maintain oversight of the engineer of record during construction and will directly engage with them on Project delivery matters. Prior to the execution of any change to the Parties' construction contracts described in Section 3.c. above, NJEDA shall have the right to review, revise and comment on such changes, including those performed under the existing engineering consulting services contract held by NJDEP for the design architect.

c. NJEDA and NJDEP agree to conduct any construction activities on the Property in a manner consistent with the Greenway Development Standards, Transitway Development

Standards, the Design Plan, the future Master Plan, and/or reservations of rights outlined in the Acquisition MOA. The Parties agree that NJDEP will proceed with Phase 1 development of the Greenway aspects of the Project with NJEDA acting as its Delivery Partner.

d. Unless and until the Design Plan has been agreed to by all Parties and NJDEP secures all property interests necessary for NJEDA's development of a specific component of the Project (including removal of all encroachments where construction is set to occur), and notifies NJEDA, NJEDA shall not issue a notice to proceed to its Construction Manager for that component of the Project. Any property interests needed for the Transitway component of the Project shall follow the conditions outlined in the Acquisition MOA.

e. Changes to subcontracts held by NJEDA's Construction Manager that result in a material quantity increase or decrease within 15% of the subcontract amount or estimate will be settled by NJEDA and shall not require approval from NJDEP prior to acceptance. These changes will be communicated to NJDEP for informational purposes after acceptance. Any changes exceeding this 15% threshold shall require review and approval from NJDEP. The timing for approvals of such changes will be established when the change is requested.

f. Changes to the Project Design Plans proposed by NJEDA's Construction Manager or its subcontractors that offer cost-saving value engineering options, without altering the design intent or aesthetics, will be settled by NJEDA and shall not require approval from NJDEP prior to acceptance. Revisions requested for constructability concerns or resulting from design architect errors that significantly change the design intent or aesthetics shall require approval from NJDEP prior to acceptance. If such revisions are within the Transitway corridor, approval from NJT is also required prior to acceptance. The timing for approval of these revisions will be established when the change is requested. All design revisions initiated by the Construction Manager or their subcontractor during procurement or construction must follow a formal approval process established by NJEDA.

6. <u>Stakeholder Engagement and Community Outreach</u>:

The Parties agree to coordinate all stakeholder and community outreach to ensure consistency in communication of the goals and objectives of the Project, as necessary for the creation of the Greenway Development Standards, Transitway Development Standards, Design Plan and/or Master Plan.

7. <u>Project Funding</u>:

a. The Parties recognize that Project funding will be provided via numerous sources and those sources shall be utilized to maximize available funding. Below are the sources of funds currently held for the Phase 1 of the Project ("Funds"). If the Funds are insufficient for future Phases, NJDEP will secure additional funding required to complete the Project:

1) NJDEP was allocated $65 million in American Rescue Plan Act ("ARPA") funding for use on the Greenway. $20 million was previously used to acquire the Greenway property, with the balance available for remediation, design and development of the

property for public use. ARPA funding must be fully expended by December 31, 2026. As of January 8, 2025, there is approximately $38.5 million remaining.

2) NJDEP was appropriated $34.2 million from the New Jersey Debt Defeasance and Prevention Fund ("DDPF") pursuant to P.L. 2024, c.18 in State Fiscal Year 2025 for Greenway planning, revitalization, and remediation specific to a two-mile non-contiguous segment of the Greenway, between Newark and Kearny. The Parties agree to make all reasonable efforts to expend these funds by August of 2026. As of January 8, 2025, the full appropriated amount remains available to use.

3) North Jersey Transportation Planning Authority ("NJTPA") allocated $27.307 million in Federal Carbon Reduction Program funds authorized in Federal Fiscal Year 2022 and 2023 pursuant to the federal Infrastructure Investment and Jobs Act to NJDEP for use on the Greenway, to be administered through NJT's Transit Enhancements/Transportation Alternatives Program/Alternative Transit Improvements program. As of November 6, 2024, the funds remain available and NJDEP remains in contact with NJTPA regarding funding deadlines.

b. The Parties have agreed to the estimated budget for Phase 1 (Attachment A hereto), which will be finalized and approved by the Parties after the Construction Manager is procured. The Parties shall work together to develop and manage an overall budget for Phase 1 of the Project consistent with the available funds set forth above.

c. Funding Process. NJDEP shall fund the Project as set forth below. References to "receipt of evidence" in this section shall mean receipt of documentation of expenses incurred or about to be incurred, including, but not limited to, invoices, contracts, proof of payment, bills, receipts and bid solicitations.

1) Greenway – Federal ARPA Funds and State DDPF funds.
For funds paid to NJEDA as the subrecipient for services under this MOU using the ARPA funds described in Section 7.a.1 above and the DDPF funds described in Section 7.a.2 above, NJDEP will tender payment as follows:

a) Within fourteen (14) days of the MOU Effective Date, NJDEP shall pay NJEDA an initial tranche equivalent to 33 1/3% of the ARPA funding described in Section 7.a.1 above;

b) Upon receipt of evidence from NJEDA that 80% or more of the initial tranche has been committed, NJDEP shall pay NJEDA a second tranche equivalent to 33 1/3% of the ARPA funding;

c) Upon receipt of evidence from NJEDA that 80% or more of the second tranche has been committed, NJDEP shall pay NJEDA a third tranche equivalent to 33 1/3% of the ARPA funding.

d) Upon receipt of evidence from NJEDA that 80% or more of the third tranche of ARPA funding has been committed, NJDEP shall pay NJEDA a fourth tranche equivalent to 33 1/3% of the DDPF funding.

e) Upon receipt of evidence from NJEDA that 80% or more of the fourth tranche has been committed, NJDEP shall pay NJEDA a fifth tranche equivalent to 33 1/3% of the DDPF funding.

f) Upon receipt of evidence from NJEDA that 80% or more of the fifth tranche has been committed, NJDEP shall pay NJEDA a sixth tranche equivalent to 33 1/3% of the DDPF funding.

2) Greenway - NJTPA Funds.
After all ARPA and DDPF funds have been committed by NJEDA, NJT shall enter into a funding agreement with NJEDA to enable NJEDA to use the NJTPA funds described in Section 7.a.3 above as needed for the Greenway. The expenditure of such NJTPA funds by NJEDA is subject to applicable federal and state laws, regulations, and guidelines.

3) In the event NJDEP fails to transfer funds to NJEDA in a timely manner, resulting in claims of delay by the Construction Manager, NJDEP will be responsible for any additional incurred costs.

d. The Parties shall be responsible for ensuring that appropriate controls are in place to monitor and account for all costs and to ensure those costs are paid by appropriate funds, as may be dedicated for all or portions of the Project. NJEDA shall segregate the expenditures for all Federal and State funding in its General Ledger by establishing separate accounts for each Federal and State fund source, and such funds shall never be commingled. NJEDA will expend each fund source for the approved purposes as stated in the Federal and State appropriation guidelines.

e. Cost Overruns (any cost which is in excess of the overall Project budget, excluding any contingency amount budgeted in the Project budget) that are attributable to the Transitway portion of the Project shall be the sole responsibility of NJT. Cost Overruns that are attributable to the Greenway portion of the Project shall be the sole responsibility of NJDEP. Any cost overruns that cannot be clearly attributed to either the Transitway portion of the Project or the Greenway portion of the project or which benefit both projects may be shared equally by NJT and NJDEP, but shall be resolved by the Parties in accordance with Section 15.d below.

f. NJEDA shall draw administrative fees from the Funds for the services it provides in support of the Project. For Phase 1, NJEDA's administrative fee shall be four percent (4%) of the actual total cost of Phase 1 of the Project, including the Phase 1 construction contingency. The administrative fees shall be considered part of the Project budget and shall be paid on a monthly basis from the funding identified by NJDEP in Section 7.c above and by the Parties as described in Section 7.h below. The administrative fees do not include the cost of the Construction Manager or any other contractors hired by NJEDA under this MOU.

g. NJT, NJEDA and NJDEP shall be responsible for compliance with all federal, state, or other funding requirements.

h. The Parties shall work jointly to identify and secure additional sources of funding for the

Project. NJT will be the lead agency for communications to the United States Department of Transportation ("USDOT"), United States Army Corps of Engineers ("USACE"), New Jersey Department of Transportation ("NJDOT"), metropolitan planning organizations ("MPOs"), and other transportation-centric agencies. NJDEP will be the lead agency for communications to the United States Environmental Protection Agency ("USEPA") and other environmental-centric agencies. NJEDA will be the lead agency for communications with any economic development-centric agencies.

i. NJDEP shall be responsible for all required federal reporting in accordance with the MOUs between NJDEP and the New Jersey Department of Community Affairs ("DCA") (attached hereto as Attachment B) related to the funding for this Project. NJDEP has provided NJEDA with a list of the federal reporting metrics required for each phase of the Project that utilizes federal funding (see Attachments C and D hereto) to enable NJEDA to provide the necessary information for NJDEP's reporting. The Parties shall each make all records related to the Project that are in their possession available upon request, including by integrity oversight monitors, for state and federal audits. NJEDA shall provide financial and progress reports to NJDEP on a quarterly basis in a format to be provided by NJDEP.

8. Permitting and Environmental Compliance:

a. NJDEP shall be responsible for submitting applications and obtaining permits related to the development of the Greenway aspects of Project.

b. NJDEP shall assist in the identification, coordination, submittal and, to the extent possible, obtaining of all permits required for the Transitway aspects of the Project that are within its regulatory jurisdiction.

c. NJDEP will join in and execute any applications, petitions, agreements, or other documents required to obtain any permits and approvals for the Project.

d. NJT and NJDEP will be responsible for addressing compliance with the National Environmental Policy Act ("NEPA") and State Executive Order 215, as applicable to the Project. NJEDA agrees to support NJDEP and NJT with any technical assistance related to its role as Delivery Partner of Phase 1 of the Greenway portion of the Project and any future phases of the Project as agreed to by the Parties.

e. NJEDA will be responsible for complying with all permits obtained by NJDEP under this Section 8, as related to the construction aspects of Phase 1 of the Greenway portion of the Project and any future phases of the Project.

9. Bridges and Crossings:

NJT shall be responsible for the ongoing operations and maintenance of the Hackensack River and Passaic River bridges, and any other crossings of roadways or bodies of water associated with the Project. Long-term sustainable funding for these activities will be determined as a part of a future agreement.

10. Coordination and Information Sharing:

a. The Parties agree to provide all related information to each other, as requested, to facilitate the activities under this MOU.

b. The Parties shall meet regularly, and no less than once per month, to engage and assess progress under this MOU toward completion of the Project. The Parties agree to share meeting minutes and non-confidential Project-related communications with outside federal and state entities interested in the Project.

c. The Parties acknowledge and agree that they will need to execute a non-disclosure agreement with each other in advance of sharing any sensitive information, with said agreement governing issues related to confidentiality.

11. Future Transit Service:

a. The Parties agree that two future transit service scenarios are currently envisioned for the Project:

i. “Event” level service which will ferry ridership at a minimum between NJT's Secaucus Junction Station and the Meadowlands Complex during specific high demand events such as concerts and sporting events, with adequate notice from NJDEP where such service is anticipated during normal park operating hours.

ii. “Daily” level service which will ferry ridership along the full length of the Project for users of the Greenway and/or other ridership as identified in the ridership studies to be performed by NJT.

b. Service and fleet plans for both service scenarios will be included in the Transitway Development Standards and/or Master Plan.

12. Post-Development Operations and Maintenance:

a. NJDEP shall be responsible for governance, operation, and maintenance of the Greenway portion of the Project.

b. NJT shall be responsible for governance, maintenance, and operation of the Transitway portion of the Project, its bridges and crossings, stations, and all rolling stock as defined by the Transitway Development Standards and/or Master Plan. NJT represents that it intends to utilize electric driven, rubber tire rolling stock. Size and type of rolling stock will be such that harmonious and safe operation directly adjacent to pedestrian/bike traffic in a park-like setting.

c. NJEDA shall have no ongoing responsibilities for the Greenway or Transitway once the Project has been completed.

13. Right of Entry:

This MOU constitutes a right of entry license from NJDEP to NJEDA and NJT, and their respective employees, officers, agents, consultants, and contractors, for access to all portions of the Property in order to carry out planning, design, and pre-construction activities under this MOU. NJDEP shall provide NJEDA and its employees, officers, agents, consultants, and contractors with a discrete and separate right of entry license for construction-related activities, certifying therein that NJDEP has fully obtained all real estate interests needed for the construction of the agreed-upon scope of work and that there are no encumbrances to construct the scope of each component of work.

14. Future Master Planning:

a. The Parties expect that a comprehensive master planning document for the Project ("Master Plan") will be developed by a Greenway Commission to be created in the future by legislative or executive action. The future Master Plan will incorporate the Greenway Development Standards and Transitway Development Standards set forth in the Design Plan.

b. Notwithstanding any other provision of this MOU, upon completion of a Master Plan, all work associated with the Project shall be performed in accordance with such Master Plan.

c. The Parties shall utilize the Design Plan to identify future phases of the Project and to commence design work until such time as the Greenway Commission is formulated and/or the Master Plan is completed.

15. Additional Provisions:

a. Commencement and Duration. This MOU will commence immediately upon the Effective Date. This MOU shall remain in effect for five (5) years or until the completion of the Project, whichever occurs first, unless otherwise terminated or extended by the Parties in writing pursuant to Sections 15.b and 15.f below.

b. Termination. Any Party shall have the right to terminate this MOU upon sixty (60) days' prior written notice to the other Parties. If the Funds are insufficient or are not readily available to complete the Project, the Parties shall have the right to reduce the scope of this MOU in writing and as agreed to by all Parties or terminate this MOU upon written notice to the other Parties.

c. Duties Upon Termination. Upon notice of termination of this MOU pursuant to Section 15.b above, NJEDA shall make reasonable efforts not to incur any additional expenses or administrative costs. NJEDA shall be permitted to continue to use the Funds to pay for work performed and expenses incurred in connection with the Project up to the termination date. NJEDA will return all unused Funds to NJDEP within (60) days following receipt of written notice of termination.

d. Dispute Resolution. In the event a dispute arises between the Parties concerning this MOU, the CEO of NJEDA, the Commissioner of NJDEP, and the President and Chief Executive Officer of NJT, or their appointed representatives, shall meet to resolve such dispute.

e. Adherence to State and Federal Laws and Regulations. The Parties agree to comply with all applicable federal and state laws, regulations, and Executive Orders relevant to the Project, Property, and this MOU including, but not limited to, the ARP Act and U.S. Treasury regulations, policies, guidelines and requirements, as they relate to the acceptance and use of federal Funds.

f. Amendments. Additional services may be added to this MOU by mutual agreement of the Parties in writing which may include but are not limited to procurement, consultant management, and other services that may result in direct expenses by the Parties. Any amendments that may result in expenses by the Parties will include a funding source for the Party incurring the expenses to pay for those expenses.

g. Notices. All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, by an overnight delivery service which issues a receipt from delivery, or three business days after having been mailed by certified mail, return receipt requested, and addressed as follows:

If to NJEDA: New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, New Jersey 08625-0990
Attention: Real Estate Development

If to NJDEP: New Jersey Department of Environmental Protection
Office of Transactions and Public Land Administration
401 E. State Street
P.O. Box 420
Trenton, NJ 08625-0420

If to NJT: New Jersey Transit Corporation
1 Penn Plaza East
Newark, NJ 07105
Attn: Albert Yannerelli

h. Designation of Contacts. The Parties have designated the following contacts, who will be responsible for day-to-day communications between the Parties related to this MOU. The Parties will notify each other of any designated contact change in writing within ten (10) business days of such change:

NJEDA: William Dixon, Director
william.dixon@njeda.gov
(609) 940-9288

NJDEP: Julia Wong, Project Manager
Urban State Parks & Initiatives
julia.wong@dep.nj.gov

NJT: Albert Yannarelli
Senior Program Manager
1 Penn Plaza East
Newark, NJ 07105
Phone: 973-491-8321

i. Good Faith. The Parties will act with reasonable diligence and in good faith for the purpose of satisfying the conditions set forth herein.

j. Titles and Headings. Titles and headings are included for convenience only and shall not be used to interpret this MOU.

k. Electronic Signatures. Electronic signature of this MOU shall be deemed to be valid execution as though it was an original document signed with ink. The parties explicitly consent to the electronic delivery of this MOU and affirm that their electronic signatures indicate a present intent to be bound by the terms of this MOU.

l. Publicity and Public Announcements. Each Party agrees to obtain permission of the other Party before using the name of the other Party in any public announcement, press release, media advisory, or other publicity.

m. Entire Agreement. This MOU reflects the entire understanding of the Parties, and it supersedes and replaces in its entirety any prior agreements and understandings of the Parties related to the Project, including the Initial Tri-Party MOU and NJEDA MOA, which are null and void as of the Effective Date and shall have no further force and effect. Notwithstanding the foregoing, the Acquisition MOA shall remain in full force and effect and shall govern NJT's future acquisition of rights to the Property to facilitate the Transitway. This MOU may not be amended, modified, or supplemented except by mutual consent of the Parties in writing and signed by the authorized representatives of each Party.

[Remainder intentionally left blank; signatures contained on the following pages.]

IN WITNESS WHEREOF, the Parties have caused this MOU to be duly executed and delivered as of the Effective Date and by so executing, represent and warrant they have the authority to do so.

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

Date	Shawn LaTourette Commissioner

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Date	Tim Sullivan Chief Executive Officer

NEW JERSEY TRANSIT CORPORATION

Date	Kris Kolluri President and Chief Executive Officer

ATTACHMENT A - ESTIMATED PHASE 1 BUDGET

ATTACHMENT B – MEMORANDA OF UNDERSTANDING BETWEEN NJDEP AND DCA

- Essex Hudson Greenway Acquisition and Development MOU – Effective 12/20/2021
- Greenway Planning, Development, and Remediation MOU – Effective 12/14/2022
- Greenway Planning, Development, and Remediation MOU Amendment – Effective 1/24/2024

ATTACHMENT C - GREENWAY EXPENDITURE REPORT

ATTACHMENT D – GREENWAY SIROMS REPORTING

ATTACHMENT A

ESTIMATED PHASE 1 BUDGET

Estimate Based on 90% Design with Contingency	
Description	**Amount**
Construction Costs (including CM Fees, General Conditions, MPT, OH&P, Design Contingency, Escalation)	$44,696,456.00
Construction Contingency (10%)	$4,469,645.60
*NJEDA Administrative Fee (4%)	$1,966,644.06
TOTAL ESTIMATED BUDGET	**$51,132,745.66**

**This is a NTE (not-to-exceed) amount and is subject to change based on the finalized Phase 1 Project Budget.*

ATTACHMENT B

MEMORANDA OF UNDERSTANDING BETWEEN NJDEP AND DCA

ATTACHMENT C
GREENWAY EXPENDITURE REPORT

ATTACHMENT D

GREENWAY SIROMS REPORTING

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
AND
THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
FOR
ESSEX HUDSON GREENWAY ACQUISITION AND DEVELOPMENT

This **MEMORANDUM OF UNDERSTANDING** ("MOU") (MOU Number 2021-09), is made by and between the New Jersey Department of Community Affairs ("NJDCA" or "Grantee") and the New Jersey Department of Environmental Protection ("NJDEP"), an instrumentality of the State of New Jersey (the "State"), to set forth the terms and conditions for the disbursement of American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund ("CSFRF") monies for Essex Hudson Greenway ("EHG") Acquisition and Development. The NJDCA and NJDEP may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

PREAMBLES

WHEREAS, due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States ("President") declared a national state of emergency; and

WHEREAS, in response to the COVID-19 Pandemic, Congress enacted as series of laws to address the impacts of the COVID-19 Pandemic; and

WHEREAS, on March 11, 2021, the President signed the "American Rescue Plan Act of 2021" P.L. 117-2 (the "ARP Act") into law; and

WHEREAS, as part of the ARP Act, Congress at subtitle M of the ARP Act, amended Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding Sections 602 and 603 to create the CSFRF; and

WHEREAS, CSFRF monies ("CSFRF Funds") are to be used, generally: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID public health emergency by providing premium pay to eligible workers of the State who are performing such essential work, or by providing grants to eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State prior to the emergency; or (d) to make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the State received $6,244,537,955.50 in CSFRF Funds under the ARP Act which must be used in conformance with the requirements of the ARP Act; and

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c. 133, as may be amended from time to time, funding recommendations for CSFRF funds shall be subject to the approval of the Joint Budget Oversight Committee; and

WHEREAS, the Joint Budget Oversight Committee approved Twenty-Five Million Dollars ($25,000,000) of CSFRF Funds for NJDEP to implement EHG Acquisition and Development; and

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c.133, as may be amended from time to time, NJDCA is responsible for overseeing the entire portfolio of funds, consistent with CSFRF requirements, as the State-designated Grants Manager;

WHEREAS, the State Treasurer has entered into a Memorandum of Understanding dated as of July 22, 2021, with NJDCA, as Grants Manager for the CSFRF Funds, to provide those grant management functions and processes for the State that are necessary to administer, manage and monitor State entity grant awards and disburse funds accordingly; and

WHEREAS, NJDCA will use its SIROMS grant management system to track State entity expenditures and obligations, administer approved grant funds, and track compliance with applicable laws, regulations, guidance, and project requirements; and

WHEREAS, the NJDCA is distributing a portion of the CSFRF Funds, in an amount not to exceed Twenty-Five Million Dollars ($25,000,000), to provide funding to NJDEP for the implementation of NJDEP's EHG Acquisition and Development, that the Governor's Disaster Recovery Office and NJDCA have determined eligible for CSFRF Funds; the Grant is described in Exhibit A attached hereto and is made a part hereof; and

WHEREAS, the implementation of EHG Acquisition and Development shall be undertaken in compliance with Federal, State and local laws and regulations as well as the requirements of this MOU, Executive Order No. 166 (Murphy 2020) ("EO 166"), 31 CFR Part 35 U.S. Treasury Coronavirus State and Local Fiscal Recovery Funds – Final Rule, and Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("2 CFR Part 200"); and

WHEREAS, it is in the Parties' mutual interests, as well as in the public interest, to have the Parties' respective responsibilities concerning the implementation of EHG Acquisition and Development memorialized in a written agreement.

NOW, THEREFORE, NJDEP and NJDCA agree as follows:

Section 1. Grant Award

1.1 Subject to the terms and conditions of this MOU, NJDCA, as Grantee, shall make available to NJDEP, funds in the amount not to exceed Twenty-Five Million Dollars ($25,000,000) (the "Grant Funds") for the purpose of funding NJDEP's EHG Acquisition and Development. Upon full execution of this MOU, NJDCA will disburse $20 million of the Grant Funds to NJDEP for Acquisition of the EHG.

1.2 After the initial advance, NJDCA will disburse subsequent advances totaling $5 million of the Grant funds for Development of the EHG, upon written request by NJDEP to NJDCA. The request shall include the required documentation such as a Duplication of Benefits Certification and the reporting requirements that include performance objectives proposed by NJDEP, as identified in Exhibits C and D. Exhibits C and D are attached hereto and made a part hereof.

1.3 NJDCA agrees to advance the requested funds within fifteen (15) calendar days of NJDEP's submission of a complete request. The cash transfer to provide NJDEP with the advance will be recorded in SIROMS.

Section 2. Terms of the Services

2.1 NJDEP shall use the Grant Funds for the purpose of funding NJDEP's EHG Acquisition and Development. Any material changes to the EHG Acquisition and Development must be approved by NJDCA prior to implementation, except to the extent such changes are required to conform with federal requirements or conditions of funding.

2.2 NJDEP must meet the deadlines for the use of CSFRF Funds. Any CSFRF Funds not obligated by December 31, 2024, or not expended by December 31, 2026 to cover such incurred costs, must be returned to United States Department of the Treasury ("U.S. Treasury"), unless the deadline is extended by U.S. Treasury.

2.3 NJDEP must also ensure that any entities to which NJDEP provides CSFRF Funds obligate the Grant Funds by December 31, 2024 and expend the Grant Funds by December 31, 2026, unless the deadline is extended by U.S. Treasury.

2.4 NJDEP will receive and must use the proceeds of this Grant for "Allowable Costs," meaning costs that are acceptable pursuant to 2 CFR §200.403, all other applicable federal regulations, and approved as part of NJDEP's EHG Acquisition and Development encompassed by this MOU.

2.5 NJDEP may use the Grant Funds for Direct Costs, as defined in 2 CFR Part §200.413. NJDEP shall maintain full documentation of Direct Costs for all expenses incurred and provide access for NJDCA, U.S. Treasury, and any other monitoring agency upon request.

2.6 The administrative costs of NJDEP are included in the Grant Funds allocated to NJDEP's EHG Acquisition and Development and may not exceed 2.5% of the cost of the Grant.

Section 3. Responsibilities of NJDEP

3.1 Prior to December 31, 2024, to demonstrate compliance with Section 2.2, NJDEP shall provide a report to the NJDCA demonstrating actual or committed disbursement of Grant Funds and the need for and commitment to expend the Grant Funds by no later than December 31, 2026.

3.2 NJDEP shall provide the requisite staff and support required to implement the EHG Acquisition and Development.

3.3 NJDEP hereby binds itself, certifies and assures that it will comply with all federal, State and local laws and regulations, policies, guidelines and requirements, as they relate to the acceptance and use of federal CSFRF Funds, including all applicable State and Federal Executive Orders. The Parties expressly acknowledge that the matters which are the subject of this MOU are governed by the ARP Act, including subtitle M, and administered by the U.S. Treasury, and may be subject to ongoing modifications and clarifications. NJDEP agrees to comply with all applicable CSFRF requirements and Federal cross-cutting statutes and regulations as more fully detailed in the Schedule of Assurances attached hereto as Exhibit E and made a part hereof, in addition to the U.S. Treasury Guidance and Frequently Asked Questions and the U.S. Treasury Final Rule (31 CFR Part 35) as they may be updated from time to time, and subject to any other exceptions and waivers that may be issued by U.S. Treasury that affect CSFRF Funds.

3.4 NJDEP shall be responsible for requiring that its subrecipients, contractors and all tiers of subcontractors adhere to all applicable State and Federal laws and regulations, including the ARP Act, all other applicable federal statutes, U.S. Treasury regulations, as well as the requirements set forth in this MOU, including Exhibit E, and to conduct all necessary monitoring for such compliance.

3.5 NJDEP shall provide NJDCA with a report detailing the Grant's progress and budgetary updates for inclusion in NJDCA's Interim Report, due to U.S. Treasury on January 31, 2022, using the reporting criteria detailed in Exhibits C and D. Thereafter, the frequency of financial reporting will be monthly and the Grant's progress reporting will be quarterly, unless determined otherwise by the Parties.

3.6 NJDEP shall submit a record of all their obligations and expenditures into SIROMS with necessary supporting documentation, along with other obligations such as grants, subrecipient agreements and contracts. In addition to data entry, review and other document submittals, NJDEP shall upload all monthly and quarterly reports, as required herein, and other Federal and State reports into SIROMS.

3.7 NJDEP agrees that in connection with its rights and obligations pursuant to this MOU, it shall cooperate with NJDCA, including the NJDCA monitoring team and the COVID-19 Integrity Oversight Monitor ("Integrity Monitor"), with regard to the audit of activities carried out pursuant to this MOU, including compliance with various operating and reporting procedures which may hereinafter be promulgated by NJDCA or federal funding sources. NJDEP shall provide NJDCA with (read) access to and reporting from NJDEP's financial records and management systems

which include, but are not limited to, paper documents, worksheets, grant management systems, contract management systems, and databases.

3.8 NJDEP must appoint and retain an Integrity Monitor, pursuant to EO 166, because the Grant equals or exceeds $20 million. NJDCA will follow-up with NJDEP to ensure that any concerns or findings reported by the Integrity Monitor are addressed.

3.9 To the extent that U.S. Treasury audits the use of the Grant Funds, NJDEP shall coordinate with NJDCA a response to such audit(s). NJDEP shall also be responsible for any recoupment of the Grant Funds that U.S. Treasury may require as the result if any audit findings.

3.10 NJDEP must comply with the audit requirements as outlined in 2 CFR Part 200, Subpart F, Audit Requirements, which mandates that if a non-Federal entity expends $750,000 or more in federal awards during the non-Federal entity's fiscal year, the entity must have a single or Grant-specific audit conducted by an independent auditor for that year.

3.11 In the event that the actual or committed disbursement of funds as stated in the report provided pursuant to Section 3.1 is less than the amount of the Grant Funds, or upon termination of the MOU, NJDEP shall promptly remit to NJDCA the balance of the remaining Grant Funds.

3.12 NJDEP is responsible for ensuring the Grant Funds do not constitute a "Duplication of Benefits" as defined by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. NJDEP shall establish appropriate policies and procedures to prevent Duplication of Benefits and shall cooperate and coordinate with other State departments and agencies to prevent and rectify Duplication of Benefits, which may include, but is not limited to, recoupment of Grant Funds.

3.13 The Accountability Officer for NJDEP is the Director, Budget and Financial Operations, for NJDEP, who shall be responsible for overseeing the successful performance and completion of NJDEP's obligations as provided in this MOU and shall be the point of contact for NJDCA, Governor's Office and the Office of the State Comptroller. The Accountability Officer is required to perform risk assessments and is responsible for overseeing NJDEP's EHG Acquisition and Development along with hiring an Integrity Monitor.

3.14 NJDEP shall provide any complaints of discrimination on the grounds of race, color, or national origin, and limited proficiency covered by Title VI of the Civil Rights Act of 1964, and any review, proceedings and outcome related to the complaint.

3.15 NJDEP shall maintain records for the period set forth in the State General Retention Schedule or seven (7) years for federal grants. Non-federal entities not subject to State retention requirements shall maintain records for the period set forth in 2 C.F.R. § 200.334.

Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either NJDCA or NJDEP upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below and shall continue until March 31, 2027.

4.6 NJDCA and NJDEP shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

4.9 This MOU may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

New Jersey Department of Community Affairs

By: Samuel R. Viavattine
Deputy Commissioner

Date: 12/20/2021

New Jersey Department of Environmental Protection

By: Sean D. Moriarty
Deputy Commissioner

Date: December 8, 2021

Exhibit A – Description of the Program
Exhibit B – Budget
Exhibit C – Financial Reporting Requirements
Exhibit D – Performance Reporting Requirements
Exhibit E – Schedule of Assurances

Coronavirus State and Local Fiscal Recovery Funds
Project Description
(Exhibit A to MOU)

A. Program Description

In addition to answering the following questions, please provide a brief narrative describing the project.

1. **How does your project relate to COVID-19?**

   a. **Water, Sewer, and Broadband Infrastructure (EC 5): Describe the approach, goals and types of projects being pursued.**

The Essex Hudson Greenway ("EHG") is an approximately 9-mile, 100-foot-wide transportation corridor spanning Essex and Hudson Counties through eight municipalities (Montclair, Glen Ridge, Bloomfield, Belleville, Newark, Kearny, Secaucus, Jersey City) currently held by Norfolk Southern Railway Company ("NSR"). The Open Space Institute Land Trust, Inc. ("OSI"), an open space acquisition broker, currently holds an option agreement to purchase the EHG from NSR for $65 Million for the purpose of developing the line into a multimodal trail corridor with the unique ability to provide stormwater management opportunities and other environmental quality benefits for the surrounding densely populated communities. OSI's option agreement expires in January 2022 and, after negotiations with the Counties stalled, OSI is without funding to complete the transaction and has approached the NJ Department of Environmental Protection ("NJDEP") to assume the option agreement.

The EHG represents a unique and potentially transformative opportunity to create a linear multi-modal recreational and transit corridor enabling seamless walking, biking, and transit opportunities between Montclair and Jersey City, while serving as a catalyst for economic development and environmental improvements in the adjacent communities. To preserve this generational opportunity, the State must act quickly.

Given the opportunity for the EHG to provide a unique green space for the co-location of stormwater management solutions for adjacent urban communities, NJDEP requests a dedication of Coronavirus State Fiscal Recovery Fund ("CSFRF") to provide critical acquisition funding and also initial stormwater infrastructure planning, design, and engineering work. NJDEP requests a total of $25 Million in CSFRF funding for EHG Acquisition and Development, with $20 Million allocated toward acquisition costs and $5 Million allocated to initial planning, design, and engineering of stormwater infrastructure improvements. Acquisition of the abandoned rail corridor is necessary to implement future stormwater management solutions; acquisition in and of itself is a stormwater management solution to the extent that it prohibits further development and expansion of impervious surfaces in the rail corridor. Further, funding for initial planning, design, and engineering work will be essential to the implementation of future stormwater management infrastructure improvements.

NJDEP's EHG Acquisition and Development addresses the planning and construction of stormwater infrastructure, which is an eligible use of CSFRF, as described below.

The CSFRF can be spent to make necessary investments in infrastructure. A recipient may use funds to make investments in:

Coronavirus State and Local Fiscal Recovery Funds
Project Description
(Exhibit A to MOU)

(1) Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments. Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12); address the planning and construction of water infrastructure, through stormwater and watershed planning and demonstration projects, that will result in water quality improvements.

B. Targeted Beneficiaries (Describe all that Apply)

New Jersey aims to promote equity for underserved, marginalized, and adversely affected groups by directing programs to prioritize economic and racial equity. To review the State's equity strategy, please see the 2021 New Jersey Recovery Plan Performance Report.

1. **How does your program align with New Jersey's equity strategy? As applicable, please describe how your use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale and articulates the strategies to achieve those targets.**

    a. **Goals: Does your program intend to serve historically underserved, marginalized, or adversely affected groups?**

    b. **Awareness: How will you ensure these groups become aware of the services funded by this program?**

    c. **Access and Distribution: How will you ensure equal levels of access to benefits and services across groups? How will you remove administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?**

    d. **Outcomes: How are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?**

2. **How does your program's planned or current use of funds incorporate written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves?**

3. **How will funds build the capacity of community organizations to serve people with significant barriers to services, including people of color, people of low incomes, limited English proficient populations, and other traditionally underserved groups?**

C. Additional Funding (Current or Anticipated)

$43.5 million will be provided from the Green Acres Program towards this purchase.

American Rescue Plan State of New Jersey Budget Template - Exhibit B all numbers are in USD's ($000)

Sub-recipient:	New Jersey Department of Environmental Protection
Program:	Essex Hudson Greenway Acquisition and Development
Grant Award:	25,000,000

Section 1 Direct:

Expenditure Category:	Expenditure Sub-Category:
5: Infrastructure27	5.6 Clean Water: Stormwater

	Activity 1	Activity 2	Total
Budget Expenditure Categories			-
1. Salaries			-
2. Related Benefits			-
3. IT/Telecom			-
4. Operating Supplies & Services			-
6. Environmental Reviews			-
7. Grants			-
8. Contracts (subject to change once program is underway; may be done in house)	5,000,000		5,000,000
9. Loans			-
10.Transfers			-
11 Direct (Acquisition of Property)	20,000,000		20,000,000
12. Total Direct Costs (add lines 1-11)	25,000,000		25,000,000

Section 2 Admin:

Expenditure Category:	Expenditure Sub-Category:
7: Administrative	7.1 Administrative Expenses

	Activity 1	Activity 2	Total
Budget Expenditure Categories			-
1a. Salaries			-
2a. Related Benefits			-
3a. IT/Telecom			-
4a. Operating Supplies & Services			-
5a. Contracts/Professional Services			-
6a. Environmental Reviews			-
7a. Total Admin Costs (add lines 1a-6a)			-
8a. Total Costs State Grant Funds (Lines 12 and 7a)			-

EXHIBIT C

Financial Reporting Requirements

- **Reporting of financial information**
  - **Financial reporting requirements are in place to support both US Treasury and State compliance and reporting guidelines**
  - **Financial information is required each month representing, among other data, expenditures on the program**
  - **The below list is an example of the data fields that will be required monthly (subject to revisions/edits), that will include obligations or liabilities, expenditures (invoiced as well as cash out the door), and other data relevant to grants, loans, contracts**
  - **Expenditure Categories (ECs), defined by US Treasury and identified in the program budget, will be associated with the expenditures as noted on the template**

Contract Number

Beneficiary

Obligation to Date

Cost or Expenditure Amount to Date

Contract Type

Contract Amount to Date

Contract Date

Period of Performance Start Date

Period of Performance End Date

Primary Place of Performance Address Line 1

Primary Place of Performance Address Line 2

Primary Place of Performance Address Line 3

Primary Place of Performance City Name

Primary Place of Performance State Code

Primary Place of Performance Zip+4

Primary Place of Performance Country Name

Contract Description

Expenditure Start Date

Expenditure End Date

Cost or Expenditure Category

Category Description

- **Reporting to DCA required monthly and quarterly**
  - **Monthly submissions are to occur 5 business days after previous month end**
  - **The reporting of the data will be entered directly into SIROMS or uploaded into SIROMS, and include support for expenditure transactions via excel**
  - **DCA may request data dumps to identify transactional details that facilitate reconciliation and transparency reporting**
  - **DCA will be reviewing the monthly reporting to determine that eligibility and data requirements are satisfied**
  - **Additional documentation support/backup for the above reporting should be maintained by agency/authority and subject to monitoring by DCA**
  - **Program expenditure and performance reporting is due quarterly. For example, at the end of September, both the required monthly report and a quarterly report will be due. The quarterly report will be due 10 days after the close of the quarter**
  - **DCA and the Department will work in real time to reconcile/resolve all and any issues to ensure timely distributions of funds/budget as needed**

Coronavirus State and Local Fiscal Recovery Funds
Program Performance Reporting
(Exhibit D to MOU)

Compliance with CSFRF requirements includes mandatory reporting of performance indicators and programmatic data in the quarterly Project and Expenditure Reports and the annual Recovery Plan, in addition to discretionary performance indicators that the Program and DCA determine are appropriate. Discretionary performance indicators will include quantitative and qualitative targets. DCA will determine the appropriate program outcomes in collaboration with the respective agencies. Agencies will be asked to report on their progress towards those outcomes.

Following is a list of required data for Treasury's performance reporting, for each of the delineated Expenditure Categories. Agencies will be asked to report on their progress towards these deliverables. Please note that these datapoints are for informational use only and remain subject to change as U.S. Treasury finalizes its reporting requirements.

All Expenditure Categories must report on the following points:

- Current period obligation
- Cumulative obligation
- Current period expenditure
- Cumulative expenditure
- Project Status: (1) Not Started; (2) Completed less than 50%; (3) Completed 50% or more; (4) Completed.
- Subawards: Detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities and direct payments made by the recipient that are greater than or equal to $50,000. Please see the U.S. Treasury Compliance and Reporting Guidance, page 18 and 19 for more information.

Programs such as yours in this Expenditure Category must report on the following programmatic points:

Expenditure Category 5 Infrastructure

- Projected/actual construction start date (month/year)
- Projected/actual initiation of operations date (month/year)
- Location (for broadband, geospatial location data)
- For projects over $10 million:
    - Are all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-

construction law (commonly known as "baby Davis Bacon Acts")? The following information may be requested as part of reporting:
    - The number of employees of contractors and sub-contractors working on the project;
    - The number of employees on the project hired directly and hired through a third party;
    - The wages and benefits of workers on the project by classification; and
    - Whether those wages are at rates less than those prevailing. Recipients must maintain sufficient records to substantiate this information upon request.
- Does the project include a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f))? The following information may be requested as part of reporting:
    - How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project;
    - How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project; and
    - How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities;
    - Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market; and
    - Whether the project has completed a project labor agreement.
- Whether the project prioritizes local hires.
- Whether the project has a Community Benefit Agreement, with a description of any such agreement.

Water and sewer projects (EC 5.1-5.15):

- National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable; for projects aligned with the Clean Water State Revolving Fund)
- Public Water System (PWS) ID number (if applicable; for projects aligned with the Drinking Water State Revolving Fund)

EXHIBIT E
SCHEDULE OF ASSURANCES

The New Jersey Department of Environmental Protection ("NJDEP") will comply with the provisions of the following federal statutes, rules, and regulations in connection with the American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund:

A. Federal regulations applicable include, without limitation, the following:

1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as U.S. Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by U.S. Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award. See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities

2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and U.S. Treasury's implementing regulation at 31 C.F.R. Part 19.

5. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

6. Government-wide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

7. New Restrictions on Lobbying, 31 C.F.R. Part 21.

8. Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (January 20, 2021).

9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

10. Generally applicable federal environmental laws and regulations.

B. Statutes and regulations prohibiting discrimination applicable include, without limitation, the following:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and U.S. Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance. The following language must be included in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees and assignees:

   The sub-grantee, contractor, subcontractor, successor, transferee, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

2. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

4. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and U.S. Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

5. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

C. Federal Labor Standards

1. The Davis-Bacon Act, as amended (40 U.S.C. §3141 et seq.). The Davis-Bacon Act does not apply to construction contracts at or below $2,000 (arbitrarily separating a project into contracts below $2,000 is not permitted), and the prevailing wage rate provisions of the Act do

not apply to rehabilitation or construction of residential property containing less than eight units;

2. The Contract Work Hours and Safety Standards Act (40 U.S.C. §3701 et seq.), requiring that mechanics and laborers (including watchmen and guards) employed on federally assisted contracts of $100,000 or greater be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work-week;
3. The Federal Fair Labor Standards Act (29 U.S.C. 201 et seq.), requiring that covered nonexempt employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week;
4. The Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented in Department of Labor regulations (29 CFR 3), which requires payment of wages once a week and allows only permissible payroll deductions.

D. Other State and federal laws applicable include, but are not limited to, the following:

1. The Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

2. State of New Jersey Executive Order No. 215 (Kean 1989), requiring environmental assessments or environmental impact statements to the extent applicable for major construction projects.

3. (a) In accordance with 41 U.S.C. § 4712, NJDEP may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

   (b) The list of persons and entities referenced in the paragraph above includes the following:
      a. A member of Congress or a representative of a committee of Congress;
      b. An Inspector General;
      c. The Government Accountability Office;
      d. A Treasury employee responsible for contract or grant oversight or management;
      e. An authorized official of the U.S. Department of Justice or other law enforcement agency;
      f. A court or grand jury; or
      g. A management official or other employee of DCA, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

   (c) NJDEP shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

4. Contracting with Small, Minority-owned, Women-owned and Veteran-owned Businesses, and Labor Surplus Area Firms.

(a) NJDEP shall take all necessary affirmative steps to ensure contracting opportunities are provided to small, minority-owned, woman-owned, and veteran-owned businesses, and labor surplus area firms. As used in this contract, the terms "minority-owned business," "women-owned business," and "veteran-owned business" means a business that is at least fifty-one percent (51%) owned and controlled by minority group members, women or veterans. For purposes of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and Native Americans. NJDEP may rely on written representations by businesses regarding their status as minority, women and veteran businesses in lieu of an independent investigation.

(b) Affirmative steps shall include:

a. Placing qualified small and minority-, veteran- and women-owned businesses on solicitation lists;

b. Ensuring that small and minority-, veteran- and women-owned businesses are solicited whenever they are potential sources for goods and/or services required in furtherance of the Agreement;

c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority-, veteran- and women-owned businesses;

d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority-, veteran- and women-owned businesses;

e. Using the service and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce; and

f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in subparagraphs (a) through (e) of this section.

E. Increasing Seat Belt Use in the United States.

1. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), NJDEP should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

F. Reducing Text Messaging When Driving

1. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), NJDEP should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and NJDEP should establish workplace safety policies to decrease accidents caused by distracted drivers.

G. Personally Identifiable Information

1. To the extent NJDEP receives personally identifiable information, it will comply with the Privacy Act of 1974 and U.S. Treasury rules and regulations related to the protection of personally identifiable information. The term "personally identifiable information" refers to information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc., either alone or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc. See 2 CFR 200.79. Subrecipients shall require all persons that have access to personally identifiable information (including subcontractors/subconsultants and their employees) to sign a Non-Disclosure Agreement.

H. Conflicts of Interest.

1. NJDEP must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded with CSFRF Funds.

2. NJDEP and any grantees or subrecipients must disclose in writing to U.S. Treasury or DCA, as appropriate, any potential conflict of interest affecting the CSFRF Funds in accordance with 2 C.F.R. § 200.112.

I. American Rescue Plan Act

1. Sections 602 and 603 of the Social Security Act, as added in Section 9901 of the American Rescue Plan Act (Pub. L. 117-2).

2. Implementing regulations adopted by U.S. Treasury pursuant to Section 602(f) of the Social Security Act, as added in Section 9901 of the American Rescue Plan Act (Pub. L. 117-2).

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
AND
THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
FOR
GREENWAY PLANNING, DEVELOPMENT, AND REMEDIATION

This **MEMORANDUM OF UNDERSTANDING** ("MOU") (MOU Number 2022-~~XX~~38), is made by and between the New Jersey Department of Community Affairs ("NJDCA" or "Grantor") and the New Jersey Department of Environmental Protection ("NJDEP"), an instrumentality of the State of New Jersey (the "State"), to set forth the terms and conditions for the disbursement of American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund ("CSFRF") monies for the Greenway Planning, Development, and Remediation Program ("Greenway Program"). The NJDCA and NJDEP may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

PREAMBLES

WHEREAS, due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States ("President") declared a national state of emergency; and

WHEREAS, in response to the COVID-19 Pandemic, Congress enacted as series of laws to address the impacts of the COVID-19 Pandemic; and

WHEREAS, on March 11, 2021, the President signed the "American Rescue Plan Act of 2021" P.L. 117-2 (the "ARP Act") into law; and

WHEREAS, as part of the ARP Act, Congress at subtitle M of the ARP Act, amended Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding Sections 602 and 603 to create the CSFRF; and

WHEREAS, CSFRF monies ("CSFRF Funds") are to be used, generally: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID public health emergency by providing premium pay to eligible workers of the State who are performing such essential work, or by providing grants to eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State prior to the emergency; or (d) to make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the State received $6,244,537,955.50 in CSFRF Funds under the ARP Act which must be used in conformance with the requirements of the ARP Act; and

WHEREAS, pursuant to the Fiscal Year 2023 Appropriations Act, P.L. 2022, c. 49, as may be amended from time to time, Twenty Million Dollars ($20,000,000) of CSFRF Funds were appropriated to NJDEP to implement the Greenway Program, subject to the approval of the Director of the Division of Budget and Accounting, with notice provided to the Joint Budget Oversight Committee with respect to this appropriation of CSFRF Funds; and

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c.133, as may be amended from time to time, NJDCA is responsible for overseeing the entire portfolio of funds, consistent with CSFRF requirements, as the State-designated Grants Manager; and

WHEREAS, the State Treasurer has entered into a Memorandum of Understanding dated as of July 22, 2021, with NJDCA as Grants Manager for the CSFRF Funds, to provide those grant management functions and processes for the State that are necessary to administer, manage and monitor State entity grant awards and disburse funds accordingly; and

WHEREAS, NJDCA will use its SIROMS grant management system to track State entity expenditures and obligations, administer approved grant funds, and track compliance with applicable laws, regulations, guidance, and program requirements; and

WHEREAS, the NJDCA is distributing a portion of the CSFRF Funds, in an amount not to exceed Twenty Million Dollars ($20,000,000), to provide funding to NJDEP for the implementation of NJDEP's Greenway Program, that the Governor's Disaster Recovery Office and NJDCA have determined eligible for CSFRF Funds; the Grant is described in Exhibit A attached hereto and is made a part hereof; and

WHEREAS, the implementation of the Greenway Program shall be undertaken in compliance with Federal, State and local laws and regulations as well as the requirements of this MOU, Executive Order No. 166 (Murphy 2020) ("EO 166"), 31 CFR Part 35 U.S. Treasury Coronavirus State and Local Fiscal Recovery Funds – Final Rule, and Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("2 CFR Part 200"); and

WHEREAS, it is in the Parties' mutual interests, as well as in the public interest, to have the Parties' respective responsibilities concerning the implementation of Greenway Program memorialized in a written agreement.

NOW, THEREFORE, NJDEP and NJDCA agree as follows:

Section 1. Grant Award

1.1 Subject to the terms and conditions of this MOU, NJDCA, as Grantor, shall make available to NJDEP, funds in the amount not to exceed Twenty Million Dollars ($20,000,000) (the "Grant Funds") for the purpose of funding NJDEP's Greenway Program. Upon full execution of this MOU, NJDCA will disburse one-quarter (25%) of the entire amount of the Grant Funds to NJDEP, or Five Million Dollars ($5,000,000).

1.2 After the initial advance, NJDCA will disburse subsequent advances totaling one-quarter (25%) of the entire amount of the Grant Funds to NJDEP, or Five Million Dollars ($5,000,000) for the Greenway Program, upon written request by NJDEP to NJDCA. The request shall include the required documentation such as a Duplication of Benefits Certification and the reporting requirements that include performance objectives proposed by NJDEP, as identified in Exhibits C and D. Exhibits C and D are attached hereto and made a part hereof.

1.3 NJDCA agrees to advance the requested funds within fifteen (15) calendar days of NJDEP's submission of a complete request. The cash transfer to provide NJDEP with the advance will be recorded in SIROMS.

Section 2. Terms of the Services

2.1 NJDEP shall use the Grant Funds for the purpose of funding NJDEP's Greenway Program. Any material changes to the Greenway Program must be approved by NJDCA prior to implementation, except to the extent such changes are required to conform with federal requirements or conditions of funding.

2.2 NJDEP must meet the deadlines for the use of CSFRF Funds. Any CSFRF Funds not obligated by December 31, 2024, or not expended by December 31, 2026 to cover such incurred costs, must be returned to United States Department of the Treasury ("U.S. Treasury"), unless the deadline is extended by U.S. Treasury.

2.3 NJDEP must also ensure that any entities to which NJDEP provides CSFRF Funds obligate the Grant Funds by December 31, 2024 and expend the Grant Funds by December 31, 2026, unless the deadline is extended by U.S. Treasury.

2.4 NJDEP will receive and must use the proceeds of this Grant for "Allowable Costs," meaning costs that are acceptable pursuant to 2 CFR §200.403, all other applicable federal regulations, and approved as part of NJDEP's Greenway Program encompassed by this MOU.

2.5 NJDEP may use the Grant Funds for Direct Costs, as defined in 2 CFR Part §200.413. NJDEP shall maintain full documentation of Direct Costs for all expenses incurred and provide access for NJDCA, U.S. Treasury, and any other monitoring agency upon request.

2.6 The administrative costs of NJDEP are in addition to the Grant Funds allocated to NJDEP's Greenway Program and may not exceed 5.0% thereof.

Section 3. Responsibilities of NJDEP

3.1 Prior to December 31, 2024, to demonstrate compliance with Section 2.2, NJDEP shall provide a report to the NJDCA demonstrating actual or committed disbursement of Grant Funds and the need for and commitment to expend the Grant Funds by no later than December 31, 2026.

3.2 NJDEP shall provide the requisite staff and support required to implement the Greenway Program.

3.3 NJDEP hereby binds itself, certifies and assures that it will comply with all federal, State and local laws and regulations, policies, guidelines and requirements, as they relate to the acceptance and use of federal CSFRF Funds, including all applicable State and Federal Executive Orders. The Parties expressly acknowledge that the matters which are the subject of this MOU are governed by the ARP Act, including subtitle M, and administered by the U.S. Treasury, and may be subject to ongoing modifications and clarifications. NJDEP agrees to comply with all applicable CSFRF requirements and Federal cross-cutting statutes and regulations as more fully detailed in the Schedule of Assurances attached hereto as Exhibit E and made a part hereof, in addition to the U.S. Treasury Guidance and Frequently Asked Questions and the U.S. Treasury Final Rule (31 CFR Part 35) as they may be updated from time to time, and subject to any other exceptions and waivers that may be issued by U.S. Treasury that affect CSFRF Funds.

3.4 NJDEP shall be responsible for requiring that its subrecipients, contractors and all tiers of subcontractors adhere to all applicable State and Federal laws and regulations, including the ARP Act, all other applicable federal statutes, U.S. Treasury regulations, as well as the requirements set forth in this MOU, including Exhibit E, and to conduct all necessary monitoring for such compliance.

3.5 NJDEP shall provide NJDCA with a report detailing the Grant's progress and budgetary updates for inclusion in NJDCA's Performance Reports, using the reporting criteria detailed in Exhibits C and D. The frequency of financial reporting will be monthly and the Grant's progress reporting will be quarterly, unless determined otherwise by the Parties.

3.6 NJDEP shall submit a record of all their obligations and expenditures into SIROMS with necessary supporting documentation, along with other obligations such as grants, subrecipient agreements and contracts. In addition to data entry, review, and other document submittals, NJDEP shall upload all monthly and quarterly reports, as required herein, and other Federal and State reports into SIROMS.

3.7 NJDEP agrees that in connection with its rights and obligations pursuant to this MOU, it shall cooperate with NJDCA, including the NJDCA monitoring team and the COVID-19 Integrity Oversight Monitor ("Integrity Monitor"), with regard to the audit of activities carried out pursuant to this MOU, including compliance with various operating and reporting procedures which may hereinafter be promulgated by NJDCA or federal funding sources. NJDEP shall provide NJDCA with (read) access to and reporting from NJDEP's financial records and management systems

which include, but are not limited to, paper documents, worksheets, grant management systems, contract management systems, and databases.

3.8 NJDEP must appoint and retain an Integrity Monitor, pursuant to EO 166, because the Grant equals or exceeds $20 million. NJDCA will follow-up with NJDEP to ensure that any concerns or findings reported by the Integrity Monitor are addressed.

3.9 To the extent that U.S. Treasury audits the use of the Grant Funds, NJDEP shall coordinate with NJDCA a response to such audit(s). NJDEP shall also be responsible for any recoupment of the Grant Funds that U.S. Treasury may require as the result if any audit findings.

3.10 NJDEP must comply with the audit requirements as outlined in 2 CFR Part 200, Subpart F, Audit Requirements, which mandates that if a non-Federal entity expends $750,000 or more in federal awards during the non-Federal entity's fiscal year, the entity must have a single or Grant-specific audit conducted by an independent auditor for that year.

3.11 In the event that the actual or committed disbursement of funds as stated in the report provided pursuant to Section 3.1 is less than the amount of the Grant Funds, or upon termination of the MOU, NJDEP shall promptly remit to NJDCA the balance of the remaining Grant Funds.

3.12 NJDEP is responsible for ensuring that the use of Grant Funds does not constitute "Improper Payments," as defined by the Uniform Administrative Requirements at 2 C.F.R. § 200.1. NJDEP shall establish appropriate policies and procedures to prevent Improper Payments and shall cooperate and coordinate with other State departments and agencies to prevent and rectify Improper Payments, which may include, but is not limited to, recoupment of Grant Funds.

3.13 The Accountability Officer for NJDEP is the Director, Division of Budget and Financial Operations, who shall be responsible for overseeing the successful performance and completion of NJDEP's obligations as provided in this MOU and shall be the point of contact for NJDCA, Governor's Office and the Office of the State Comptroller. The Accountability Officer is required to perform risk assessments and is responsible for overseeing NJDEP's Greenway Program along with hiring an Integrity Monitor.

3.14 NJDEP shall provide any complaints of discrimination on the grounds of race, color, or national origin, and limited proficiency covered by Title VI of the Civil Rights Act of 1964, and any review, proceedings and outcome related to the complaint.

3.15 NJDEP shall maintain records for the period set forth in the State General Retention Schedule or seven (7) years for federal grants. Non-federal entities not subject to State retention requirements shall maintain records for the period set forth in 2 C.F.R. § 200.334.

Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either NJDCA or NJDEP upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below and shall continue until March 31, 2027.

4.6 NJDCA and NJDEP shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

4.9 This MOU may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

New Jersey Department of Community Affairs

________________________________ Date: 12/14/22

By: Samuel R. Viavattine
Deputy Commissioner

New Jersey Department of Environmental Protection

________________________________ Date: December 7, 2022

By: Sean D. Moriarty
Deputy Commissioner

Exhibit A – Description of the Program
Exhibit B – Budget
Exhibit C – Financial Reporting Requirements
Exhibit D – Performance Reporting Requirements
Exhibit E – Schedule of Assurances

Coronavirus State and Local Fiscal Recovery Funds
Project Description
(Exhibit A to MOU)

A. Project Purpose

1. Negative Economic Impacts (EC 2): As relevant, describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including services to households (such as affordable housing, job training, and childcare), small businesses, nonprofits, and impacted industries.

One challenge the pandemic brought to light was the lack of public parkland and open greenspace accessible to the local population in many urban areas. This lack of greenspace has a serious negative effect on community health outcomes.[1] U.S. Treasury notes that "access to nature, including parks, has been connected to decreased levels of mortality and illness and increased wellbeing."[2] The CDC finds that these benefits include lower rates of heart disease, stroke, obesity, stress, and depression, all of which are risk factors associated with more severe COVID-19 symptoms.[3] Treasury further mentions that apart from the benefits to physical and mental health, well-maintained parks allow for safe and socially distanced recreation during periods of COVID-19 infection spikes.[4] In the State's north-eastern corner, intensive urbanization and a density of underserved communities exacerbates the lack of access to greenspace.[5]

Northeastern New Jersey is one of the most populous and urbanized areas of the State.[6] Containing Jersey City, Paterson, and Newark, the three most populous municipalities in the State, this area comprises less than 10% of New Jersey's land, but contains over 30% of the population.[7] In addition, this area contains the largest contiguous grouping of Qualified Census Tracts ("QCTs") in the State, a grouping composed of over 40 tracts running directly through the center of Newark.[8] These underserved communities often lack access to personal vehicles and have neither the financial means nor the time to for leisure trips on public transport.[9] This leaves their access to greenspace limited to what is located within the immediate vicinity. In addition, the nature of this densely built area means that people walking or biking to particular destinations are most often sharing the road with the cars and trucks navigating the urban grid. Recognizing the health benefits of open greenspace, and realizing the unique opportunities presented by a long, contiguous pedestrian park, DEP has pursued the Greenway project.

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[1] 87 Fed. Reg. 4372-74 (Jan. 27, 2022).
[2] Id.
[3] "Benefits of Physical Activity," United States Centers for Disease Control and Prevention, (updated June 16, 2022).
[4] 87 Fed. Reg. 4373 (Jan. 27, 2022).
[5] "Metropolitan Statistical Areas and Components," United States Census Bureau, (Dec. 2005); "State of New Jersey Profile," State of New Jersey, (2019).
https://web.archive.org/web/20060209034353/http://www.census.gov/population/estimates/metro_general/List4.txt
[6] "State of New Jersey Profile," State of New Jersey, (2019) (compiled from United States census data).
[7] *Id.*
[8] "2021 and 2022 Small DDAs and QCTs," United States Department of Housing and Urban Development, (updated Sept. 9, 2021).
[9] "Mobility Challenges for Households in Poverty," Federal Highway Administration, (2014).

Coronavirus State and Local Fiscal Recovery Funds
Project Description
(Exhibit A to MOU)

This Program will fund the development and construction of a nine-mile-long pedestrian greenway from Jersey City in Hudson County, through Newark, and concluding in Montclair in Essex County. The park will run along the route of a former Norfolk Southern Railway freight line. While the freight trains have long since ceased operating on this route, the old freight rail itself remains an unused lane directly through some of the most populous areas of the State. DEP estimates that fully 16% of the State's population will live within the immediate area of the Greenway, and its path will run through the largest contiguous grouping of QCTs in the State. DEP intends the first 10% of the funding to go towards planning and design, and the remaining 90% to go towards the initial phases of construction, including any remediation that may be necessary to remedy the impact of several decades of freight transport. The greenway will be both a destination in itself and a travel corridor for foot and bike traffic. The Greenway will be a garden pathway that not only grants access to open greenspace, but also allows people to move safely and quickly outside the stoplights, crosswalks, and vehicle traffic of the urban environment.

B. Evidence-Based Interventions

C. Targeted Beneficiaries (Describe all that Apply)

1. How does your program align with New Jersey's equity strategy? As applicable, please describe how your use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale and articulates the strategies to achieve those targets.

   a. Goals: Does your program intend to serve particular historically underserved, marginalized, or adversely affected groups?
   b. Awareness: How will you ensure these groups become aware of the services funded by this program?
   c. Access and Distribution: How will you ensure equal levels of access to benefits and services across groups? How will you remove administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?
   d. Outcomes: How are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?

2. How does your program's planned or current use of funds incorporate written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves?

3. How will funds build the capacity of community organizations to serve people with significant barriers to services, including people of color, people of low incomes, limited English proficient populations, and other traditionally underserved groups?

D. Additional Funding (Current or Anticipated)

DEP previously was awarded $25 Million in SFRF funding to fund acquisition ($20 Million) of the rail corridor and $5 Million for stormwater planning and design for the corridor. To date, DEP has expended the full $20 Million toward acquisition and still has $5 Million toward stormwater design and continues to evaluate next steps on the stormwater design aspects of the overall project.

American Rescue Plan State of New Jersey Budget Template - Exhibit B USD's ($000)

Sub-recipient: NJDEP **Program:** Greenway Program

Grant Award: **$20 Million**

Activity 1 Expenditure Sub- Category: | Activity 2 Expenditure Sub-Category: | Activity 3 Expenditure Sub- Category:

Section 1 Direct (not Admin or Capital):

Budget Expenditure Categories	Activity 1	Activity 2	Activity 3	Total	Line Item Justification Narrative
1. Salaries				-	
2. Related Benefits				-	
3. IT/Telecom				-	
4. Operating Supplies & Services				-	
5. Environmental Reviews				-	
6. Grants				-	
7. Contracts	20,000,000			20,000,000	Undertake the beginning phases of remediation, design, and development of the Greenway for public use, including retention, through an open and competitive bid process, of a qualified professional design consultant to assist the Department's efforts.
8. Loans				-	
9.Transfers				-	
10. Direct				-	
11. Total Direct Costs (add lines 1-10)	**20,000,000**	-	-	**20,000,000**	

Section 2 Admin:

Budget Expenditure Categories	Activity 1	Activity 2	Activity 3	Total	Line Item Justification Narrative
1a. Salaries	593,648			593,648	support DEP staff working on development of the Greenway
2a. Related Benefits	406,352			406,352	fringe rate of 68.45%
3a. IT/Telecom				-	
4a. Operating Supplies & Services				-	
5a. Contracts/Professional Services				-	
6a. Environmental Reviews				-	
7a. Total Admin Costs (add lines 1a-6a)	**1,000,000**	-	-	1,000,000	

Section 3 Capital:

Budget Expenditure Categories	Activity 1	Activity 2	Activity 3	Total	Line Item Justification Narrative
1c. Salaries				-	
2c. Related Benefits				-	
3c. IT/Telecom				-	
4c. Operating Supplies & Services				-	
5c. Environmental Reviews				-	
6c. Grants				-	
7c. Contracts				-	
8c. Loans				-	
9c.Transfers				-	
10c. Direct				-	
11c. Total Capital Costs (add lines 1c-10c)	-	-	-	-	

EXHIBIT C

Financial Reporting Requirements

- **Reporting of financial information**
  - **Financial reporting requirements are in place to support both US Treasury and State compliance and reporting guidelines**
  - **Financial information is required each month representing, among other data, expenditures on the program**
  - **The below list is an example of the data fields that will be required monthly (subject to revisions/edits), that will include obligations or liabilities, expenditures (invoiced as well as cash out the door), and other data relevant to grants, loans, contracts**
  - **Expenditure Categories (ECs), defined by US Treasury and identified in the program budget, will be associated with the expenditures as noted on the template**

Contract Number

Beneficiary

Obligation to Date

Cost or Expenditure Amount to Date

Contract Type

Contract Amount to Date

Contract Date

Period of Performance Start Date

Period of Performance End Date

Primary Place of Performance Address Line 1

Primary Place of Performance Address Line 2

Primary Place of Performance Address Line 3

Primary Place of Performance City Name

Primary Place of Performance State Code

Primary Place of Performance Zip+4

Primary Place of Performance Country Name

Contract Description

Expenditure Start Date

Expenditure End Date

Cost or Expenditure Category

Category Description

- **Reporting to DCA required monthly and quarterly**
  - **Monthly submissions are to occur 5 business days after previous month end**
  - **The reporting of the data will be entered directly into SIROMS or uploaded into SIROMS, and include support for expenditure transactions via excel**
  - **DCA may request data dumps to identify transactional details that facilitate reconciliation and transparency reporting**
  - **DCA will be reviewing the monthly reporting to determine that eligibility and data requirements are satisfied**
  - **Additional documentation support/backup for the above reporting should be maintained by agency/authority and subject to monitoring by DCA**
  - **Program expenditure and performance reporting is due quarterly. For example, at the end of September, both the required monthly report and a quarterly report will be due. The quarterly report will be due 10 days after the close of the quarter**
  - **DCA and the Department will work in real time to reconcile/resolve all and any issues to ensure timely distributions of funds/budget as needed**

Coronavirus State and Local Fiscal Recovery Funds
Program Performance Reporting
(Exhibit D to MOU)

Compliance with CSFRF requirements includes mandatory reporting of performance indicators and programmatic data in the quarterly Project and Expenditure Reports and the annual Recovery Plan, in addition to discretionary performance indicators that the Program and DCA determine are appropriate. Discretionary performance indicators will include quantitative and qualitative targets. DCA will determine the appropriate program outcomes in collaboration with the respective agencies. Agencies will be asked to report on their progress towards those outcomes.

Following is a list of required data for Treasury's performance reporting, for each of the delineated Expenditure Categories. Agencies will be asked to report on their progress towards these deliverables. <u>Please note that these datapoints are for informational use only and remain subject to change as U.S. Treasury finalizes its reporting requirements.</u>

This Program is qualified under **Expenditure Category 2.2 Strong Healthy Communities: Neighborhood Features that Promote Health and Safety.**

All Expenditure Categories must report on the following points:

- Projects: Provide information on all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, the recipient will be required to enter:
    - the project name,
    - identification number (created by the recipient),
    - project expenditure category,
    - description, and
    - status of completion.

- Obligations and Expenditures: Once a project is entered the recipient will be able to report on the project's obligations and expenditures. Recipients will be asked to report:
    - Current period obligation
    - Cumulative obligation
    - Current period expenditure
    - Cumulative expenditure

- Project Status: Once a project is entered the recipient will be asked to report on project status each reporting period, in four categories:
    - Not Started
    - Completed less than 50 percent
    - Completed 50 percent or more
    - Completed

- Program Income: Recipients should report the program income earned and expended to cover eligible project costs, if applicable.

- Adopted Budget (States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents only): Each state, territory and metropolitan city and county with a population that exceeds 250,000 residents will provide the budget adopted for each project by its jurisdiction associated with SLFRF funds. Treasury will use this information to better understand the intended impact, identify opportunities for outreach, and understand the recipient's progress in program implementation. Treasury is not approving or pre-approving projects or budgets.

- Subawards, Contracts, Grants, Loans, Transfers, and Direct Payments: Each recipient shall also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than $50,000.

- Civil Rights Compliance: Treasury will request information on recipients' compliance with Title VI of the Civil Rights Act of 1964, as applicable, on an annual basis. This information may include a narrative describing the recipient's compliance with Title VI, along with other questions and assurances. This collection does not apply to Tribal governments

- Ineligible Activities: Tax Offset Provision (States and territories only): Treasury may collect additional information related to the Tax Offset Provision as described in section 602(c)(2) of the Social Security Act and implemented under 31 CFR 35.8 as part of the Project and Expenditure Report, such as but not limited to revenue reducing covered changes. Please see Section C.11 (Recovery Plan, Ineligible Activities: Tax Offset Provision) for more information.

Programs such as yours in this Expenditure Category must report on the following programmatic points:

- Project Demographic Distribution: Recognizing the disproportionate public health and negative economic impacts of the pandemic on many households, communities, and other entities, recipients must report whether certain types of projects are targeted to impacted and disproportionately impacted communities. Recipients will be asked the following:
  - What Impacted and/or Disproportionately Impacted population does this project serve. Please select the population primarily served.
  - If this project primarily serves more than one Impacted and/or Disproportionately Impacted population, please select up to two additional populations served.

Coronavirus State and Local Fiscal Recovery Funds
Program Performance Reporting
(Exhibit D to MOU)

	Impacted	Disproportionately Impacted
Assistance to Households		• Households and Populations Residing in Qualified Census Tracts

Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient's response is related and reasonably proportional to a public health or negative economic impact of COVID-19.

Capital Expenditures (EC 1.1-3.5)

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable.
- Type of capital expenditure, based on a selection of enumerated uses.
    - Note that you have been approved for eligibility under "Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces," and will select this option unless your use of SFRF funding changes and those changes have been approved.

EXHIBIT E
SCHEDULE OF ASSURANCES

The New Jersey Department of Environmental Protection ("NJDEP") will comply with the provisions of the following federal statutes, rules, and regulations in connection with the American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund:

A. Federal regulations applicable include, without limitation, the following:

1. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as U.S. Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by U.S. Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award. See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities

2. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

3. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

4. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and U.S. Treasury's implementing regulation at 31 C.F.R. Part 19.

5. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

6. Government-wide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

7. New Restrictions on Lobbying, 31 C.F.R. Part 21.

8. Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (January 20, 2021).

9. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

10. Generally applicable federal environmental laws and regulations.

B. Statutes and regulations prohibiting discrimination applicable include, without limitation, the following:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and U.S. Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance. The following language must be included in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees and assignees:

   The sub-grantee, contractor, subcontractor, successor, transferee, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

2. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability.

3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance.

4. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and U.S. Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance.

5. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

C. Federal Labor Standards

1. The Contract Work Hours and Safety Standards Act (40 U.S.C. §3701 et seq.), requiring that mechanics and laborers (including watchmen and guards) employed on federally assisted contracts of $100,000 or greater be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work-week;

2. The Federal Fair Labor Standards Act (29 U.S.C. 201 et seq.), requiring that covered nonexempt employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week;
3. The Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented in Department of Labor regulations (29 CFR 3), which requires payment of wages once a week and allows only permissible payroll deductions.

D. Other State and federal laws applicable include, but are not limited to, the following:

1. The New Jersey Prevailing Wage Act (N.J.S.A. 34:11-56.25 et seq.), establishing a prevailing wage level for workers engaged in public works.

2. The Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

3. State of New Jersey Executive Order No. 215 (Kean 1989), requiring environmental assessments or environmental impact statements to the extent applicable for major construction projects.

4. (a) In accordance with 41 U.S.C. § 4712, NJDEP may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

   (b) The list of persons and entities referenced in the paragraph above includes the following:
      a. A member of Congress or a representative of a committee of Congress;
      b. An Inspector General;
      c. The Government Accountability Office;
      d. A Treasury employee responsible for contract or grant oversight or management;
      e. An authorized official of the U.S. Department of Justice or other law enforcement agency;
      f. A court or grand jury; or
      g. A management official or other employee of DCA, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

   (c) NJDEP shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

4. Contracting with Small, Minority-owned, Women-owned and Veteran-owned Businesses, and Labor Surplus Area Firms.

(a) NJDEP shall take all necessary affirmative steps to ensure contracting opportunities are provided to small, minority-owned, woman-owned, and veteran-owned businesses, and labor surplus area firms. As used in this contract, the terms "minority-owned business," "women-owned business," and "veteran-owned business" means a business that is at least fifty-one percent (51%) owned and controlled by minority group members, women or veterans. For purposes of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and Native Americans. NJDEP may rely on written representations by businesses regarding their status as minority, women and veteran businesses in lieu of an independent investigation.

(b) Affirmative steps shall include:

a. Placing qualified small and minority-, veteran- and women-owned businesses on solicitation lists;

b. Ensuring that small and minority-, veteran- and women-owned businesses are solicited whenever they are potential sources for goods and/or services required in furtherance of the Agreement;

c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority-, veteran- and women-owned businesses;

d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority-, veteran- and women-owned businesses;

e. Using the service and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce; and

f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in subparagraphs (a) through (e) of this section.

E. Increasing Seat Belt Use in the United States.

1. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), NJDEP should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

F. Reducing Text Messaging When Driving

1. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), NJDEP should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and NJDEP should establish workplace safety policies to decrease accidents caused by distracted drivers.

G. Personally Identifiable Information

1. To the extent NJDEP receives personally identifiable information, it will comply with the Privacy Act of 1974 and U.S. Treasury rules and regulations related to the protection of personally identifiable information. The term "personally identifiable information" refers to information which can be used to distinguish or trace an individual's identity, such as their

name, social security number, biometric records, etc., either alone or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc. See 2 CFR 200.79. Subrecipients shall require all persons that have access to personally identifiable information (including subcontractors/subconsultants and their employees) to sign a Non-Disclosure Agreement.

H. Conflicts of Interest.

1. NJDEP must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded with CSFRF Funds.

2. NJDEP and any grantees or subrecipients must disclose in writing to U.S. Treasury or DCA, as appropriate, any potential conflict of interest affecting the CSFRF Funds in accordance with 2 C.F.R. § 200.112.

I. American Rescue Plan Act

1. Sections 602 and 603 of the Social Security Act, as added in Section 9901 of the American Rescue Plan Act (Pub. L. 117-2).

2. Implementing regulations adopted by U.S. Treasury pursuant to Section 602(f) of the Social Security Act, as added in Section 9901 of the American Rescue Plan Act (Pub. L. 117-2).

AMENDMENT TO
THE MEMORANDUM OF UNDERSTANDING
BETWEEN
THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
AND
THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
FOR
THE GREENWAY PLANNING, DEVELOPMENT, AND REMEDIATION PROGRAM

This Amendment (Amendment Number 2022-38.1) ("Amendment") to the Memorandum of Understanding ("MOU" "Agreement" or "MOU Number 2022-38") between the New Jersey Department of Community Affairs ("DCA" or "Grantee") and the New Jersey Department of Environmental Protection ("DEP"), both instrumentalities of the State of New Jersey ("State"), each a "Party," and collectively, the "Parties," the Agreement providing for the disbursement of American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund monies ("CSFRF Funds") for the Greenway Planning, Development, and Remediation Program ("Program"), and the Amendment providing for the allocation and disbursement of additional CSFRF Funds. This document is intended to memorialize the mutual understanding and intention of the Parties, as follows:

WHEREAS, pursuant to the Fiscal Year 2023 Appropriations Act, P.L. 2022, c. 49 ("FY2023 Appropriations Act"), Twenty Million Dollars ($20,000,000) of CSFRF Funds were appropriated to DEP for the implementation of this Program, subject to the approval of the Director of the Division of Budget and Accounting, with notice provided to the Joint Budget Oversight Committee with respect to this appropriation of CSFRF Funds;

WHEREAS, in order to fund the Program, on or about December 14, 2022, the Parties executed the Agreement (a copy of which is attached hereto as **Attachment A** and incorporated by reference herein), authorizing the disbursement of Twenty Million Dollars ($20,000,000) (the "Grant Funds"); and

WHEREAS, pursuant to the Fiscal Year 2024 Appropriations Act, P.L. 2023, c. 74 ("FY2024 Appropriations Act"), an additional Twenty Million Dollars ($20,000,000) of CSFRF Funds were appropriated to DEP for the implementation of this Program, subject to the approval of the Director of the Division of Budget and Accounting, with notice provided to the Joint Budget Oversight Committee with respect to this appropriation of CSFRF Funds;

WHEREAS, DCA has determined this use eligible under Title VI of the Social Security Act, sections 602 and 603 and associated regulation, and DCA has further determined this use is consistent with the legislative intent of the initial allocation, and the scope of the initial Agreement; and

WHEREAS, the Agreement may only be modified through a signed writing; and

WHEREAS, it is in the Parties' mutual interests, as well as in the public interest, to have the parties' respective responsibilities concerning implementation of services for the Program memorialized in this signed writing;

NOW, THEREFORE, the Parties mutually agree to modify the Agreement as follows:

1. There shall be added a Section 1.4 and 1.5, which shall read as follows;

    1.4 Subject to the terms and conditions of this Agreement #2022-38, DCA shall make available to DEP, additional funds not to exceed Twenty Million Dollars ($20,000,000) (the "additional funds for the purpose of funding this Program. Upon full execution of Amendment #2022-38.1, DCA will disburse one quarter (25%) of the entire amount of the additional funds to DEP, or Five Million Dollars ($5,000,000).

    1.5 After the initial advance, DCA will disburse subsequent advances totaling one quarter of the additional funds to DEP, or Five Million Dollars ($5,000,000) for this Program, upon written request by DEP to DCA. The request shall include the required documentation such as a duplication of benefits certification and financial or progress reporting requirements, as applicable.

2. Administrative funds shall be made available to DEP in addition to the Grant Funds, on an as-needed basis, not to exceed 2.5% of the additional funds amount.

3. There shall be attached to this Amendment a Program Budget reflecting the planned expenditure of the additional funds, a copy of which is attached hereto as **Attachment B** and incorporated herein.

4. The remainder of the Agreement and all exhibits remain and continue in full force and effect, with respect to both the initial and subsequent allocations.

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IN WITNESS WHEREOF, the Parties, duly authorized, have executed this **Amendment**, effective the date all parties have signed. The Parties agree to accept electronic signatures.

New Jersey Department of Community Affairs

_______________________________ Date: 1/24/2024

By: Samuel Viavattine
Deputy Commissioner

New Jersey Department of Environmental Protection

_______________________________ Date: 9 January 2024

By: John Cecil
Assistant Commissioner, State Parks, Forests & Historic Sites

Attachment A – Agreement Number 2023-38
Attachment B – Additional Funds Budget

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
AND
THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION
FOR
GREENWAY PLANNING, DEVELOPMENT, AND REMEDIATION

This **MEMORANDUM OF UNDERSTANDING** ("MOU") (MOU Number 2022-~~XX~~38), is made by and between the New Jersey Department of Community Affairs ("NJDCA" or "Grantor") and the New Jersey Department of Environmental Protection ("NJDEP"), an instrumentality of the State of New Jersey (the "State"), to set forth the terms and conditions for the disbursement of American Rescue Plan Act – Coronavirus State Fiscal Recovery Fund ("CSFRF") monies for the Greenway Planning, Development, and Remediation Program ("Greenway Program"). The NJDCA and NJDEP may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

PREAMBLES

WHEREAS, due to the increase in the number of novel coronavirus ("COVID-19") cases in New Jersey, the surrounding region and across the globe, the Governor of the State of New Jersey issued Executive Order No. 103 declaring a public health emergency and a state of emergency in the State of New Jersey (the "State") on March 9, 2020, allowing for certain executive actions to respond to the increasing amount of COVID-19 cases in the State; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic (the "COVID-19 Pandemic") and on March 13, 2020, the President of the United States ("President") declared a national state of emergency; and

WHEREAS, in response to the COVID-19 Pandemic, Congress enacted as series of laws to address the impacts of the COVID-19 Pandemic; and

WHEREAS, on March 11, 2021, the President signed the "American Rescue Plan Act of 2021" P.L. 117-2 (the "ARP Act") into law; and

WHEREAS, as part of the ARP Act, Congress at subtitle M of the ARP Act, amended Title VI of the Social Security Act (42 U.S.C. 801 et seq.) by adding Sections 602 and 603 to create the CSFRF; and

WHEREAS, CSFRF monies ("CSFRF Funds") are to be used, generally: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID public health emergency by providing premium pay to eligible workers of the State who are performing such essential work, or by providing grants to eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State prior to the emergency; or (d) to make necessary investments in water, sewer, or broadband infrastructure; and

WHEREAS, the State received $6,244,537,955.50 in CSFRF Funds under the ARP Act which must be used in conformance with the requirements of the ARP Act; and

WHEREAS, pursuant to the Fiscal Year 2023 Appropriations Act, P.L. 2022, c. 49, as may be amended from time to time, Twenty Million Dollars ($20,000,000) of CSFRF Funds were appropriated to NJDEP to implement the Greenway Program, subject to the approval of the Director of the Division of Budget and Accounting, with notice provided to the Joint Budget Oversight Committee with respect to this appropriation of CSFRF Funds; and

WHEREAS, pursuant to the Fiscal Year 2022 Appropriations Act, L. 2021, c.133, as may be amended from time to time, NJDCA is responsible for overseeing the entire portfolio of funds, consistent with CSFRF requirements, as the State-designated Grants Manager; and

WHEREAS, the State Treasurer has entered into a Memorandum of Understanding dated as of July 22, 2021, with NJDCA as Grants Manager for the CSFRF Funds, to provide those grant management functions and processes for the State that are necessary to administer, manage and monitor State entity grant awards and disburse funds accordingly; and

WHEREAS, NJDCA will use its SIROMS grant management system to track State entity expenditures and obligations, administer approved grant funds, and track compliance with applicable laws, regulations, guidance, and program requirements; and

WHEREAS, the NJDCA is distributing a portion of the CSFRF Funds, in an amount not to exceed Twenty Million Dollars ($20,000,000), to provide funding to NJDEP for the implementation of NJDEP's Greenway Program, that the Governor's Disaster Recovery Office and NJDCA have determined eligible for CSFRF Funds; the Grant is described in Exhibit A attached hereto and is made a part hereof; and

WHEREAS, the implementation of the Greenway Program shall be undertaken in compliance with Federal, State and local laws and regulations as well as the requirements of this MOU, Executive Order No. 166 (Murphy 2020) ("EO 166"), 31 CFR Part 35 U.S. Treasury Coronavirus State and Local Fiscal Recovery Funds – Final Rule, and Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("2 CFR Part 200"); and

WHEREAS, it is in the Parties' mutual interests, as well as in the public interest, to have the Parties' respective responsibilities concerning the implementation of Greenway Program memorialized in a written agreement.

NOW, THEREFORE, NJDEP and NJDCA agree as follows:

Section 1. Grant Award

1.1 Subject to the terms and conditions of this MOU, NJDCA, as Grantor, shall make available to NJDEP, funds in the amount not to exceed Twenty Million Dollars ($20,000,000) (the "Grant Funds") for the purpose of funding NJDEP's Greenway Program. Upon full execution of this MOU, NJDCA will disburse one-quarter (25%) of the entire amount of the Grant Funds to NJDEP, or Five Million Dollars ($5,000,000).

1.2 After the initial advance, NJDCA will disburse subsequent advances totaling one-quarter (25%) of the entire amount of the Grant Funds to NJDEP, or Five Million Dollars ($5,000,000) for the Greenway Program, upon written request by NJDEP to NJDCA. The request shall include the required documentation such as a Duplication of Benefits Certification and the reporting requirements that include performance objectives proposed by NJDEP, as identified in Exhibits C and D. Exhibits C and D are attached hereto and made a part hereof.

1.3 NJDCA agrees to advance the requested funds within fifteen (15) calendar days of NJDEP's submission of a complete request. The cash transfer to provide NJDEP with the advance will be recorded in SIROMS.

Section 2. Terms of the Services

2.1 NJDEP shall use the Grant Funds for the purpose of funding NJDEP's Greenway Program. Any material changes to the Greenway Program must be approved by NJDCA prior to implementation, except to the extent such changes are required to conform with federal requirements or conditions of funding.

2.2 NJDEP must meet the deadlines for the use of CSFRF Funds. Any CSFRF Funds not obligated by December 31, 2024, or not expended by December 31, 2026 to cover such incurred costs, must be returned to United States Department of the Treasury ("U.S. Treasury"), unless the deadline is extended by U.S. Treasury.

2.3 NJDEP must also ensure that any entities to which NJDEP provides CSFRF Funds obligate the Grant Funds by December 31, 2024 and expend the Grant Funds by December 31, 2026, unless the deadline is extended by U.S. Treasury.

2.4 NJDEP will receive and must use the proceeds of this Grant for "Allowable Costs," meaning costs that are acceptable pursuant to 2 CFR §200.403, all other applicable federal regulations, and approved as part of NJDEP's Greenway Program encompassed by this MOU.

2.5 NJDEP may use the Grant Funds for Direct Costs, as defined in 2 CFR Part §200.413. NJDEP shall maintain full documentation of Direct Costs for all expenses incurred and provide access for NJDCA, U.S. Treasury, and any other monitoring agency upon request.

2.6 The administrative costs of NJDEP are in addition to the Grant Funds allocated to NJDEP's Greenway Program and may not exceed 5.0% thereof.

Section 3. Responsibilities of NJDEP

3.1 Prior to December 31, 2024, to demonstrate compliance with Section 2.2, NJDEP shall provide a report to the NJDCA demonstrating actual or committed disbursement of Grant Funds and the need for and commitment to expend the Grant Funds by no later than December 31, 2026.

3.2 NJDEP shall provide the requisite staff and support required to implement the Greenway Program.

3.3 NJDEP hereby binds itself, certifies and assures that it will comply with all federal, State and local laws and regulations, policies, guidelines and requirements, as they relate to the acceptance and use of federal CSFRF Funds, including all applicable State and Federal Executive Orders. The Parties expressly acknowledge that the matters which are the subject of this MOU are governed by the ARP Act, including subtitle M, and administered by the U.S. Treasury, and may be subject to ongoing modifications and clarifications. NJDEP agrees to comply with all applicable CSFRF requirements and Federal cross-cutting statutes and regulations as more fully detailed in the Schedule of Assurances attached hereto as Exhibit E and made a part hereof, in addition to the U.S. Treasury Guidance and Frequently Asked Questions and the U.S. Treasury Final Rule (31 CFR Part 35) as they may be updated from time to time, and subject to any other exceptions and waivers that may be issued by U.S. Treasury that affect CSFRF Funds.

3.4 NJDEP shall be responsible for requiring that its subrecipients, contractors and all tiers of subcontractors adhere to all applicable State and Federal laws and regulations, including the ARP Act, all other applicable federal statutes, U.S. Treasury regulations, as well as the requirements set forth in this MOU, including Exhibit E, and to conduct all necessary monitoring for such compliance.

3.5 NJDEP shall provide NJDCA with a report detailing the Grant's progress and budgetary updates for inclusion in NJDCA's Performance Reports, using the reporting criteria detailed in Exhibits C and D. The frequency of financial reporting will be monthly and the Grant's progress reporting will be quarterly, unless determined otherwise by the Parties.

3.6 NJDEP shall submit a record of all their obligations and expenditures into SIROMS with necessary supporting documentation, along with other obligations such as grants, subrecipient agreements and contracts. In addition to data entry, review, and other document submittals, NJDEP shall upload all monthly and quarterly reports, as required herein, and other Federal and State reports into SIROMS.

3.7 NJDEP agrees that in connection with its rights and obligations pursuant to this MOU, it shall cooperate with NJDCA, including the NJDCA monitoring team and the COVID-19 Integrity Oversight Monitor ("Integrity Monitor"), with regard to the audit of activities carried out pursuant to this MOU, including compliance with various operating and reporting procedures which may hereinafter be promulgated by NJDCA or federal funding sources. NJDEP shall provide NJDCA with (read) access to and reporting from NJDEP's financial records and management systems

which include, but are not limited to, paper documents, worksheets, grant management systems, contract management systems, and databases.

3.8 NJDEP must appoint and retain an Integrity Monitor, pursuant to EO 166, because the Grant equals or exceeds $20 million. NJDCA will follow-up with NJDEP to ensure that any concerns or findings reported by the Integrity Monitor are addressed.

3.9 To the extent that U.S. Treasury audits the use of the Grant Funds, NJDEP shall coordinate with NJDCA a response to such audit(s). NJDEP shall also be responsible for any recoupment of the Grant Funds that U.S. Treasury may require as the result if any audit findings.

3.10 NJDEP must comply with the audit requirements as outlined in 2 CFR Part 200, Subpart F, Audit Requirements, which mandates that if a non-Federal entity expends $750,000 or more in federal awards during the non-Federal entity's fiscal year, the entity must have a single or Grant-specific audit conducted by an independent auditor for that year.

3.11 In the event that the actual or committed disbursement of funds as stated in the report provided pursuant to Section 3.1 is less than the amount of the Grant Funds, or upon termination of the MOU, NJDEP shall promptly remit to NJDCA the balance of the remaining Grant Funds.

3.12 NJDEP is responsible for ensuring that the use of Grant Funds does not constitute "Improper Payments," as defined by the Uniform Administrative Requirements at 2 C.F.R. § 200.1. NJDEP shall establish appropriate policies and procedures to prevent Improper Payments and shall cooperate and coordinate with other State departments and agencies to prevent and rectify Improper Payments, which may include, but is not limited to, recoupment of Grant Funds.

3.13 The Accountability Officer for NJDEP is the Director, Division of Budget and Financial Operations, who shall be responsible for overseeing the successful performance and completion of NJDEP's obligations as provided in this MOU and shall be the point of contact for NJDCA, Governor's Office and the Office of the State Comptroller. The Accountability Officer is required to perform risk assessments and is responsible for overseeing NJDEP's Greenway Program along with hiring an Integrity Monitor.

3.14 NJDEP shall provide any complaints of discrimination on the grounds of race, color, or national origin, and limited proficiency covered by Title VI of the Civil Rights Act of 1964, and any review, proceedings and outcome related to the complaint.

3.15 NJDEP shall maintain records for the period set forth in the State General Retention Schedule or seven (7) years for federal grants. Non-federal entities not subject to State retention requirements shall maintain records for the period set forth in 2 C.F.R. § 200.334.

Section 4. General Provisions

4.1 Termination and Amendments. This MOU may be modified or extended only by prior written agreement by the Parties. This MOU may be terminated by either NJDCA or NJDEP upon thirty (30) days prior written notice to the other Party.

4.2 This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

4.3 There are no third-party beneficiaries of this MOU.

4.4 This MOU shall be administered consistent with N.J.S.A. 52:14-1 et seq.

4.5 The Effective Date of this MOU shall be the later of the date executed by the Parties below and shall continue until March 31, 2027.

4.6 NJDCA and NJDEP shall retain all the powers, obligations and immunities provided by law.

4.7 The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.

4.8 The recitals appearing before Section 1 are made part of this MOU and are specifically incorporated herein by reference.

4.9 This MOU may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed and delivered this MOU on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

New Jersey Department of Community Affairs

By: Samuel R. Viavattine
Deputy Commissioner

Date: 12/14/22

New Jersey Department of Environmental Protection

By: Sean D. Moriarty
Deputy Commissioner

Date: December 7, 2022

Exhibit A – Description of the Program
Exhibit B – Budget
Exhibit C – Financial Reporting Requirements
Exhibit D – Performance Reporting Requirements
Exhibit E – Schedule of Assurances

American Rescue Plan State of New Jersey Budget Template - Attachment B

Sub-recipient:	Department of Environmental Protection	**Program:**	DEP Greenway
Grant Award:	**20,000,000**		

Activity 1 Expenditure Sub- Category:	Activity 2 Expenditure Sub-Category:	Activity 3 Expenditure Sub- Category:
2.22 Strong Healthy Communities: Neighborhood Features that Promot		

Section 1 Direct (not Admin or Capital):

Budget Expenditure Categories		Greenway Park	Activity 2	Activity 3	Total		Line Item Justification Narrative
1. Salaries					-		
2. Related Benefits					-		
3. IT/Telecom					-		
4. Operating Supplies & Services					-		
5. Environmental Reviews					-		
6. Grants					-		
7. Contracts							
8. Loans					-		
9.Transfers					-		
10. Direct					-		
11. Total Direct Costs (add lines 1-10)		-	-	-	-		

Section 2 Admin:

Budget Expenditure Categories		Activity 1	Activity 2	Activity 3	Total		Line Item Justification Narrative
1a. Salaries		282,247			282,247		support DEP staff working on development of the Greenway
2a. Related Benefits		217,753			217,753		fringe rate of 77.15%
3a. IT/Telecom					-		
4a. Operating Supplies & Services					-		
5a. Contracts/Professional Services					-		
6a. Environmental Reviews					-		
7a. Total Admin Costs (add lines 1a-6a)		**500,000**	-	-	500,000		

Section 3 Capital:

Budget Expenditure Categories		Activity 1	Activity 2	Activity 3	Total		Line Item Justification Narrative
1c. Salaries					-		
2c. Related Benefits					-		
3c. IT/Telecom					-		
4c. Operating Supplies & Services					-		
5c. Environmental Reviews					-		
6c. Grants					-		
7c. Contracts		20,000,000			20,000,000		Remediation, design, development of Greenway. Continue contracts for site remediation and maintenance, security and other associated costs that may develop during the project, for segments primarily through Newark and Kearny.
8c. Loans					-		
9c.Transfers					-		
10c. Direct					-		
11c. Total Capital Costs (add lines 1c-10c)		**20,000,000**	-	-	**20,000,000**		

Attachment C

Reporting Period: **March to June 2025**

NOTE: all amounts entered in Curent Period Obligation and Current Period Expended Amount should have supporting documentation provided with this report

	Contract Number (if applicable)	Payee	Current Period Obligation	Previously Reported Obligation	Cumulative Obligation	Current Period Expended Amount	Previously Reported Expended Amount	Cumulatve Expended Amount	Transaction Classification (Direct or Admin)	Contract Type (if applicable)	Contract Date
1			$ -	$ -	$ -	$ -	$ -	$ -			
2			$ -	$ -	$ -	$ -	$ -	$ -			
3			$ -	$ -	$ -	$ -	$ -	$ -			
4			$ -	$ -	$ -	$ -	$ -	$ -			
5			$ -	$ -	$ -	$ -	$ -	$ -			
6			$ -	$ -	$ -	$ -	$ -	$ -			
7			$ -	$ -	$ -	$ -	$ -	$ -			
8			$ -	$ -	$ -	$ -	$ -	$ -			
9			$ -	$ -	$ -	$ -	$ -	$ -			
10			$ -	$ -	$ -	$ -	$ -	$ -			
11			$ -	$ -	$ -	$ -	$ -	$ -			
12			$ -	$ -	$ -	$ -	$ -	$ -			
13			$ -	$ -	$ -	$ -	$ -	$ -			
14			$ -	$ -	$ -	$ -	$ -	$ -			
15			$ -	$ -	$ -	$ -	$ -	$ -			
16			$ -	$ -	$ -	$ -	$ -	$ -			
17			$ -	$ -	$ -	$ -	$ -	$ -			
18			$ -	$ -	$ -	$ -	$ -	$ -			
19			$ -	$ -	$ -	$ -	$ -	$ -			
20			$ -	$ -	$ -	$ -	$ -	$ -			
21			$ -	$ -	$ -	$ -	$ -	$ -			
22			$ -	$ -	$ -	$ -	$ -	$ -			
23			$ -	$ -	$ -	$ -	$ -	$ -			
24			$ -	$ -	$ -	$ -	$ -	$ -			

Attachment D		
Measure	**2024 Q3**	**2024 Q4**
Describe your program's progress.	Site design, planning, security, and maintenance work is continuing at the Greenway. OR Colan Associates is contracted to provide relocation assistance to the remaining commercial tenants along the Greenway. Agency Landscape & Planning with NV5 are contracted to develop a Phase 1B Design and Construction plan, and execute said plan through coordinated construction management efforts. They will also create a broader Greenway Design Plan that outlines future phases of Greenway development. As part of Phase 1B, DEP expects to break ground in 2025 on an approximately one mile stretch in Newark.	Site design, planning, security, and maintenance work is continuing at the Greenway. OR Colan Associates is contracted to provide relocation assistance to the remaining commercial tenants along the Greenway. Agency Landscape & Planning with NV5 are contracted to develop a Phase 1B Design and Construction plan, and execute said plan through coordinated construction management efforts. They will also create a broader Greenway Design Plan that outlines future phases of Greenway development. As part of Phase 1B, DEP expects to break ground in 2025 on an approximately one mile stretch in Newark.
Describe your equity goals.	Planning and developing the Greenway will drive equitable access to open space in some of NJ's densest and most overburdened communities. The Greenway addresses environmental justice issues by increasing access to open space/parks, mitigating stormwater issues, and providing forms of active and passive recreation, and more. Additionally, the firms DEP selected to pre-qualify represent a diverse workforce.	Planning and developing the Greenway will drive equitable access to open space in some of NJ's densest and most overburdened communities. The Greenway addresses environmental justice issues by increasing access to open space/parks, mitigating stormwater issues, and providing forms of active and passive recreation, and more. Additionally, the firms DEP selected to pre-qualify represent a diverse workforce. Similarly, those working on construction of the Greenway will also be a diverse workforce.
How do you plan to measure your equity goals?	Acres of converted space (industrial to open space). Amount of stormwater managed. Acres remediated.	Acres of converted space (industrial to open space). Amount of stormwater managed. Acres remediated.
How much progress have you made toward achieving your equity goals?	Unable to quantify at this time. We are in planning stages and have not yet remediated nor mitigated stormwater issues. As DEP gears up towards development, leases on the line are terminated, removing air/noise pollution, truck traffic, and more from communities.	Unable to quantify at this time. We are in planning stages and have not yet remediated nor mitigated stormwater issues. As DEP gears up towards development, leases on the line are terminated, removing air/noise pollution, truck traffic, and more from communities.
Provide details on any complaints the program has received on the grounds of race, color, national origin, and limited English proficiency covered by Title VI of the Civil Rights act of 1964.	No civil rights complaints were filed this quarter.	No civil rights complaints were filed this quarter.
Number of beneficiary residents living in proximity to upgraded greenspace?	Question not yet applicable.	[wasn't asked in Q4]
Number of census tracts benefitting from the program	17	[wasn't asked in Q4]
Number of beneficiary census tracts identified as Justice40 communities	5	[wasn't asked in Q4]
Number of beneficiary census tracts identified as Overburdened Communities (OBC)	17	[wasn't asked in Q4]

Greenway Acquisition

Measure	2024 Q3	2024 Q4
Describe your program's progress.	NJDEP acquired the property on August 19, 2022. Construction has not started. An RFQ was issued seeking a design consultant for the Greenway resulting in three pre-qualified firms being selected. Four Mini-Bids for work orders were issued 4/4/23 and DEP selected Agency Landscape + Planning with NV5 for the Stakeholder Engagement/Phased Development and Stormwater work orders, and Arup for the Remediation and Safety/Security work orders, which were completed in Fall 2023. DEP issued a Mini-Bid for a Phase 1B Design and Construction work order in Fall 2023, and selected Agency with NV5. Phase 1B work order is underway.	NJDEP acquired the property on August 19, 2022. Construction has not started. An RFQ was issued seeking a design consultant for the Greenway resulting in three pre-qualified firms being selected. Four Mini-Bids for work orders were issued 4/4/23 and DEP selected Agency Landscape + Planning with NV5 for the Stakeholder Engagement/Phased Development and Stormwater work orders, and Arup for the Remediation and Safety/Security work orders, which were completed in Fall 2023. DEP issued a Mini-Bid for a Phase 1B Design and Construction work order in Fall 2023, and selected Agency with NV5. Phase 1B work order is underway. NJDEP is working with NJEDA to onboard a construction manager to build the 0.8 mile section of the Greenway in Newark.
Describe your equity goals.	Planning and developing the Greenway will drive equitable access to open space in some of NJ's densest and most overburdened communities. The Greenway addresses environmental justice issues by increasing access to open space/parks, mitigating stormwater issues, and providing forms of active and passive recreation, and more. Additionally, the firms DEP selected to pre-qualify represent a diverse workforce.	Planning and developing the Greenway will drive equitable access to open space in some of NJ's densest and most overburdened communities. The Greenway addresses environmental justice issues by increasing access to open space/parks, mitigating stormwater issues, and providing forms of active and passive recreation, and more. Additionally, the firms DEP selected to pre-qualify represent a diverse workforce. Work done during construction will similarly include a diverse workforce.
How do you plan to measure your equity goals?	Acres of converted space (industrial to open space). Amount of stormwater managed. Acres remediated.	Acres of converted space (industrial to open space). Amount of stormwater managed. Acres remediated.
How much progress have you made toward achieving your equity goals?	Unable to quantify at this time. We are in planning stages and have not yet remediated nor mitigated stormwater issues. As DEP gears up towards development, leases on the line are terminated, removing air/noise pollution, truck traffic, and more from communities.	Unable to quantify at this time. We are in planning stages and have not yet remediated nor mitigated stormwater issues. As DEP gears up towards development, leases on the line are terminated, removing air/noise pollution, truck traffic, and more from communities.
Provide details on any complaints the program has received on the grounds of race, color, national origin, and limited English proficiency covered by Title VI of the Civil Rights act of 1964.	No civil rights complaints were filed this quarter.	No civil rights complaints were filed this quarter.
Number of census tracts benefitting from the program	17	[wasn't asked in Q4]
Number of beneficiary census tracts identified as Justice40 communities	5	[wasn't asked in Q4]
Number of beneficiary census tracts identified as Overburdened Communities (OBC)	17	[wasn't asked in Q4]
Number of census tracts benefitting from the program	17	[wasn't asked in Q4]
Number of beneficiary census tracts identified as Justice40 communities	5	[wasn't asked in Q4]
Number of beneficiary census tracts identified as Overburdened Communities (OBC)	17	[wasn't asked in Q4]

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Urban Investment Fund Grant Program Funding Award – City of Paterson

Request

The Members are asked to:

1) Approve an Urban Investment Fund Grant award in the total amount of $7,000,000 to the City of Paterson for undertaking five (5) projects as part of a revitalization strategy in the Spruce Street commercial corridor area in the City of Paterson, and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 27, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

Background

On March 7, 2024, the Board approved the creation of the Urban Investment Fund Grant Program. This pilot program was capitalized with $38,198,148 from the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located in eligible municipalities.

Eligible applicants as defined in the Board Memo are the municipalities of Camden, Newark, New Brunswick, Passaic, Paterson, and Trenton (or their designees) which all ranked within the top five percent of commuter-adjusted population and municipal distress based on the 2023 Municipal Revitalization Index.

Only one application per eligible municipality is allowed and municipalities with commuter-adjusted population over 100,000 may apply for maximum program grant funding of $7 million and municipalities with commuter-adjusted population under 100,000 may apply for maximum program grant funding of $5,732,716. Program grant funding may not exceed 80% of the total of all project costs.

The Program requires that applicants identify a key commercial corridor area (“Corridor”) for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The applicant must identify the borders of the Corridor, and the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Applicants must also develop a revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area (“Revitalization Strategy”). The Revitalization Strategy should describe the public open process that the applicant undertook to identify and determine the projects for which they request Program grant funding. and should also indicate other projects that have or may be undertaken in the identified key commercial corridor area.

The Program provides grant funding for three eligible project types and applicants must include a minimum of two projects in their application. Projects that have started construction are not eligible.

- Building Rehabilitation Projects – for use as a commercial or mixed-use building; Maximum funding of $3.5 million per building; not for new construction.

- Building Reuse Studies – Maximum funding of $200,000 per study.

- Public Space Use Investments – Funding for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; located on space/property that is predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project.

Following Board approval of Grant awards, the Authority will enter into a Grant Agreement (“Grant Agreement”) with the applicant which will include descriptions of the Corridor and the Revitalization Strategy, the overall and each separate Project to be funded with Grant funds, all financial programmatic requirements including the amount of other funding to meet the minimum 20% match requirement, grant expenditure and project completion timelines and applicable 5-year deed/use restrictions.

The Grant Agreement will detail state and federal requirements prevailing wage, affirmative action, contractor registration, and other labor standards requirements. The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

<u>SLFRF Funding Expenditure Requirements</u>

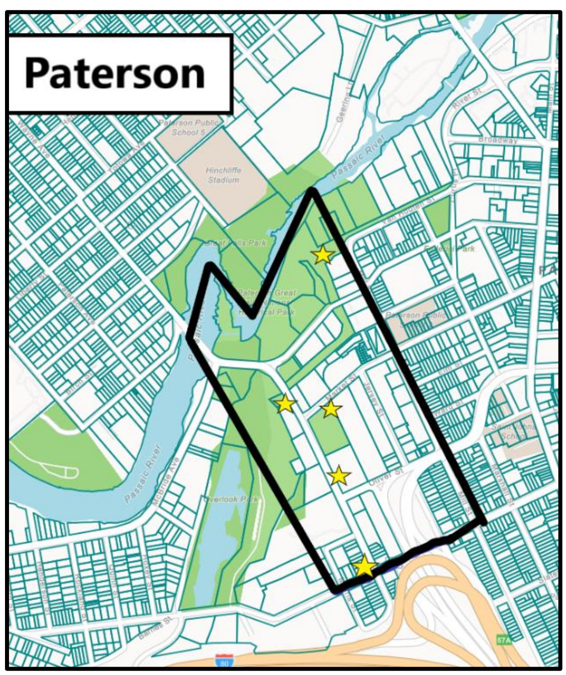
The March 2024 Board Memo stated that "the Grant Agreement will indicate that to comply with federal funding requirements, all projects must be fully completed, and all funds fully disbursed by 12/31/2026" and further indicated that "…the Authority's standard construction retainage [would be] withheld until project completion…" This language is revised herein to indicate that in order to meet the requirement that projects need to be completed by December 31 2026, all Program funds must be expended by that date. The Grant Agreement will indicate that funding disbursements shall be consistent with SLFRF funding expenditure requirements which do not require project completion by 12/31/2026 nor is construction retainage required to be withheld until project completion.

Project Description

Utilizing $7 million in Program grant funds, the City of Paterson will proactively address negative impacts of the pandemic through an overall approximately $17.65 million Program strategy to revitalize the Spruce Street Corridor by undertaking 2 building rehabilitation projects, 1 building reuse study, and 2 public space use investment projects (the "Project"). The City is working with New Jersey Community Development Corporation to rehabilitate 2 key properties along Spruce Street into additional commercial and residential space. The Ivanhoe Wheelhouse will be studied for future improvements. Public space and park improvements will create safe spaces for people to gather in the Great Falls historic area and learn about Paterson's history.

The City of Paterson and its partners utilized a public open process to establish the City's overall revitalization strategy which included public hearings and meetings with community stakeholders, local businesses and residents, and presentations at the 2024 Great Falls Neighborhood Summit, the Greater Paterson Chamber of Commerce September 2024 meeting, the September meeting of the Rotary Club of Metro NJ, and the October Paterson Historic Preservation Commission Meeting

Commercial Corridor Area and Revitalization Strategy



The Spruce Street Commercial Corridor area includes the length of Spruce Street from Grand Street on the southern end to the Passaic River as the northern boundary. The Spruce Street Commercial Corridor includes parcels on both sides of Spruce Street (including Barbour Street and Morris Street north of Grand Street) and extends east to Mill Street. The Spruce Street Commercial Corridor includes the Great Falls Historic District, a major center for redevelopment within Paterson, and is located within close proximity to the Downtown Business District.

The City's UIF Revitalization Strategy focuses on catalytic development projects that will attract residents and visitors to Paterson consistent with the 2023 Paterson Comprehensive Economic Development & Revitalization Plan and 2014 Paterson Master Plan. The 5 projects to be undertaken with Grant funds will support the overall revitalization strategy that has guided the City's current and future redevelopment efforts.

The Revitalization Strategy and 5 projects will address the negative economic impacts of COVID-19 through targeted investments in heritage tourism, the growth of businesses and public services near the Great Falls, and the addition of more open space surrounding the Paterson Great Falls. During the COVID-19 pandemic, the City was one of the hardest hit communities in New Jersey with high rates of job loss and significant decrease in foot traffic around the Great Falls and in the downtown central business district which resulted in the closure of numerous businesses. The further development of the Spruce Street Commercial Corridor will aid in attracting more tourists to the Great Falls and its many cultural sites, as well as creating additional community resources to help to transform the Spruce Street Corridor into a section of the community that will benefit residents and visitors to Paterson.

Projects to be Undertaken

The City of Paterson will undertake five (5) projects, as part of their overall Revitalization Strategy, funded through the $7,000,000 Program grant. The total cost of all 5 projects is approximately $17.65 million and the City and its partners will provide approximately $10,650,000 as part of overall project budgets/costs.

- *Building Rehabilitation Project:* The Youth Wellness Hub project, 59 Spruce Street, is a former school building being rehabilitated by New Jersey Community Development Corporation (NJCDC) to be used as a mixed-use property with 5,000 sq. ft. of commercial storefront space fronting on Spruce Street creating a vibrant streetscape. The balance of the building will support a Youth Wellness Hub operated by NJCDC. The project is anticipated to cost approximately $7 million with $2 million from the Urban Investment Fund. This building will have a 5-year use deed restriction.

- *Building Rehabilitation Project:* Spruce and Grand Street Apartments, 98 Spruce Street, is the substantial rehabilitation with new construction of a mixed-use building with 10-11 affordable residential units and a ground floor commercial space. The $8.2 million project will be developed by New Jersey Community Development Corporation (NJCDC) with $3 million from the Urban Investment Fund. This building will have a 5-year use deed restriction.

- *Building Reuse Study:* The City of Paterson will use $200,000 in grant funds to undertake a Building Reuse Study of the Ivanhoe Wheelhouse building, 8 Spruce Street, to determine the future use of this historic property that contributes to the rich, industrial history of the Great Falls Historic District.

- *Public Space Use Investment*: Colt Gun Mill Park, 22-24 McBride Avenue Ext., will use $1.5 million from the Urban Investment Fund to complete extensive repairs to the Raceway Bridge connecting pedestrians to the site as well as landscape and interpretive improvements to the park. This project will create public access to this important historical and recreational site.

- *Public Space Use Investment:* The Rogers Locomotive Pavilion Project, 2 Market Street, will create a metal-frame pavilion over two historic locomotives adjacent to the Paterson Museum. The Pavilion will create an open-air, educational and interpretive area for museum patrons and visitors. The $1 million project includes $300,000 in funding from the Urban Investment Fund.

Eligibility Review & Funding Considerations:

The Urban Investment Fund Grant Program is a non-competitive program. Authority staff has reviewed the application and finds that it satisfies the Program eligibility requirements including designating a Corridor, outlining a Revitalization Strategy, requesting grant funds for eligible projects (including a minimum of two projects), providing evidence of capacity and experience, reasonableness of costs and additional funding sources, and submission of satisfactory project development timelines.

Per the Delegated Authority granted at Program creation, the Authority's CEO may approve changes to Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.

Program Funding Balance

The Urban Investment Fund was capitalized using $38,198,148 in funding. At the February 12, 2025 Board Meeting, the Board is being asked to consider the following awards totaling $32,465,432.

This Board Memo recommends the award of **$7,000,000 to the City of Paterson**. Additional awards being considered by the Board at the February 12, 2025 meeting include:

- City of Trenton - $7,000,000
- Invest Newark (Newark) - $7,000,000

- City of Passaic - $5,732,716
- City of New Brunswick - $5,732,716

Should the Board approve the funding awards for the City of Paterson and the above applicants, the Urban Investment Fund will have **$5,732,716** remaining.

Recommendation

The Members are requested to approve:

1) An Urban Investment Fund Grant award in the total amount of $7,000,000 to the City of Paterson for undertaking five (5) projects as part of a revitalization strategy in the Spruce Street commercial corridor area in the City of Paterson; and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 24, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

____

Tim Sullivan, CEO

Prepared by: Giancarlo Di Lonardo

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Urban Investment Fund Grant Program Funding Award – City of Trenton

Request

The Members are asked to:

1) Approve an Urban Investment Fund Grant award in the total amount of $7,000,000 to the City of Trenton for undertaking two (2) projects as part of a revitalization strategy in the South Broad Street corridor area within the City of Trenton's North Ward; and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 27, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

Background

On March 7, 2024, the Board approved the creation of the Urban Investment Fund Grant Program ("Program"). This pilot program was capitalized with $38,198,148 from the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located in eligible municipalities.

Eligible applicants as defined in the Board Memo are the municipalities of Camden, Newark, New Brunswick, Passaic, Paterson, and Trenton (or their designees) which all ranked within the top five percent of commuter-adjusted population and municipal distress based on the 2023 Municipal Revitalization Index.

Only one application per eligible municipality is allowed and municipalities with commuter-adjusted population over 100,000 may apply for maximum program grant funding of $7 million and municipalities with commuter-adjusted population under 100,000 may apply for maximum program grant funding of $5,732,716. Program grant funding may not exceed 80% of the total of all project costs.

The Program requires that applicants identify a key commercial corridor area ("Corridor") for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The applicant must identify the borders of the Corridor, and the corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Applicants must also develop a revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area ("Revitalization Strategy"). The Revitalization Strategy should describe the public open process that the applicant undertook to identify and determine the projects for which they request Program grant funding. and should also indicate other projects that have or may be undertaken in the identified key commercial corridor area.

The Program provides grant funding for three eligible project types (Project) and applicants must include a minimum of two projects in their application. Projects that have started construction are not eligible.

- Building Rehabilitation Projects – for use as a commercial or mixed-use building; Maximum funding of $3.5 million per building; not for new construction.

- Building Reuse Studies – Maximum funding of $200,000 per study.

- Public Space Use Investments – Funding for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; located on space/property that is predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project.

Following Board approval of Grant awards, the Authority will enter into a Grant Agreement ("Grant Agreement") with the applicant which will include descriptions of the Corridor and the Revitalization Strategy, each separate Project to be funded with Grant funds, all financial programmatic requirements including the amount of other funding to meet the minimum 20% match requirement, grant expenditure and project completion timelines and applicable 5-year deed/use restrictions.

The Grant Agreement will detail state and federal requirements prevailing wage, affirmative action, contractor registration, and other labor standards requirements., The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

SLFRF Funding Expenditure Requirements
The March 2024 Board Memo stated that "the Grant Agreement will indicate that to comply with federal funding requirements, all projects must be fully completed, and all funds fully disbursed by 12/31/2026" and further indicated that "…the Authority's standard construction retainage [would be] withheld until project completion…" This language is revised herein to indicate that in order to meet the requirement that projects need to be completed by December 31 2026, all Program funds must be expended by that date. that the Grant Agreement will indicate that funding disbursements shall be consistent with SLFRF funding expenditure requirements which do not require project completion by 12/31/2026 nor is construction retainage required to be withheld until project completion.

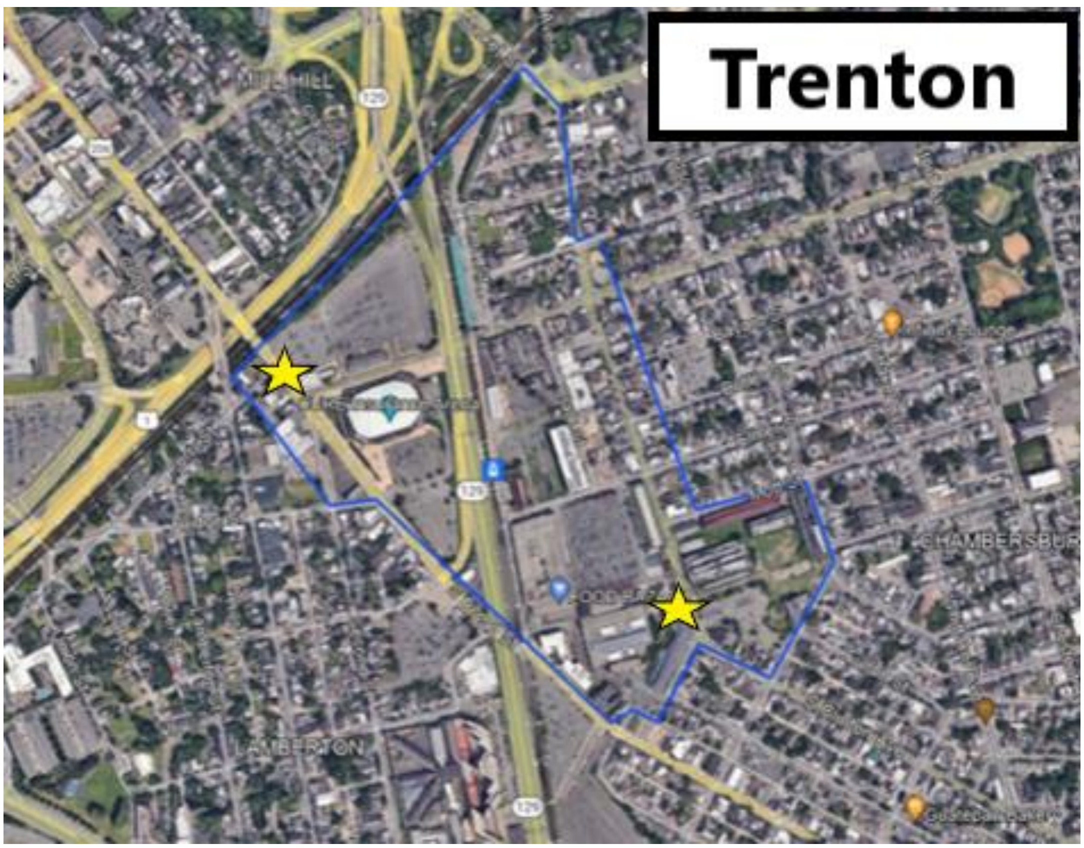
Project Description
Utilizing $7 million in Program grant funds, the City of Trenton will proactively address negative impacts of the pandemic through an overall approximately $9 million Program strategy to

revitalize the South Broad Street Corridor by undertaking two (2) building rehabilitation projects. The City of Trenton is partnering with Mercer County Improvement Authority (MCIA) to advance plans for revitalization of the Eagle Tavern and the City will undertake the Roebling Wire Works revitalization.

The two building rehabilitation projects will play a vital role in the revitalization of the corridor and focus on adaptive reuse, placemaking, and fostering economic growth by building on its rich and historical and commercial significance.

The City of Trenton conducted multiple engagement sessions including a public meeting as part of the City's August 2024 Planning Board Meeting where residents, property owners, and businesses provided feedback on revitalization priorities. This led to the selected key projects in the South Broad Street Commercial Corridor.

Commercial Corridor Area and Revitalization Strategy



The targeted commercial corridor is the Roebling area within Trenton's North Ward, bounded by the Amtrak Northeast corridor rail lines and Route 1 to the north, South Clinton Avenue to the east, inclusive of the commercial areas to the east of South Clinton, including Roebling Block 2 bounded by Mott Street and Hudson Street; Dye Street to the South; and South Broad street to the west, inclusive of the commercial properties to the west of South Broad.

The COVID-19 pandemic fundamentally altered the economic trajectory of the South Broad Street Corridor of Trenton. It was tremendously affected by the spread of coronavirus which resulted in unprecedented measures taken by all levels of government, reduced foot traffic, business closures, limitations on the number of patrons in businesses that were allowed to remain open during the pandemic. Venues like the Cure Insurance Arena faced prolonged event cancellations, exacerbating the downturn for local restaurants, shops, and entertainment businesses that relied on this traffic.

The Corridor was identified to attract more investment and bolster cultural events in the Corridor area. By rehabilitating both buildings it will repurpose them into long-term usable space and bring increased foot traffic and economic activity to address negative Covid 19 impacts, incentivize use of the projects, and maintain function in the area as a community hub while aligning with several ongoing and past redevelopment plans.

Projects to be Undertaken

City of Trenton will undertake two (2) projects as part of their overall Revitalization Strategy, funded through the $7,000,000 Program grant. The total cost of all 2 projects is approximately $9 million and City of Trenton and its partners will provide approximately $2 million as part of overall project budgets/costs.

- *Building Rehabilitation Project:* The Roebling Machine Shop (also known as the Wire Works Building), 675 South Clinton Avenue, project will preserve a critical part of Trenton's history while continuing to connect it to future appreciation through the arts. The building is an economic engine in the South Street Corridor and will provide a large flexible space for numerous varying creative uses. The anticipated cost is approximately $5.5 million with $3.5 million from the Urban Investment Fund for rehabilitation of the project including restoration of the windows and roof stabilization. This building will have a 5-year use deed restriction.

- *Building Rehabilitation Project:* The Eagle Tavern, 431-433 South Broad Street, is a project for the renovation of the historic building to reflect its long history as a restaurant/ tavern, including as recently as the 1980's. To make this viable, the commercial kitchen in the basement will need to be overhauled and access between the first and lower floors improved, along with HVAC upgrades and numerous other improvements to again have a restaurant type use in the space. This project will use $3.5 million of grant funds as part of a plan to renovate the cultural landmark. This building will have a 5-year use deed restriction.

Eligibility Review & Funding Consideration:

The Urban Investment Fund Grant Program is a non-competitive program. Authority staff has reviewed the application and finds that it satisfies the Program eligibility requirements including designating a Corridor, outlining a Revitalization Strategy, requesting grant funds for eligible projects (including a minimum of two projects), providing evidence of capacity and experience, reasonableness of costs and additional funding sources, and submission of satisfactory project development timelines.

Per the Delegated Authority granted at Program creation, the Authority's CEO may approve changes to Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.

Program Funding Balance

The Urban Investment Fund was capitalized using $38,198,148 in funding. At the February 12, 2025 Board Meeting, the Board is being asked to consider the following awards totaling $32,465,432.

This Board Memo recommends the award of **$7,000,000 to City of Trenton**. Additional awards being considered by the Board at the February 12, 2025 meeting include:

- City of Paterson - $7,000,000
- Invest Newark - $7,000,000
- City of Passaic - $5,732,716
- City of New Brunswick - $5,732,716

Should the Board approve the funding awards for the City of Trenton and the above Applicants, the Urban Investment Fund will have $5,732,716 remaining.

Recommendation

The Members are requested to approve:

1) An Urban Investment Fund Grant award in the total amount of $7,000,000 to the City of Trenton for undertaking two (2) projects as part of a revitalization strategy in the South Broad Street commercial corridor area; and

3) Revisions to language in the Urban Investment Fund Program Grant Program Board Memo dated March 24, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

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Tim Sullivan, CEO

Prepared by: Alexis A. Krul

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Urban Investment Fund Grant Program Funding Award – Invest Newark

Request

The Members are asked to:

1) Approve an Urban Investment Fund Grant award in the total amount of $7,000,000 to Invest Newark, a Newark NJ non-profit corporation, for undertaking four (4) projects as part of a revitalization strategy in the South Broad Street commercial corridor area within the City of Newark's Arts & Education District; and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 27, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

Background

On March 7, 2024, the Board approved the creation of the Urban Investment Fund Grant Program. This pilot program was capitalized with $38,198,148 from the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located in eligible municipalities.

Eligible applicants as defined in the Board Memo are the municipalities of Camden, Newark, New Brunswick, Passaic, Paterson, and Trenton (or their designees) which all ranked within the top five percent of commuter-adjusted population and municipal distress based on the 2023 Municipal Revitalization Index.

Only one application per eligible municipality is allowed and municipalities with commuter-adjusted population over 100,000 may apply for maximum program grant funding of $7 million and municipalities with commuter-adjusted population under 100,000 may apply for maximum program grant funding of $5,732,716. Program grant funding may not exceed 80% of the total of all project costs.

The Program requires that applicants identify a key commercial corridor area ("Corridor") for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The applicant must identify the borders of the Corridor, and the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Applicants must also develop a revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area ("Revitalization Strategy"). The Revitalization Strategy should describe the public open process that the applicant undertook to identify and determine the projects for which they request Program grant funding. and should also indicate other projects that have or may be undertaken in the identified key commercial corridor area.

The Program provides grant funding for three eligible project types (Project) and applicants must include a minimum of two projects in their application. Projects that have started construction are not eligible.

- Building Rehabilitation Projects – for use as a commercial or mixed-use building; Maximum funding of $3.5 million per building; not for new construction.

- Building Reuse Studies – Maximum funding of $200,000 per study.

- Public Space Use Investments – Funding for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; located on space/property that is predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project.

Following Board approval of Grant awards, the Authority will enter into a Grant Agreement ("Grant Agreement") with the applicant which will include descriptions of the Corridor and the Revitalization Strategy, each separate Project to be funded with Grant funds, all financial programmatic requirements including the amount of other funding to meet the minimum 20% match requirement, grant expenditure and project completion timelines and applicable 5-year deed/use restrictions.

The Grant Agreement will detail state and federal requirements prevailing wage, affirmative action, contractor registration, and other labor standards requirements., The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

SLFRF Funding Expenditure Requirements

The March 2024 Board Memo stated that "the Grant Agreement will indicate that to comply with federal funding requirements, all projects must be fully completed, and all funds fully disbursed by 12/31/2026" and further indicated that "…the Authority's standard construction retainage [would be] withheld until project completion…" This language is revised herein to indicate that in order to meet the requirement that projects need to be completed by December 31 2026, all Program funds must be expended by that date. that the Grant Agreement will indicate that funding disbursements shall be consistent with SLFRF funding expenditure requirements which do not require project completion by 12/31/2026 nor is construction retainage required to be withheld until project completion.

Project Description

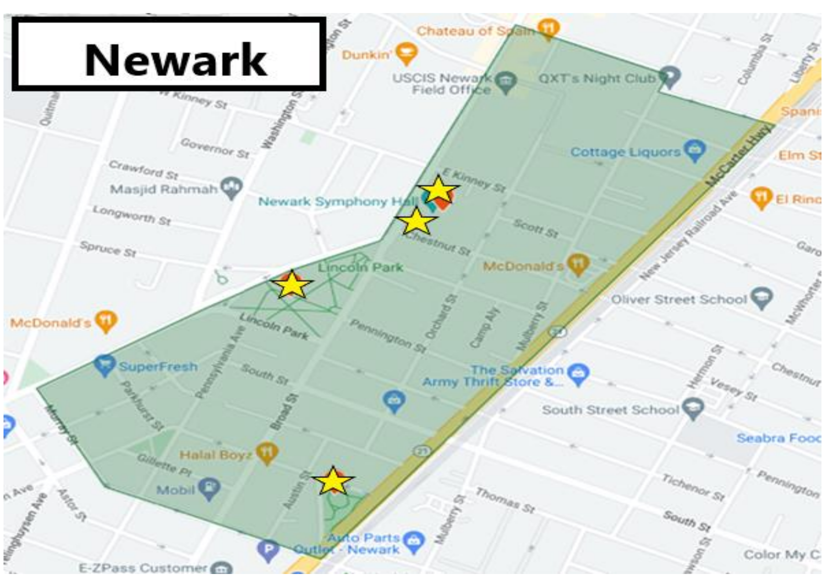
The City of Newark has authorized and designated Invest Newark, a New Jersey non-profit corporation, to be the applicant for this grant on its behalf as allowed by the Program, and supports the projects listed below.

Utilizing $7 million in Program grant funds, Invest Newark will proactively address negative impacts of the pandemic through an overall approximately $9.4 million Program strategy to revitalize the South Broad Street Corridor by undertaking one (1) building rehabilitation and three (3) public space use investment projects. Invest Newark is partnering with a non-profit arts organization to activate underutilized commercial space along Broad Street. The three public space improvements will create programmable public spaces and new attractions within the Corridor.

Invest Newark and its partners are undertaking a revitalization strategy of four projects as described below which will supplement other private, public, and philanthropic investments in the Corridor and broader redevelopment efforts in the City that include thousands of planned residential units, new business and commercial space developments, as well as various public space improvements.

The City of Newark and Invest Newark worked with key anchor institutions across the downtown area to formulate the plan for the South Broad Street Commercial Corridor which included a public meeting/event at Newark Symphony Hall which was also held over Zoom to allow maximum participation. Information about the meeting was posted on the city’s website, distributed among various social media outlets and via printed fliers.

Commercial Corridor Area and Revitalization Strategy



The South Broad Street Commercial Corridor is bounded by: McCarter Highway/Route 21, from Murray Street to Elm Street; Elm Street, from McCarter Highway/Route 21 to Mulberry Street; Mulberry Street, from Elm Street to Franklin Street; Franklin Street, from Mulberry Street to Broad Street/Mayor Kenneth A. Gibson Boulevard; Broad Street/Mayor Kenneth A. Gibson Boulevard; from Franklin Street to Lincoln Park; Lincoln Park, from Broad Street/Mayor Kenneth A. Gibson Boulevard to Clinton Avenue; Clinton Avenue, from Lincoln Park to Murray Street; and Murray Street, from Clinton Avenue to McCarter Highway/Route 21. The Corridor is about 2.17 square miles in area (or roughly 134 acres).

The COVID-19 pandemic fundamentally altered the economic trajectory of Newark, especially its downtown district. Newark was inordinately affected by the spread of coronavirus which resulted in the first year of the pandemic, small businesses being severely restricted in how they could engage in their retail activity and many of the major private sector employers, as well as the nonprofit and educational institutions, converting to work from home which greatly reduced the amount of foot traffic in the downtown area.

The Corridor, part of the southern end of Downtown Newark, was identified as part of an effort to attract more investment and bolster existing institutions such as Lincoln Park and Newark Symphony Hall as well as complement and amplify other housing, office, and community development projects, create more commercial activity and incentivize other small businesses to open in the Corridor area. The Revitalization Strategy, including expanding the build out of the park and enhancing the spaces in front of and inside Symphony Hall, is focused on increasing foot traffic and addressing negative impacts of the pandemic. Enhancing public spaces and utilization of Symphony Hall's first floor street front space will draw residents, workers, and visitors and increase economic activity in the Corridor.

Projects to be Undertaken

Invest Newark will undertake four (4) projects as part of their overall Revitalization Strategy, funded through the $7,000,000 Program grant. The total cost of all 4 projects is approximately $9.39 million and Invest Newark and its partners will provide approximately $2,391,080 as part of overall project budgets/costs.

- *Building Rehabilitation Project:* The Newark Symphony Hall (1020-1026 South Broad Street) project will renovate portions of the first and third floor spaces in order to reactivate the streetscape and encourage more public interaction with the building by making the renovated ground floor that faces the street more accessible to the public. The ground floor will be renovated to become staff offices for the organization along with a large public gallery, community program space, and restaurant with a kitchen at the cellar below. Additional seating will be located at a mezzanine level and will allow diners to sit beside the large windows looking out onto Broad Street. The restaurant will also function as an amenity for attendees of Symphony Hall. The television studio will be relocated to the third floor and include offices, studios, edit rooms, a conference room, and a screening room. The project is anticipated to cost approximately $5,895,000 with $3,500,000 million from the Urban Investment Fund. This building will have a 5-year use deed restriction.

- *Public Space Use Investment Project:* Newark's Walk of Fame, 1030 Broad Street, is a creative public use project for the creation and installation of 100 stars that honor individuals who have contributed significantly to Newark and New Jersey's rich history in the film and entertainment industry. This project will use $1.5 million of grant funds as part of a plan to create a cultural landmark containing interactive features and celebrate the city's influence in movies, television, and related media.

- *Public Space Use Investment Project:* Raymond Brown Park, 2-24 Tichenor Lane, will use $950,000 from the Urban Investment Fund for revitalization of the park, which will build upon prior park improvements and investment, to activate this underutilized public space and make it an amenity for the community and adjacent commercial spaces. The park will be designed as a "Smart Park" that incorporates interactive features, public art opportunities, performance space, and pop-up shops.

- *Public Space Use Investment Project:* Lincoln Park Soundstage project at, Lincoln Park - 1043-1071 Mayor Kenneth A Gibson Blvd, will use $1,500,000 of Program funds for the installation of a weatherproof soundstage to augment the performance capabilities within the Park. Lincoln Park hosts many events throughout the year most notably, the Lincoln Park Music Festival which typically attracts thousands of attendees over two weekends.

Eligibility Review & Funding Consideration:

The Urban Investment Fund Grant Program is a non-competitive program. Authority staff has reviewed the application and finds that it satisfies the Program eligibility requirements including designating a Corridor, outlining a Revitalization Strategy, requesting grant funds for eligible projects (including a minimum of two projects), providing evidence of capacity and experience, reasonableness of costs and additional funding sources, and submission of satisfactory project development timelines.

Per the Delegated Authority granted at Program creation, the Authority's CEO may approve changes to Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.

Program Funding Balance

The Urban Investment Fund was capitalized using $38,198,148 in funding. At the February 12, 2025 Board Meeting, the Board is being asked to consider the following awards totaling $32,465,432.

This Board Memo recommends the award of **$7,000,000 to Invest Newark**. Additional awards being considered by the Board at the February 12, 2025 meeting include:

- City of Paterson - $7,000,000
- City of Trenton - $7,000,000
- City of Passaic - $5,732,716
- City of New Brunswick - $5,732,716

Should the Board approve the funding awards for the Invest Newark and the above applicants, the Urban Investment Fund will have $5,732,716 remaining.

<u>Recommendation</u>

The Members are requested to approve:

1) An Urban Investment Fund Grant award in the total amount of $7,000,000 to Invest Newark for undertaking four (4) projects as part of a revitalization strategy in the South Broad Street commercial corridor area in the City of Newark; and

2) Revisions to language in the Urban Investment Fund Program Grant Program Board Memo dated March 27, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

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Tim Sullivan, CEO

Prepared by: Alexis A. Krul

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Urban Investment Fund Grant Program Funding Award – City of Passaic

Request

The Members are asked to:

1) Approve an Urban Investment Fund Grant award in the total amount of $5,732,716 to the City of Passaic for undertaking seven (7) projects as part of a revitalization strategy in the Main Avenue commercial corridor area in the City of Passaic; and

2) Approve revisions to language in the Urban Investment Fund Program Grant Program Board Memo dated March 27, 2024 and funding disbursement language to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

Background

On March 7, 2024, the Board approved the creation of the Urban Investment Fund Grant Program. This pilot program was capitalized with $38,198,148 from the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located in eligible municipalities.

Eligible applicants as defined in the Board Memo are the municipalities of Camden, Newark, New Brunswick, Passaic, Paterson, and Trenton (or their designees) which all ranked within the top five percent of commuter-adjusted population and municipal distress based on the 2023 Municipal Revitalization Index.

Only one application per eligible municipality is allowed and municipalities with commuter-adjusted population over 100,000 may apply for maximum program grant funding of $7 million and municipalities with commuter-adjusted population under 100,000 may apply for maximum program grant funding of $5,732,716. Program grant funding may not exceed 80% of the total of all project costs.

The Program requires that applicants identify a key commercial corridor area ("Corridor") for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The applicant must identify the borders of the Corridor and the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Applicants must also develop a revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area ("Revitalization Strategy"). The Revitalization Strategy should describe the public open process that the applicant undertook to identify and determine the projects for which they request Program grant funding. and should also indicate other projects that have or may be undertaken in the identified key commercial corridor area.

The Program provides grant funding for three eligible project types and applicants must include a minimum of two projects in their application. Projects that have started construction are not eligible.

- Building Rehabilitation Projects – for use as a commercial or mixed-use building; Maximum funding of $3.5 million per building; not for new construction.

- Building Reuse Studies – Maximum funding of $200,000 per study.

- Public Space Use Investments – Funding for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; located on space/property that is predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project.

Following Board approval of Grant awards, the Authority will enter into a Grant Agreement ("Grant Agreement") with the applicant which will include descriptions of the Corridor and the Revitalization Strategy, the overall and each separate Project to be funded with Grant funds, all financial programmatic requirements including the amount of other funding to meet the minimum 20% match requirement, grant expenditure and project completion timelines and applicable 5-year deed/use restrictions.

The Grant Agreement will detail state and federal requirements prevailing wage, affirmative action, contractor registration, and other labor standards requirements. The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

<u>SLFRF Funding Expenditure Requirements</u>

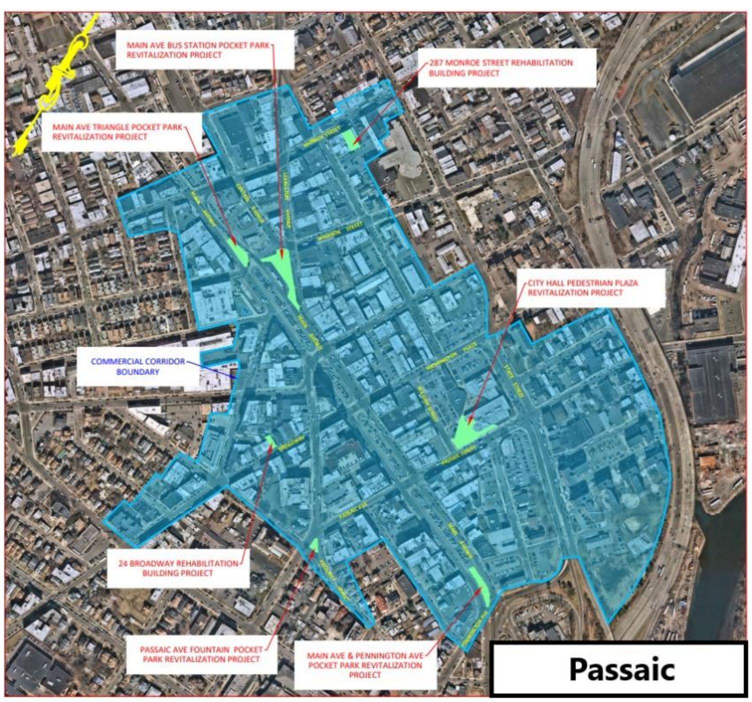
The March 2024 Board Memo stated that "the Grant Agreement will indicate that to comply with federal funding requirements, all projects must be fully completed, and all funds fully disbursed by 12/31/2026" and further indicated that "…the Authority's standard construction retainage [would be] withheld until project completion…" This language is revised herein to indicate that in order to meet the requirement that projects need to be completed by December 31 2026, all Program funds must be expended by that date. The Grant Agreement will indicate that funding disbursements shall be consistent with SLFRF funding expenditure requirements which do not require project completion by 12/31/2026 nor is construction retainage required to be withheld until project completion.

<u>Project Description and Applicant</u>

Utilizing $5,732,716 in Program grant funds, the City of Passaic will proactively address the negative impacts of the pandemic through the revitalization of buildings and public spaces in an approximately $8.34 million Program strategy for the Main Avenue Corridor. The "Project" includes undertaking 2 building rehabilitation projects and 5 public space use investments. The City is working with one non-profit developer and one for-profit developer to rehabilitate vacant and underutilized mixed-use buildings into active storefronts with affordable housing units above. Public space improvements will create programmable, attractive public spaces at high-traffic areas and gateways to the Main Avenue Corridor.

The City of Passaic utilized a robust public open process to establish the City's overall revitalization strategy and solicit input on the projects included in this application. The City advertised for and held a public hearing – with information shared in English and Spanish – which was conducted in-person. The Business Administrator presented at the public hearing and a recording was available on the City's website and on social media channels during and after the hearing. Subsequently, the City distributed a survey to attendees and stakeholders soliciting additional feedback regarding the proposed revitalization strategy.

<u>Commercial Corridor Area and Revitalization Strategy</u>



The proposed projects will take place within the Main Avenue Corridor located in Downtown Passaic – anchored by Main Avenue, the corridor extends to the southwest (Exchange Place, Gregory Avenue, and Grove Street), to the south (Pennington Avenue), southeast (Columbia Avenue and Rt. 21), northwest (Leonard Place and Martha Place), north (Monroe Street and Quincy Street), and northeast (Hoover Avenue and Hamilton Avenue). The proposed commercial corridor is anchored by Main Avenue, the primary commercial artery of the City's downtown district, which boasts hundreds of diverse businesses and storefronts. This vibrant area serves as the heart of economic activity in Passaic, offering a wide range of goods and services that cater to the community.

The City of Passaic's Revitalization Strategy focuses on removing and improving "eye-sore" properties within the Commercial Corridor and creating vibrant public spaces that invite residents, shoppers, and visitors to linger in the Downtown and bolster local businesses. The Revitalization Strategy builds on ongoing redevelopment efforts in the City of Passaic with these 7 projects complementing and supplementing recently completed, ongoing, and planned projects within the Corridor.

The Revitalization Strategy and the 7 projects proposed by the City of Passaic will address the negative economic impacts of COVID-19 through a targeted approach to improving the look, feel, and function of buildings and public spaces within the Main Avenue Corridor. During the COVID-19 pandemic, the City of Passaic faced significant economic challenges across its downtown and commercial corridors. Businesses faced many challenges such as a decline in sales and prolonged closure; several businesses closing their doors permanently, contributing to an increase in vacancy rates. Predominantly low-income and underserved neighborhoods were the hardest hit, with higher unemployment rates and limited access to essential services. As a result, Passaic's recovery efforts highlight the urgent need for targeted investments to revitalize the Main Avenue Commercial Corridor and foster a resilient, equitable economic recovery for all residents.

Projects to be Undertaken

The City of Passaic will undertake seven (7) projects, as part of their overall Revitalization Strategy, funded through a $5,732,716 request from the Urban Investment Fund. The total cost of all 7 projects is approximately $8.34 million with the City and its partners providing approximately $2,607,284 as part of the overall project budgets/costs.

- *Building Rehabilitation Project:* A mixed-use development project, 24 Broadway, is a substantial rehabilitation of an existing, vacant building in the Downtown. The 3-story building will include a ground-floor commercial space and five affordable rental units above. New Horizon Community Action is the developer of the approximately $1,756,034 project with $550,000 from the Urban Investment Fund. This building will have a 5-year use deed restriction.

- *Building Rehabilitation Project:* A mixed-use, substantial rehabilitation of 287 Monroe Street will provide eight affordable rental units and a new commercial storefront at the northern end of the Downtown/Corridor. 287-289 Monroe Street Associates LLC is the developer of the approximately $1,965,000 project where the Urban Investment Fund will fund $550,000. This building will have a 5-year use deed restriction.

- *Public Space Use Investment:* Kol Square Pocket Park Revitalization (Main Ave Bus Station), 1-5 Central Avenue, is a proposed $1,197,924 revitalization of a prominent space adjacent to the current bus station where commuters, downtown shoppers, and residents linger along the Corridor. This project will improve a high-traffic downtown public space with new benches, landscaping, and amenities and make it an asset for years to come. The funding for this project will be 100% from the Urban Investment Fund.

- *Public Space Use Investment:* The Main Avenue Triangle Pocket Park Revitalization will improve the northern gateway to the Main Avenue Corridor and Downtown. The existing space serves as the location of annual holiday gatherings and will be improved to allow for additional, enhanced programming and public use. The $434,792 project will be fully funded through the Urban Investment Fund.

- *Public Space Use Investment:* The Passaic City Hall Plaza Deck Revitalization will facilitate the reimagining of the public space in front of 330 Passaic Street by installing a stage, speakers, and other amenities. The City Hall Plaza is regularly the site of public events, gatherings, and celebrations. The City aims to further program the space after this revitalization. The project budget is approximately $1,500,000 with 100% of the project funding through the Urban Investment Fund.

- *Public Space Use Investment:* The Main Avenue & Pennington Avenue Pocket Park project will revitalize a green space at the southern end of the Main Avenue Corridor. The revitalized space will be programmed and serve as a gathering space at the southern gateway to the Downtown. A proposed project budget of approximately $750,000 is to be fully funded through the Urban Investment Fund.

- *Public Space Use Investment:* The Passaic Avenue, Grove Street & Prospect Street Fountain Pocket Park is a triangular parcel along the western gateway to the Main Avenue Corridor and the Downtown. The revitalized Fountain Pocket Park will create an attractive space where residents and visitors can gather. The estimated project budget of approximately $750,000 will be 100% funded through this Urban Investment Fund.

Eligibility Review & Funding Considerations:

The Urban Investment Fund Grant Program is a non-competitive program. Authority staff has reviewed the application and finds that it satisfies the Program eligibility requirements including designating a Corridor, outlining a Revitalization Strategy, requesting grant funds for eligible projects (including a minimum of two projects), providing evidence of capacity and experience, reasonableness of costs and additional funding sources, and submission of satisfactory project development timelines.

Per the Delegated Authority granted at Program creation, the Authority's CEO may approve changes to Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.

Program Funding Balance

The Urban Investment Fund was capitalized using $38,198,148 in funding. At the February 12, 2025 Board Meeting, the Board is being asked to consider the following awards totaling $32,465,432.

This Board Memo concerns the award of **$5,732,716 to the City of Passaic**. Additional awards being considered by the Board at the February 12, 2025 meeting include:

- City of Paterson - $7,000,000
- City of Trenton - $7,000,000
- Invest Newark (Newark) - $7,000,000
- City of New Brunswick - $5,732,716

Should the Board approve the funding awards for the City of Passaic and the above applicants, the Urban Investment Fund will have **$5,732,716** remaining.

Recommendation

The Members are requested to approve:

1) An Urban Investment Fund Grant award in the total amount of $5,732,716 to the City of Passaic for undertaking seven (7) projects as part of a revitalization strategy in the Main Avenue commercial corridor area in the City of Passaic; and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 24, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

Tim Sullivan, CEO

Prepared by: Giancarlo Di Lonardo

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Urban Investment Fund Grant Program Funding Award – City of New Brunswick

Request

The Members are asked to:

1) Approve an Urban Investment Fund Grant award in the total amount of $5,732,716 to the City of New Brunswick for undertaking three (3) projects as part of a revitalization strategy in the George Street commercial corridor area in the City of New Brunswick; and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 27, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

Background

On March 7, 2024, the Board approved the creation of the Urban Investment Fund Grant Program. This pilot program was capitalized with $38,198,148 from the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located in eligible municipalities.

Eligible applicants as defined in the Board Memo are the municipalities of Camden, Newark, New Brunswick, Passaic, Paterson, and Trenton (or their designees) which all ranked within the top five percent of commuter-adjusted population and municipal distress based on the 2023 Municipal Revitalization Index.

Only one application per eligible municipality is allowed and municipalities with commuter-adjusted population over 100,000 may apply for maximum program grant funding of $7 million and municipalities with commuter-adjusted population under 100,000 may apply for maximum program grant funding of $5,732,716. Program grant funding may not exceed 80% of the total of all project costs.

The Program requires that applicants identify a key commercial corridor area ("Corridor") for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The applicant must identify the borders of the Corridor and the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Applicants must also develop a revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area ("Revitalization Strategy"). The Revitalization Strategy should describe the public open process that the applicant undertook to identify and determine the projects for which they request Program grant funding. and should also indicate other projects that have or may be undertaken in the identified key commercial corridor area.

The Program provides grant funding for three eligible project types and applicants must include a minimum of two projects in their application. Projects that have started construction are not eligible.

- Building Rehabilitation Projects – for use as a commercial or mixed-use building; Maximum funding of $3.5 million per building; not for new construction.

- Building Reuse Studies – Maximum funding of $200,000 per study.

- Public Space Use Investments – Funding for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; located on space/property that is predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project.

Following Board approval of Grant awards, the Authority will enter into a Grant Agreement ("Grant Agreement") with the applicant which will include descriptions of the Corridor and the Revitalization Strategy, the overall and each separate Project to be funded with Grant funds, all financial programmatic requirements including the amount of other funding to meet the minimum 20% match requirement, grant expenditure and project completion timelines and applicable 5-year deed/use restrictions.

The Grant Agreement will detail state and federal requirements prevailing wage, affirmative action, contractor registration, and other labor standards requirements. The Grant Agreement will also indicate that, if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

SLFRF Funding Expenditure Requirements

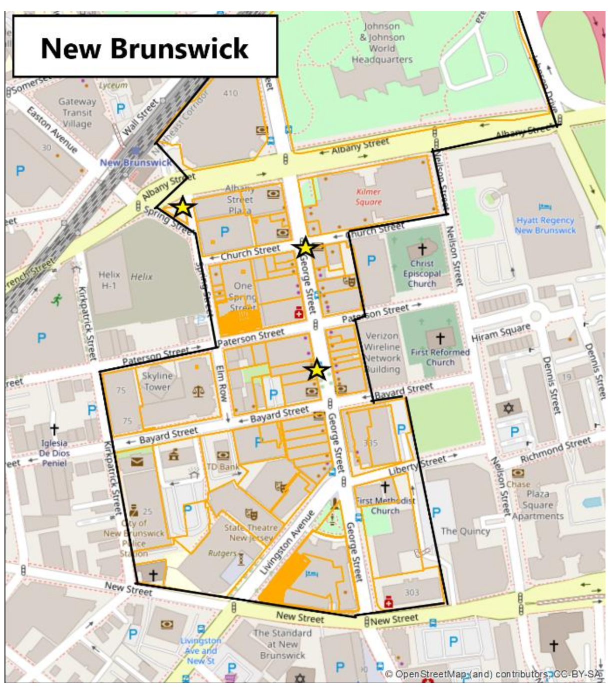
The March 2024 Board Memo stated that "the Grant Agreement will indicate that to comply with federal funding requirements, all projects must be fully completed, and all funds fully disbursed by 12/31/2026" and further indicated that "…the Authority's standard construction retainage [would be] withheld until project completion…" This language is revised herein to indicate that in order to meet the requirement that projects need to be completed by December 31 2026, all Program funds must be expended by that date. The Grant Agreement will indicate that funding disbursements shall be consistent with SLFRF funding expenditure requirements which do not require project completion by 12/31/2026 nor is construction retainage required to be withheld until project completion.

Project Description and Applicant

Utilizing $5,732,716 in Program grant funds, the City of New Brunswick is focused on creating inviting, creative spaces to draw residents, students, and visitors back to the George Street Corridor through an overall approximately $7.16 million Program strategy. The "Project" includes 1 building rehabilitation and 2 public space use investments. The City is working with two organizations to revitalize two underutilized spaces while a creative placemaking project enhances the Downtown experience.

The City of New Brunswick facilitated a public open process to establish an overall revitalization strategy and solicit input on the projects included in their application. The City engaged downtown stakeholders in early conversations to determine ways these funds could supplement and complement ongoing redevelopment efforts. Public engagement took place during an October 16th Council Meeting and a dedicated public hearing on October 17th which was conducted in-person and also livestreamed for attendees convenience.

Commercial Corridor Area and Revitalization Strategy



The Commercial Corridor Area is located within the Downtown and is bounded on the north side by the New Brunswick Train Station/train trestle where it intersects with George Street. The core of the Corridor runs down George Street and is bounded on the south side by New Street. On the western side, the boundaries extend to Kirkpatrick Street up the Paterson Street. Heading north on Kirkpatrick Street the boundary stops at Paterson Street and then continues north on Spring Street to include the prospective gateway location. On the eastern side, heading south from Albany Street, the boundary extends to Neilson Street. Once the boundary reaches Church Street it turns west and then it heads south including the parcels fronting on George Street all the way down to New Street where it terminates.

The City of New Brunswick's Revitalization Strategy seeks to revitalize the corridor through investment in public and private spaces to transform the corridor into an enhanced thoroughfare that would notably increase visitors, visitor engagement, foot traffic, consumption, and future development and business investment. The corridor is currently subject to no less than three redevelopment plans which have resulted in hundreds of millions of dollars of redevelopment over the past 20 years. This Project will build upon previous redevelopment efforts, enhance the aesthetics of the Corridor, create attractions and engagement opportunities, and drive increased foot traffic to the Downtown.

The Revitalization Strategy and the 3 projects proposed by the City of New Brunswick will address the negative economic impacts of COVID-19 through a deliberate effort to drive foot traffic back to the George Street Corridor. During the COVID-19 pandemic, the City of New Brunswick dealt with downtown office workers and students transitioning to remote work and learning greatly reducing foot traffic for downtown restaurants and retail. Home delivery of food and goods had significant downstream effects of reduced staffing, business closure, and retail vacancy. The City's revitalization efforts are targeted on increasing foot traffic and creating experiences that draw residents, students, and visitors back to the George Street Corridor.

<u>Projects to be Undertaken</u>

The City of New Brunswick will undertake three (3) projects, as part of their overall Revitalization Strategy, funded through a $5,732,716 request from the Urban Investment Fund. The total cost of all 3 projects is approximately $7.16 million with the City and its partners providing approximately $1,427,284 as part of the overall project budgets/cost.

- *<u>Building Rehabilitation Project:</u>* The Brunswick Bank & Trust Building, 352 George Street, is a vacant former bank building owned by Vault Associates, LLC which will be substantially rehabilitated into a multi-faceted community arts gallery and performance center. The space will complement existing Downtown offerings and provide space for fine and performing art exhibitions and performances, community gatherings, and a wide range of other artistic and social experiences. The project is anticipated to cost approximately $4,375,000.00 with $3,500,000.00 from the Urban Investment Fund. This building will have a 5-year use deed restriction.

- *Public Space Use Investment:* The New Brunswick Gateway Project, 2 French Street, is the conversion of an unused, irregularly shaped parcel of land directly across from the New Brunswick Train Station into a Gateway location with an art installation, wayfinding, and seating. New Brunswick Development Corporation, the City's partner on this project, will develop the site on behalf of the City of New Brunswick; approximately $915,895 is the anticipated project budget with $732,716 from the Urban Investment Fund. This project will serve as an attractive focal point and gathering space in this section of the City and a complement to the Helix development taking place adjacent to this site.

- *Public Space Use Investment:* The New Brunswick Sculpture Project, located within the Commercial Corridor, will place several Seward Johnson sculptures throughout the Corridor as part of a placemaking initiative. The effort aims to improve foot traffic, attract visitors, and create fun public engagement opportunities that raise the Downtown's profile. The project budget is approximately $1,875,000 with $1,500,000 being provided through the Urban Investment Fund.

Eligibility Review & Funding Considerations:

The Urban Investment Fund Grant Program is a non-competitive program. Authority staff has reviewed the application and finds that it satisfies the Program eligibility requirements including designating a Corridor, outlining a Revitalization Strategy, requesting grant funds for eligible projects (including a minimum of two projects), providing evidence of capacity and experience, reasonableness of costs and additional funding sources, and submission of satisfactory project development timelines.

Per the Delegated Authority granted at Program creation, the Authority's CEO may approve changes to Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.

Program Funding Balance

The Urban Investment Fund was capitalized using $38,198,148 in funding. At the February 12, 2025 Board Meeting, the Board is being asked to consider the following awards totaling $32,465,432.

This Board Memo concerns the award of **$5,732,716** to the **City of New Brunswick**. Addition Applications being considered by the Board at the February 12, 2025 meeting include:

- City of Paterson - $7,000,000
- City of Trenton - $7,000,000
- Invest Newark (Newark) - $7,000,000
- City of Passaic - $5,732,716

Should the Board approve the Applications for the City of New Brunswick and the above Applicants, the Urban Investment Fund will have **$5,732,716** remaining.

Recommendation

The Members are requested to approve:

1) An Urban Investment Fund Grant award in the total amount of $5,732,716 to the City of New Brunswick for undertaking three (3) projects as part of a revitalization strategy in the George Street commercial corridor area in the City of New Brunswick; and

2) Approve revisions to language in the Urban Investment Fund Grant Program Board Memo dated March 24, 2024 to conform with the December 31, 2026 Coronavirus State and Local Fiscal Recovery Funds funding expenditure requirements.

____

Tim Sullivan, CEO

Prepared by: Giancarlo Di Lonardo

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, CEO

DATE: February 24, 2025

RE: Designation of Official Newspaper

Request

Pursuant to the Open Public Meetings Act, the Members are requested to designate The Record as the official newspaper of the NJ Economic Development Authority Board.

Background

The Star-Ledger recently announced that it will cease print operations of its newspaper as of February 2025. Pursuant to the requirements of the Open Public Meetings Act (OPMA), N.J.S.A. 10:4-8 et al, a public body must designate one newspaper of wide, printed circulation as its official newspaper to inform the public of future meetings. Staff recommends that The Record be designated as the official newspaper, as it will cover the largest populated areas of the State as of February 2025, including Bergen, Essex, Hudson and Passaic Counties. Digital notice will continue to be provided to the Star-Ledger given its wide, digital circulation, and printed notice will be provided to The Record and the Trentonian.

Recommendation

Pursuant to the Open Public Meetings Act, the Members are requested to designate The Record as the official newspaper of the NJ Economic Development Authority Board.

Tim Sullivan, CEO

Prepared by: Danielle Esser

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: **February 24, 2025**

SUBJECT: Community Development Products
Delegated Authority Approvals Q4 2024
For Informational Purposes Only

Small Business Improvement Grant

The Small Business Improvement Grant is the second of several products under the Main Street Recovery Program, designed to help small businesses become more resilient and position themselves for growth. Funded with $80 million, this product reimburses eligible small businesses and nonprofits for up to 50 percent of eligible project costs associated with building improvements or the purchase and/or installation of new furniture, fixtures, and equipment (FFE) made on or after March 9, 2020, but no more than two years prior to application. Businesses and nonprofits that receive grants through these programs are required to agree to pay employees going forward for the four-year grant term at least $15 per hour or 120 percent of the minimum wage. Tipped employees are exempt from the $15 per hour requirement but must still be paid at least 120 percent of the minimum wage. Applicants must also commit to remaining in the facility and meeting wage requirements for up to four years following the execution of the grant agreement and depending upon award amount. Awards greater than $25,000 have a compliance period of four years and grant awards less than $25,000 have a compliance period of two years. The maximum grant award is $50,000 per business entity for the life of this program. Of the $80 million allocated for the program, 40 percent is reserved for businesses located in Opportunity Zone eligible census tracts.

Small Business Improvement Grant – Q4 2024 Review

The online application opened in February 2022 and will continue to accept applications until funding is exhausted. During the fourth quarter of 2024, 162 applications were approved for a total of $4.7 million. 36 files were declined during fourth quarter and 9 new appeals were filed. These new appeals are still under review. Overall, only 11 declines have been overturned out of 52 total appeals filed for this program.

To date, the Small Business Improvement grant has approved a total of 2405 applications in the amount of $61M in total. See NJEDA’s Public Information site for a detailed list of all Small Business Improvement Grant applications that were approved under delegated authority through the fourth quarter of 2024.

Small Business Improvement Grant Approvals Q4

Entity	Approval Date	Approved Amount	City	County	Eligible Opportunity Zone
THOMAS/UNITED, Inc.	12/11/2024	$ 46,526.38	Egg Harbor	Atlantic County	Yes
Crespo Development LLC	10/8/2024	$ 8,167.80	Galloway	Atlantic County	No
Twisted Family Pretzels LLC	11/21/2024	$ 39,188.55	Allendale Borough	Bergen County	No
495 INDUSTRIAL ROAD , INC.	10/4/2024	$ 50,000.00	Carlstadt Borough	Bergen County	No
Stankus JSM Incorporated	12/18/2024	$ 8,265.00	Cliffside Park Borough	Bergen County	No
Fourcees LLC	12/27/2024	$ 39,990.92	Closter Borough	Bergen County	No
HJJ MUSIC CORP	12/26/2024	$ 8,317.95	Edgewater Borough	Bergen County	No
A&A Donuts LLC	10/18/2024	$ 50,000.00	Elmwood Park Borough	Bergen County	No
SC BERGER A LLC	10/25/2024	$ 50,000.00	Elmwood Park Borough	Bergen County	No
Tropical Juice Bar 6 LLC	11/19/2024	$ 50,000.00	Elmwood Park Borough	Bergen County	No
Bergen Brookside Towing Corp	11/20/2024	$ 24,284.01	Emerson Borough	Bergen County	No
Rios, Oliver	12/10/2024	$ 3,053.00	Fair Lawn Borough	Bergen County	No
IndigoKid Club Inc.	10/4/2024	$ 16,987.50	Fair Lawn Borough	Bergen County	No
My Dentist Fair Lawn PA	10/4/2024	$ 48,129.03	Fair Lawn Borough	Bergen County	No
HVH Industrial Solutions LLC	10/18/2024	$ 49,693.22	Garfield City	Bergen County	Yes
Booth Movers, LTD.	11/8/2024	$ 50,000.00	Moonachie	Bergen County	No
GALVANIC PRINTING & PLATE CO., INC.	10/31/2024	$ 4,456.80	Moonachie	Bergen County	No
K. Flowers & Design, LLC	12/12/2024	$ 11,167.00	Norwood Borough	Bergen County	No
YESAN INC	10/31/2024	$ 24,907.62	Palisades Park Borough	Bergen County	Yes
M U B HAIR LLC	12/2/2024	$ 14,500.00	Palisades Park Borough	Bergen County	Yes
Curbside Confections, LLC	10/31/2024	$ 50,000.00	Park Ridge Borough	Bergen County	No
JKM Childcare Corp	10/30/2024	$ 50,000.00	River Vale	Bergen County	No
Rutherford Card & Gift, Inc.	11/21/2024	$ 17,934.46	Rutherford Borough	Bergen County	No
Mikaylas Thriftique LLC	10/25/2024	$ 22,441.75	Rutherford Borough	Bergen County	No
Cafe Demi LLC	10/4/2024	$ 47,422.86	Teaneck	Bergen County	Yes
DK Food LLC	12/5/2024	$ 20,426.10	Tenafly Borough	Bergen County	No
SEASONS NAILS LLC	12/16/2024	$ 10,324.00	Waldwick Borough	Bergen County	No
A2Z Eyecare P.C.	12/3/2024	$ 26,414.43	Waldwick Borough	Bergen County	No
The Torre Studios LLC	12/3/2024	$ 8,694.61	Burlington City	Burlington County	No
Robin's Nest Bakery & Cafe, Inc.	12/12/2024	$ 36,668.89	Mount Holly	Burlington County	Yes
Advanced Recovery Services, Inc.	12/31/2024	$ 12,745.90	Pennsauken	Camden County	No
Crespella L.L.C.	12/5/2024	$ 11,185.61	Stone Harbor Borough	Cape May County	No
Ocean Property Management Corporation	11/25/2024	$ 18,254.17	Wildwood City	Cape May County	Yes
GREATER WILDWOOD CHAMBER OF COMMERCE, INC.	11/8/2024	$ 50,000.00	Wildwood City	Cape May County	Yes
HALLCO, INC.	10/23/2024	$ 37,338.50	Wildwood Crest Borough	Cape May County	Yes
George & I, Inc	12/2/2024	$ 49,310.07	Wildwood Crest Borough	Cape May County	Yes
CARTA BRAVA ENTERPRISES, INCORPORATED	11/8/2024	$ 3,765.14	Vineland	Cumberland County	Yes
Peer Praxis LLC	12/3/2024	$ 6,440.05	Belleville	Essex County	No
New Beginnings for Tomorrow, Inc.	12/10/2024	$ 22,390.00	Fairfield	Essex County	No
Hampton-Clarke, Inc.	10/18/2024	$ 50,000.00	Fairfield	Essex County	No
CP Livingston LLC	12/9/2024	$ 38,836.58	Livingston	Essex County	No
Invictus Livingston Inc	11/20/2024	$ 19,506.48	Livingston	Essex County	No
Montclair Indoor Golf Club LLC	12/27/2024	$ 50,000.00	Montclair	Essex County	No
ARTISBOND LLC	10/24/2024	$ 19,659.84	Montclair	Essex County	No
Kairos Logistics LLC	12/3/2024	$ 50,000.00	Roseland Borough	Essex County	No
Iheme Legacy LLC	10/18/2024	$ 3,378.76	South Orange	Essex County	No
Living on Another Frequency, LLC	10/4/2024	$ 6,005.23	South Orange	Essex County	No
First Mountain Schoolhouse, Inc.	11/8/2024	$ 9,756.02	West Orange	Essex County	No
Giana's Produce LLC	10/25/2024	$ 50,000.00	Wenonah Borough	Gloucester	No
Demountable Concepts, Inc.	11/8/2024	$ 24,794.87	Glassboro	Gloucester County	No
Ciaccia CPA Professional Association	11/25/2024	$ 16,009.97	Sewell	Gloucester County	No
Newwavedaycare LLC	10/31/2024	$ 50,000.00	Bayonne	Hudson County	No
Standard Tile Jersey City Corp.	11/8/2024	$ 6,404.75	Jersey City	Hudson County	Yes
Grove Street Dental Care PC	12/5/2024	$ 40,947.37	Jersey City	Hudson County	No
Premiere Vibes Event Design Inc.	10/4/2024	$ 30,998.00	Jersey City	Hudson County	Yes
Kanibal Home LLC	11/13/2024	$ 3,875.00	Jersey City	Hudson County	No
Art House Productions, Inc.	12/19/2024	$ 34,139.49	Jersey City	Hudson County	No
True Dental Care for Kids and Adults LLC	12/9/2024	$ 50,000.00	Jersey City	Hudson County	No
DeBenedictis and Testa, D.P.M., P.A.	10/4/2024	$ 7,103.69	Union	Hudson County	Yes
J DENTAL LOUNGE CORP	10/31/2024	$ 13,708.66	Union	Hudson County	Yes
Lisa Naples Clay Studio	10/18/2024	$ 11,042.67	Frenchtown Borough	Hunterdon County	No
Odd Volumes Mercantile LLC	12/6/2024	$ 24,623.66	Frenchtown Borough	Hunterdon County	No
De Amicis Hospitality Group Inc.	12/11/2024	$ 50,000.00	Stockton Borough	Hunterdon County	No
Zebra Logistics Inc	10/31/2024	$ 50,000.00	Cranbury	Mercer County	No
Muller Customs Limited Liability Company	10/18/2024	$ 49,500.00	Ewing	Mercer County	No
The Venue by P	10/17/2024	$ 14,444.57	Hamilton	Mercer County	Yes
PressTDesigns LLC	12/5/2024	$ 6,259.60	Lawrenceville	Mercer County	No
The Beauty Bar Design Studio LLC	10/31/2024	$ 5,239.20	Lawrenceville	Mercer County	No
Viva Ballroom Dance Studio LLC	10/25/2024	$ 11,895.77	Lawrenceville	Mercer County	No
KJP & OJP LLC	10/18/2024	$ 31,199.36	Lawrenceville	Mercer County	No
JEWISH FAMILY & CHILDREN'S SERVICE OF GREATER MERCER COUNTY INC	10/25/2024	$ 6,362.45	Princeton Junction	Mercer County	No
APPRISE Incorporated	11/20/2024	$ 14,189.71	Princeton North	Mercer County	No
Taft Communications, LLC	11/21/2024	$ 49,533.86	Trenton	Mercer County	Yes
SUPERIOR SWEETS LLC	11/15/2024	$ 23,358.89	Trenton	Mercer County	Yes
Ahaansh LLC	10/30/2024	$ 49,725.80	West Windsor	Mercer County	No
Rakoty LLC	12/3/2024	$ 17,585.88	East Brunswick	Middlesex County	No
DLR HOLDINGS LLC	12/19/2024	$ 4,770.75	East Brunswick	Middlesex County	No

MetaBrandLLC	12/2/2024	$	50,000.00	Edison	Middlesex County	No
BRC Electrical Contractors Inc.	12/3/2024	$	50,000.00	Green Brook	Middlesex County	No
Kastle at Kendall Park LLC	11/27/2024	$	18,736.50	Kendall Park	Middlesex County	No
Andrea Carpio LLC	11/21/2024	$	23,030.65	Metuchen Borough	Middlesex County	No
JEMS Fitness Inc.	11/21/2024	$	50,000.00	Metuchen Borough	Middlesex County	No
FUSION 2-GO LLC	11/25/2024	$	6,510.77	New Brunswick	Middlesex County	Yes
SparQ Dental Perth Amboy Inc	10/23/2024	$	49,831.04	Perth Amboy	Middlesex County	Yes
St. Anthony of Padua Catholic Parish A NJ Nonprofit Coporation	10/23/2024	$	18,517.00	Port Reading	Middlesex County	No
Grunes Holdings, LLC	11/7/2024	$	5,783.80	South Amboy City	Middlesex County	No
Mama Uji Cakes LLC	12/3/2024	$	50,000.00	South Plainfield Borough	Middlesex County	No
THE BEAUTY BOUTIQUE OFF MAIN LLC	12/26/2024	$	14,958.48	Woodbridge	Middlesex County	No
Appliance Brokers of Asbury Park, Inc.	12/2/2024	$	50,000.00	Asbury Park City	Monmouth County	Yes
Almost Home Red General LLC	10/23/2024	$	17,037.31	Atlantic Highlands Borough	Monmouth County	No
Ten Touch LLC	12/31/2024	$	4,766.99	Bradley Beach Borough	Monmouth County	No
Allaire Village Inc.	11/26/2024	$	24,420.00	Farmingdale Borough	Monmouth County	No
Certified Environmental Contractors, LLC	12/27/2024	$	28,642.86	Freehold	Monmouth County	No
SETS Freehold LLC	11/21/2024	$	13,411.20	Freehold	Monmouth County	No
Freehold Jersey Freeze Limited Liability Company	10/18/2024	$	15,309.29	Freehold	Monmouth County	No
ANNA M HUDAK, MSW, LCSW LLC	11/14/2024	$	5,331.25	Freehold	Monmouth County	No
NAPSCO LLC	12/19/2024	$	50,000.00	Howell	Monmouth County	No
Companion Care Animal Clinic LLC	12/3/2024	$	49,073.75	Marlboro	Monmouth County	No
Bece Homecare Services LLC	11/15/2024	$	37,348.65	Matawan Borough	Monmouth County	No
Mav's Top Buns LLC	10/31/2024	$	43,899.18	Middletown	Monmouth County	No
Adar Global LLC	11/27/2024	$	50,000.00	Ocean	Monmouth County	No
Yoga of Ocean Monmouth LLC	12/3/2024	$	50,000.00	Ocean	Monmouth County	No
Almost Home Bake Oceanport LLC	11/21/2024	$	50,000.00	Oceanport Borough	Monmouth County	No
Parker Family Health Center	11/8/2024	$	7,007.63	Red Bank Borough	Monmouth County	Yes
Dr. Todd Goldstein DDS LLC	12/11/2024	$	50,000.00	Red Bank Borough	Monmouth County	Yes
Pyour Core LS Inc	11/27/2024	$	44,581.54	Tinton Falls Borough	Monmouth County	No
Green Power Developers, LLC	11/14/2024	$	27,566.16	Wall	Monmouth County	No
VISION AUTO EFFECTS LLC	10/4/2024	$	9,523.66	Butler Borough	Morris County	No
Nemri Auto Sales LLC	12/9/2024	$	5,950.00	Dover Town	Morris County	Yes
JOHANNA JARAMILLO BOUTIQUE L.L.C.	12/10/2024	$	9,728.42	Dover Town	Morris County	Yes
Cultivate Skateboard Shop LLC	12/26/2024	$	4,274.37	Morristown	Morris County	No
Roxbury Arts Alliance, Inc.	11/14/2024	$	6,292.76	Succasunna-kenvil	Morris County	No
The Hopper LLC	10/28/2024	$	50,000.00	Whippany	Morris County	No
Queen Natalie Enterprise LLC	12/12/2024	$	49,131.77	Brick	Ocean County	No
Avalair Group	12/23/2024	$	45,365.29	Lakewood	Ocean County	Yes
Mosery Orthodontics PC	12/10/2024	$	50,000.00	Lakewood	Ocean County	Yes
SRG Living INC.	11/21/2024	$	39,238.32	Lakewood	Ocean County	Yes
The Custom Shoppe Inc	12/19/2024	$	50,000.00	Lakewood	Ocean County	Yes
Cedar Eats LLC	12/5/2024	$	50,000.00	Lakewood	Ocean County	Yes
Little People Childcare, Inc.	10/23/2024	$	50,000.00	Lakewood	Ocean County	Yes
Yeshiva Toras Menachem Inc.	10/30/2024	$	50,000.00	Lakewood	Ocean County	Yes
The Greenbowl LLC	12/3/2024	$	36,287.93	Lakewood	Ocean County	Yes
Candy A Plenty LLC	11/21/2024	$	16,629.66	Lakewood	Ocean County	Yes
Lead Professionals Inc	10/31/2024	$	21,220.40	Lakewood	Ocean County	Yes
Frostwood Management LLC	11/25/2024	$	40,434.81	Lakewood	Ocean County	Yes
PREMIER PROPERTIES AND MANAGEMENT ASSOCIATES LLC	12/27/2024	$	50,000.00	Lakewood	Ocean County	Yes
SIMCHAS KALLAH INC	11/14/2024	$	50,000.00	Lakewood	Ocean County	Yes
Locust Accessories LLC	10/18/2024	$	48,532.26	Lakewood	Ocean County	Yes
Little Dreamers Academy LLC	10/17/2024	$	6,719.87	Toms River	Ocean County	Yes
CHO N KIM ENTERPRISES INC	12/19/2024	$	20,123.43	Bloomingdale Borough	Passaic County	No
The Clifton Little School, Inc.	12/6/2024	$	9,000.00	Clifton	Passaic County	No
The World of Knowledge Learning Center LLC	11/13/2024	$	15,396.81	Clifton	Passaic County	No
Three Amigos Ventures LLC	12/2/2024	$	19,696.95	Hawthorne Borough	Passaic County	No
HEC Enterprises LLC	10/9/2024	$	20,840.59	Little Falls	Passaic County	No
Chem-Flotronics, Inc.	11/20/2024	$	33,045.88	Little Falls	Passaic County	No
MJ-Aqua L.L.C.	11/19/2024	$	20,596.02	North Haledon Borough	Passaic County	No
Kacy & Company INC.	12/3/2024	$	50,000.00	Passaic City	Passaic County	No
Specialized Home Health Care LLC	12/31/2024	$	50,000.00	Passaic City	Passaic County	Yes
MS AGENCY INC.	10/31/2024	$	44,757.07	Passaic City	Passaic County	No
RIVERSIDE REFORMED CHURCH	12/19/2024	$	28,250.00	Paterson	Passaic County	Yes
Tucanes Restaurant LLC	11/8/2024	$	4,937.17	Prospect Park Borough	Passaic County	Yes
Shakes and Cakes LLC	12/26/2024	$	34,670.43	West Milford	Passaic County	No
The Palace Laundromat LLC	11/25/2024	$	25,596.47	Woodland Park Boro	Passaic County	No
Beni Hanna Nishikigoi Limited Liability Company	12/26/2024	$	8,334.14	Carneys Point	Salem County	Yes
A Garden Party LLC	10/23/2024	$	43,600.58	Elmer Borough	Salem County	No
Jitter 'N' The Bug, Corporation	11/8/2024	$	50,000.00	Pennsville	Salem County	Yes
BANASIAK & NETTUNE ORTHODONTIC ASSOCIATES, P.A.	12/20/2024	$	50,000.00	Basking Ridge	Somerset County	No
ANDAAZ CATERERS LLC	10/18/2024	$	50,000.00	Franklin	Somerset County	No
Media X Marketing LLC	10/24/2024	$	33,444.68	Somerville Borough	Somerset County	No
40 W Somerville LLC	10/18/2024	$	31,177.10	Somerville Borough	Somerset County	No
24 KARAT DESIGNS, LLC	12/10/2024	$	3,934.48	Hampton	Sussex County	No
Skylands Legal LLC	11/8/2024	$	9,703.94	Sparta	Sussex County	No
ZAK Services Group III LLC	12/2/2024	$	50,000.00	Elizabeth	Union County	Yes
BAO DUMPLINGS OF KENILWORTH LLC	10/31/2024	$	50,000.00	Kenilworth Borough	Union County	No
Chip and Birdie's Group, Inc.	11/12/2024	$	50,000.00	Mountainside Borough	Union County	No

Luxury Nail & Spa Woodcliff Lake LLC	10/18/2024	$	23,700.00	Scotch Plains	Union County	No
Night Sky Technologies LLC	12/4/2024	$	25,783.27	Summit City	Union County	No
MII Salon LLC	11/8/2024	$	42,422.67	Summit City	Union County	No
Elite Kyokushin Budo Karate LLC	12/13/2024	$	4,910.67	Union	Union County	No
WESTFIELD ARTS COLLECTIVE INC.	12/9/2024	$	12,398.39	Westfield Town	Union County	No
JD & KD Warren Multi Service LLC	10/4/2024	$	6,944.08	Brass Castle	Warren County	No
Classic Workshop LLC	10/25/2024	$	50,000.00	Mansfield	Warren County	No
TOTAL 162		**$**	**4,762,606.59**			

Small Business Lease Grant

The Small Business Lease Grant supports the growth and success of small businesses and nonprofits by providing grant funding to cover a portion of lease payments. These resources help the establishment and growth of small businesses, while also helping to fill space that is currently vacant and preventing future vacancies. The Small Business Lease Grant is funded through the Main Street Recovery Finance Program (NJ Economic Recovery Act). Of the $26 million allocated for the program, 40 percent is reserved for businesses located in Opportunity Zone eligible census tracts.

To qualify for the Small Business Lease Grant Program, businesses and nonprofits must enter a new lease, lease amendment, or lease extension that includes at least 250 square feet of street-level office, commercial, or retail space. The lease must have been executed within 12 months prior to the application and applicants must also commit to remaining in the leased space for at least five years. Businesses and nonprofits that receive grants through these programs are required to agree to pay employees going forward for the five-year grant term at least $15 per hour or 120 percent of the minimum wage. Tipped employees are exempt from the $15 per hour requirement but must still be paid at least 120 percent of the minimum wage.

Small Business Lease Grant – Q4 2024 Review

The online application opened in October 2021 and will continue to accept applications until funding is exhausted. During the fourth quarter, 65 applications were approved for a total of $1.8 million. 70 files were declined and 25 new appeals were filed. These new appeals are still under review with the legal department. Overall, only 34 declines have been overturned out of 398 total appeals filed for this program.

To date, the Small Business Lease Grant has approved 682 applications in the amount of $17.3M in total. See NJEDA’s Public Information site for a detailed list of all Small Business Lease Grant applications that were approved under delegated authority through the fourth quarter of 2024.

Small Business Lease Grant Approvals
Q4 2024

Entity	Approval Date	Approved Amount	City	County	Eligible Opportunity Zone
B Q NAIL SPA LLC	12/6/2024	$ 9,080.00	Hammonton Town	Atlantic	No
ROOROO LLC	12/26/2024	$ 12,103.00	Fair Lawn Borough	Bergen	No
First Street Smiles P.C.	10/18/2024	$ 15,820.00	Hackensack City	Bergen	Yes
TAK9 CLUB LLC	11/21/2024	$ 29,904.00	Palisades Park Borough	Bergen	Yes
Haus Cafe II llc	11/7/2024	$ 17,143.66	Ridgewood Village	Bergen	No
Dogleg Golf LLC	12/19/2024	$ 31,815.24	Cinnaminson	Burlington	No
Heymann, Manders, Green & Sommer, LLC	10/18/2024	$ 96,843.09	Marlton	Burlington	No
Smith Family Fitness Inc	11/19/2024	$ 34,728.84	Blackwood	Camden	No
Hackett Ventures Inc	11/8/2024	$ 17,664.80	Laurel Springs Borough	Camden	No
Babbie Pediatric Dental	10/18/2024	$ 16,285.75	Vineland	Cumberland	Yes
Splash N Imaginations Learning Center LLC	10/4/2024	$ 17,102.40	Belleville	Essex	Yes
NEW STYLE UNISEX LIMITED LIABILITY COMPANY	11/21/2024	$ 8,640.00	Caldwell Borough	Essex	No
Lirra Corporation	11/7/2024	$ 18,849.60	Livingston	Essex	No
NuYou Define Studio LLC	11/7/2024	$ 8,880.00	Montclair	Essex	No
Yolanda Alonzo's L.O.V.E., Inc.	10/30/2024	$ 10,620.00	Newark	Essex	Yes
BB Wellness Group LLC	12/6/2024	$ 21,648.00	Orange	Essex	Yes
Interfaith Food Pantry of the Oranges, Inc.	10/18/2024	$ 27,666.76	Orange	Essex	Yes
Seeds of Love Yoga Inc	11/27/2024	$ 15,924.81	Glassboro	Gloucester	No
Ciaccia CPA Professional Association	10/18/2024	$ 20,400.00	Sewell	Gloucester	No
Cheeky Sandwiches WNY LLC	12/26/2024	$ 12,135.87	Jersey City	Hudson	Yes
Fasttrack-Languages LLC	12/6/2024	$ 20,952.00	Jersey City	Hudson	No
MMFB LLC	10/4/2024	$ 19,680.00	Jersey City	Hudson	Yes
Tutu School Hoboken	10/30/2024	$ 10,660.00	Jersey City	Hudson	Yes
Paintpourri - Hunterdon llc	10/18/2024	$ 44,732.03	Whitehouse	Hunterdon	No
COURT APPOINTED SPECIAL ADVOCATES OF MIDDLESEX COUNTY	10/4/2024	$ 14,590.58	East Brunswick	Middlesex	No
North Star Family Autism Center, LLC	11/7/2024	$ 13,388.46	Edison	Middlesex	No
Andrea Carpio LLC	11/7/2024	$ 8,199.00	Metuchen Borough	Middlesex	No
Los 4 Hermanos Deli & Mexican Restaurant LLC	11/20/2024	$ 12,300.00	North Brunswick Townshi	Middlesex	No
Piscataway Martial Arts, LLC	11/7/2024	$ 13,160.00	Piscataway	Middlesex	No
OGC Enterprises, LLC	11/7/2024	$ 15,678.83	South Plainfield Borough	Middlesex	No
Glamour Threading Salon	11/7/2024	$ 10,576.80	Woodbridge	Middlesex	No
Griffys Organics LLC	11/7/2024	$ 13,889.91	Asbury Park City	Monmouth	Yes
Certified Environmental Contractors, LLC	11/7/2024	$ 14,020.02	Freehold	Monmouth	No
Hat Trick Graphics Inc.	11/20/2024	$ 13,159.29	Freehold	Monmouth	No
N K Originals, LTD.	11/20/2024	$ 11,880.00	Long Valley	Monmouth	Yes
Vitaecura Barbae & Spa LLC	11/7/2024	$ 14,144.00	Manalapan	Monmouth	No
Avrix LTD	11/19/2024	$ 60,112.96	Manasquan Borough	Monmouth	No
JADA Solutions LLC	11/21/2024	$ 113,872.14	Ocean	Monmouth	No
SunRay Scientific Inc.	11/7/2024	$ 79,419.19	Wall	Monmouth	No
Jersey Girl Artisan LLC	10/30/2024	$ 14,994.00	East Hanover	Morris	No
Mamas Play, LLC	12/12/2024	$ 23,324.40	Roxbury	Morris	No
Distinguished Whippany, Inc.	11/7/2024	$ 25,766.53	Whippany	Morris	No
SERENITY DAY HABILITATION	12/19/2024	$ 43,893.24	Brick	Ocean	No
Petals & Chic LLC	10/4/2024	$ 11,885.46	Jackson	Ocean	No
Powerhouse Electric and Security LLC	11/1/2024	$ 12,210.00	Jackson	Ocean	No
TSC Group LLC	10/30/2024	$ 68,939.22	Lakewood	Ocean	Yes
NJ Rising Stars INC.	12/6/2024	$ 74,721.94	Lakewood	Ocean	Yes
MDMaxx LLC	12/26/2024	$ 54,568.71	Lakewood	Ocean	Yes
All Set Party Rentals LLC	10/30/2024	$ 47,197.46	Lakewood	Ocean	Yes
Deco Tiles LLC	11/20/2024	$ 51,613.76	Lakewood	Ocean	Yes
TYH Warehousing & Fulfillment LLC	10/4/2024	$ 60,644.07	Lakewood	Ocean	Yes
Panrax Group Limited Liability Company	10/2/2024	$ 73,171.31	Lakewood	Ocean	Yes
STYLE AND TREND TR LLC	10/30/2024	$ 32,990.39	Toms River	Ocean	No
The Enchanted Petal LLC	11/7/2024	$ 7,200.00	Clifton	Passaic	No
Early Dreamers Academy LLC	10/25/2024	$ 31,668.00	Paterson	Passaic	Yes
Scream Truck LLC	10/31/2024	$ 33,429.39	Woodland Park Boro	Passaic	No
Aaditri Inc.	10/25/2024	$ 54,221.00	Hillsborough	Somerset	No
H.N. International Group, Inc	10/30/2024	$ 56,732.50	Somerset	Somerset	No
Empower Somerset, Inc.	12/12/2024	$ 26,400.00	Somerville Borough	Somerset	Yes
Greater Elizabeth Chamber of Commerce Inc.	12/26/2024	$ 16,800.00	Elizabeth	Union	Yes
Seablue Of Linden	10/18/2024	$ 7,055.69	Linden City	Union	No
Stunning Aesthetics Spa LLC	11/21/2024	$ 22,032.00	Union	Union	No
Peruvian Flavors Restaurant, LLC	10/30/2024	$ 26,902.00	Union	Union	No
DREAMER'S NAIL LLC	11/7/2024	$ 19,771.20	Westfield Town	Union	No
Classic Workshop LLC	10/30/2024	$ 35,232.00	Mansfield	Warren	No
		$ 1,881,035.30			

Small Business E-Commerce Support Program

The Small Business E-Commerce Support Program is a $4 million pilot program funded by the Main Street Recovery Finance Program. The program offers up to $11,400 in consulting services to eligible restaurants, retailers, and personal care businesses to assist with the development of websites, e-commerce platforms, and digital marketing plans. To be eligible, a restaurant, retail store, or personal care business must be in a commercial location with a physical storefront and meet the U.S. Small Business Administration's (SBA) definition of a small business. Business type will be verified by NAICS Code, location will be verified via Google maps search results, business registration and good standing will be confirmed by required submission of a NJ Division of Taxation current tax clearance certificate and small business status will be verified using the SBA Table of Small Business Size Standards. Services small businesses can receive include web page design and development, online ordering implementation, online appointment booking implementation, e-commerce design and development, and online marketing plan development. Restaurants and personal care businesses can receive up to $11,400 in consulting services, while retail stores can receive up to $10,800.

Small Business E-Commerce Support Program – Q4 2024 Review

The online application opened in March 2023 and will continue to accept applications until funding is exhausted. During the fourth quarter of 2024, 2 entities were approved for assistance totaling $18,540.

To date, the Small Business E-Commerce Support Program has approved 453 applications for a total of $3.6M. See NJEDA's Public Information website for a detailed list of all Small Business E-Commerce Support applications that were approved under delegated authority through the fourth quarter of 2024.

Small Business E-Commerce Support Program
Q4 2004

Applicant Entity	Approval Date	Assistance Amount	City	County	Qualified Opportunity Zone
Rujack, Inc. (Classic Cleaners)	10/8/2024	$9,270.00	Kearney	Hudson	N
Maplewood Cowork LLC	10/10/2024	$9,270.00	Maplewood	Essex	Y

Emerging Developers Grant Program

The Emerging Developers Grant a $20 million pilot program funded by the FY23 Appropriations Act (P.L 2022, c.49) which has been deposited into the Economic Recovery Fund ("ERF") to award grants of up to $250,000 to assist small-scale developers with up to 50% of their pre-development soft costs.

Emerging Developers Grant Program- Q4 2024 Review

The online application opened on June 24th 2024 and closed on November 15th 2024. During the fourth quarter of 2024, 29 applications were approved for a total of $5.9 million. Three files were declined during the fourth quarter and no new appeals were filed.

To date, the Emerging Developers grant has approved a total of 30 applications in the amount of $6.2M in total.

Emerging Developers Grant Program
Q4 2024

Entity	Approval Date	Approved Amount	City	County
MPMB Developers LLC	11/7/2024	$ 123,292.30	Atlantic City	Atlantic
Fire Office Park Holdings LLC	11/18/2024	$ 250,000.00	Egg Harbor	Atlantic
ANCDI Group	10/23/2024	$ 55,250.00	Mount Holly	Burlington
The Domo Urban Renewal LLC	10/24/2024	$ 200,000.00		Burlington
Visionstream LLC	11/7/2024	$ 200,000.00	Blackwood	Camden
Parkway Eye Care Center	12/2/2024	$ 200,000.00	East Brunswick	Essex
MCI Property Management, LLC	10/22/2024	$ 250,000.00	Irvington	Essex
Beacon Development Partners	12/2/2024	$ 200,000.00	Newark	Essex
S.A.T. Urban Renewal Entity LLC	10/23/2024	$ 189,000.00	Newark	Essex
Detail Oriented Contracting LLC	10/25/2024	$ 250,000.00	Newark	Essex
NEW HOPE MEMORIAL COMMUNITY DEVELOPMENT CORPORATION, INC	10/23/2024	$ 200,000.00	Newark	Essex
Vision Investment Group LLC	10/22/2024	$ 150,000.00	Newark	Essex
211-217 Broadway, LLC	11/18/2024	$ 200,000.00	Bayonne	Hudson
NUIC City Living LLC	10/22/2024	$ 200,000.00	Jersey City	Hudson
Crawford Customs LLC	10/24/2024	$ 250,000.00	Trenton	Mercer
739 GREENWOOD AVE HOLDINGS LLC	10/23/2024	$ 250,000.00	Trenton	Mercer
Trenton Falls LLC	10/23/2024	$ 250,000.00	Trenton	Mercer
Greater Mount Zion Community Development Corporation	10/22/2024	$ 250,000.00	Trenton	Mercer
Sababu Capital LLC	10/23/2024	$ 250,000.00	Trenton	Mercer
405-415 North Avenue Urban Renewal LLC	12/9/2024	$ 200,000.00	Dunellen Borough	Middlesex
Hamilton Street Development LLC	10/23/2024	$ 250,000.00	South River Borough	Middlesex
Amboy Kastle LLC	12/2/2024	$ 200,000.00	Woodbridge	Middlesex
500 blvd urban renewal llc	12/9/2024	$ 250,000.00	Lakewood	Ocean
R26MSE922B LLC	10/23/2024	$ 250,000.00	Lakewood	Ocean
Prestige Real Estate Sales LLC	10/22/2024	$ 250,000.00	Clifton	Passaic
Eramo Homes, LLC	10/23/2024	$ 98,000.00	Passaic City	Passaic
140 E 7th St Urban Renewal, LLC	12/9/2024	$ 200,000.00	Plainfield	Union
187-191 North Avenue Urban Renewal, LLC	11/12/2024	$ 250,000.00	Plainfield	Union
159 Hudson St LLC	10/24/2024	$ 85,115.51	Phillipsburg Town	Warren
TOTAL 29		**$ 5,950,657.81**		

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Credit Underwriting Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in December 2024 and January 2025:

Premier Lender Program:

1) Atlantic City Rescue Mission Inc. ("ACRM") (PROD-00316714) was founded in 1964 as a non-profit Christian ministry that provides hot food and shelter to homeless and low-income families. Over the years, ACRM has expanded programs in response to the growing needs of the people it serves. One location is in Galloway Township and the other is in Atlantic City, Atlantic County. ACRM helps homeless and the poor by providing shelter, transitional housing, clothing, food, counseling, mental health support and structured programs. Today they aid over 3,300 people. Fulton Bank approved a $1,225,042 loan contingent upon a 50% ($612,521) Authority participation. Proceeds will be used for working capital financing to fund staffing, food and beverage inventory, and dry goods purchases. Currently, the Company has 35 employees and plans to create 20 new positions over the next two years.

2) BodyBio Inc. (PROD-00317329), located in Millville City, Cumberland County, is a nutritional supplements manufacturer, offering supplements to support brain, gut, and metabolic health. BodyBio creates products such as fatty acids, electrolytes and nutrients targeting inflammation, digestion and neurological function aimed at optimizing energy, mental clarity, and overall well-being. Provident Bank approved a $2.000,000 loan contingent upon a 20% ($400,000) Authority participation. Proceeds will be used to purchase the project property currently being used for project operations. The Company currently has 51 employees.

3) Mack Realty of Somerset Inc. (PROD-00317581), founded in 2024 as a real estate holding company formed to purchase the project property. The operating company, Mack Boring and Parts Co., is a wholesale distributor of marine and industrial diesel engines and parts. The Company manages approximately 300 authorized dealers across 26 states and sells primarily to manufacturer and dealers located in the Eastern and Great Lakes US regions. M&T Bank approved a $12,195,000 loan contingent upon a 16.4% ($2,000,000) Authority participation to purchase the project property. The Company currently has 56 employees and plans to create 5 additional jobs within the next two years.

4) Manhattan Realty Group LLC, Anthony DeCrescenzo (“MRG”) (PROD-00317493), located in Edgewater Borough, Bergen County, was founded in 2019 as a real estate holding company formed to purchase the project property. The operating company, Decree Signs & Graphics Inc. d/b/a Manhattan Signs was formed in 2009 to provide clients with fabrication and installation of visual communication. MRG offers a wide array of products including corporate identity signage, interior and exterior components, illuminated signs and awnings, decorative construction bridges and barricades, L.E.D. message boards, digitally imaged graphics, custom designed flags, and oversized special event barriers. Provident Bank approved a $3,260,000 loan contingent upon a 50% ($1,630,000) Authority participation. Proceeds will be used to purchase the project property. Currently, the Company has 22 employees and plans to create 4 additional positions over the next two years.

Direct Loan Program:

1) Fidens International LLC (PROD-00315718), located in Red Bank Borough, Monmouth County, was established in 2017 as an insurance brokerage firm. The Company earns commissions from insurance companies when a client purchases or renews a policy. The commission is usually a percentage of the policy’s premium and can vary by policy type and insurance company. The Company also charges fees for services such as policy changes or claim filing, and advisory services. The NJEDA approved a $150,000 loan to be used for working capital expenses such as hiring additional staff and pay off an existing business line of credit. Currently, the Company has 5 employees and plans to create 2 new positions within the next two years.

Small Business Fund Program:

1) Grey Squirrel Digital LLC (“Grey Squirrel”) (PROD-00317458) is located in Berlin Township, Camden County. Formed in 2015, Grey Squirrel provides full-service digital solutions specializing in the design and printing of banners, lawn signs, window and wall graphics, retractable displays, vehicle wraps, and custom apparel. The NJEDA approved a $175,347.90 loan to purchase equipment. Currently, the Company has 3 employees and plans to create 1 new job over the next two years.

Tim Sullivan, CEO

Prepared by: G. Robins

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Post-Closing Delegated Authority Bond Modification Approvals for 4th Quarter 2024 ***(For Informational Purposes Only)***

The following Post-Closing Bond action was approved under delegated authority in the 4th quarter ending December 31, 2024:

Stand Alone and Refunding Bonds - (EDA has no Credit Exposure)

Applicant	Product Number	Modification Action	Bond Amount
NACT Parent, Inc. (formerly North American Camp Trust)	PROD-00184656	Consent to change the majority bondholder representative to Hamlin Capital Management, LLC.	$7,180,000.00 Series A Tax-Exempt Bond

Tim Sullivan, CEO

Prepared by: Nicole Torres

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Post Closing Credit Delegated Authority Approvals for 4Q Quarter 2024
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the fourth quarter of 2024:

Name	**EDA Credit Exposure**	**Action**
A.A.N Accounting & Multi-Service, LLC	$33,820 CVSB2LO	Extend the payment moratorium for 6 months to provide cash flow relief as permitted by the program.
IES Wellness Studio, LLC	$19,827 CVSB2LO	Extend the payment moratorium for 6 months to provide cash flow relief as permitted by the program.
Garden State Consumer Credit Counseling, Inc.	$693,374 DIRLO	Approve two 6-month short-term loan maturity extensions to allow time for the sale of property.
Margaritaville, Inc.	$261,194 DIRLO	Extend loan's maturity date by 10 years allowing time to fully amortize the loan.

Tim Sullivan, CEO

Prepared by: Nicole Torres and Mansi Naik

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Post-Closing Incentives Delegated Authority Memo – 4th Quarter 2024

(For Informational Purposes Only)

Since 2001, and most recently in April 2023, the members have approved delegations to staff for post-closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the Incentives Delegated Authority Modifications that were approved in the 4th Quarter ending December 31, 2024.

Tim Sullivan, CEO

Prepared by: M. A. Chierici

ACTIONS APPROVED UNDER DELEGATED AUTHORITY

FOURTH QUARTER ENDING December 31, 2024

GROW NJ ASSISTANCE PROGRAM

Staff provided consent to waive the 60% in-person requirement for full-time employees at the Qualified Business Facility from July 1, 2022 through March 31, 2024 for the following businesses:

Applicant	Approved Award
Audible, Inc.	$39,375,000
Barclay's Services Corp.	$47,250,000
Genmab US Inc.	$12,810,000
Hackensack Meridian School of Medicine	$16,793,500
Konica Minolta Business Solutions U.S.A., Inc.	$29,398,660
Manhattan Telecommunications Corporation	$4,000,000
NFI, L.P.	$78,662,210
Quest Diagnostics Incorporated	$18,593,750
South Jersey Gas Company	$12,655,260

Staff provided consent to approve the request to terminate the Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 for the following businesses:

Applicant	Termination Effective Year	Approved Award
Marsh & McLennan Companies, Inc.	2023	$21,968,750
Sandy Alexander, Inc.	2021	$12,740,000

Applicant	Modification Action	Approved Award
Marsh & McLennan Companies, Inc	Consent to change the names of the approved affiliates on the Grow NJ Incentive Agreement from Marsh and McLennan Shared Services Corporation to Marsh and McLennan Shared Services LLC effective February 1, 2022 and from Marsh USA, Inc. (DE) to Marsh USA, LLC effective December 31, 2022.	$21,968,750

BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

Grantee	Modification Action	Approved Award
Howmedica Osteonics Corp.	Consent to the addition of Stryker Employment Company, LLC to the BEIP Agreement of Howmedica Osteonics Corp., effective January 1, 2020.	$3,540,810

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 24, 2025

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses October 2024 and November 2024 ***For Informational Purposes Only***

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in October 2024 and November 2024.

TENANT	LOCATION	TYPE	TERM	S.F.
Chrom-matrix	BCI	Lease Renewal	1 year	931sf
Lactiga US	BCI	Lease renewal	1 year	251sf
Linus Biotechnology	BCI	Amendment	5.5 months	5277sf
Histobridge	BCI	Month to month	Month to month	800sf
Molecular Innovation	BCI	Month to month	Month to month	932sf
Sonder Research X	BCI	Month to month	Month to month	5445sf
Skunkworx	BCI	Month to month	Month to month	1425sf
Couragene	BCI	Amendment	10.5 months	1862sf

LEASES

PROCUREMENT

The following approvals were made pursuant to Delegated Authority for Procurement. Including the issuance of Task Orders in October 2024 and November 2024: None to report

RIGHT OF ENTRY/LICENSE AGREEMENTS

The following approvals were made pursuant to Delegated Authority for Rights-of Entry/License Agreements in October 2024 and November: None to Report

Tim Sullivan, CEO