MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Agenda for Board Meeting of the Authority March 12, 2025

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Public Comment

Economic Transformation

Authority Matters

Incentives

Real Estate

Board Memoranda

Executive Session

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 24, 2025

MINUTES OF THE SPECIAL MEETING

The Meeting was held in-person, by conference call, and via Microsoft TEAMS.

Members of the Authority present in person: Public Member Charles Sarlo, Vice Chair; Aaron Creuz, Executive Representative; and Public Members: Fred Dumont, and Robert Shimko, First Alternate Public Member.

Members of the Authority present virtually: Chairman Terry O'Toole, Manual Paulino representing 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 Philip Alagia, Aisha Glover, Josh Weinreich, and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority present via conference call: Massiel Medina Ferrara.

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

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Deputy Attorney General Matthew Reagan; 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 *Bergen Record*, the *Star Ledger* and the *Trentonian* 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. Mr Sullivan also announced that pursuant to the Internal Revenue Code of 1986, as amended, the meeting is a public hearing and comments are invited on any private activity bond projects presented today.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the December 19, 2024 meeting minutes. A motion was made to approve the minutes by Mr. Shimko, seconded by Mr. Dumont, and approved by the fourteen (13) voting members present.

The next item of business was the approval of the January 23, 2025 special meeting minutes. A motion was made to approve the minutes by Mr. Dumont, seconded by Mr. Shimko, and approved by the thirteen (13) voting members present.

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.

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.

There was no public comment.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from January 30, 2025.

ECONOMIC TRANSFORMATION

Clean Energy

ITEM: NJ ZIP, the New Jersey Zero Emission Incentive Program: Third Phase of the Voucher Pilot
REQUEST: To approve: (1) The creation of Phase 3 of the New Jersey Zero-emission Incentive Program ("NJ ZIP), the NJEDA zero-emission commercial use vehicle voucher pilot; (2) The utilization of funds 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; Delegated authority to the CEO to decline applications for solely non-discretionary reasons; and delegated authority to the CEO to shift funding allocations and make programmatic approvals reallocate any unallocated funds from prior phases of the pilot program into Phase 3 of the Program.
MOTION TO APPROVE: Mr. Creuz SECOND: Ms. Dragon AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: NJ ZEV Financing Program
REQUEST: 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 funds from NJEDA allocation of the 2023-2025 Regional Greenhouse Gas Initiative (RGGI) auction proceeds to capitalize the NJ ZEV Financing Program; and (3) Delegation of authority to the CEO to: a) Utilize additional RGGI funding as available to increase Program funding if application demand exceeds the initial funding; b) Approve individual applications to the NJ ZEV Program in accordance with the terms set forth in the product specifications.
MOTION TO APPROVE: Mr. Shimko SECOND: Ms. Dragon AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

VENTURE

ITEM: New Jersey Innovation Fellows (NJIF) Cohort II Application Approvals and Declinations
REQUEST: To approve eight teams of entrepreneurs for the second cohort of this Program. Additionally, approval is requested 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 an approved team fails to proceed to execution of the grant agreement, delegated authority is requested to be given to the CEO to select the next highest scoring applicant for inclusion as an approved team.
MOTION TO APPROVE: Mr. Creuz SECOND: Ms. Glover AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

COMMUNITY DEVELOPMENT

ITEM: North to Shore Festival
REQUEST: To approve entering into a grant agreement with NJPAC to support the North to Shore Festival for 2025 using the allocation of funds from the FY 2025 State Appropriations Act.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Ms. Glover recused from voting because she is Member of the Board at NJPAC.

DEI

ITEM: Employee Stock Ownership Plan Assistance – Vendor Procurement
REQUEST: To approve: (1) Entering into contracts with two (2) firms 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; and (2) Utilization of Wealth Disparities Initiatives funds, authorized in the Fiscal Year 2024 Appropriations Act, with delegation to the Authority's CEO to increase funding through contract amendments.
MOTION TO APPROVE: Ms. Antoine-Johnson SECOND: Mr. Sarlo AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

FOR INFORMATION ONLY: The next item was a summary of the Incentives Committee meeting from January 29, 2025.

INCENTIVES

Digital Media Tax Credit Program

Audible, Inc. PROD-00316029
MAX AMOUNT OF TAX CREDITS: $11,383,425
MOTION TO APPROVE: Mr. Shimko SECOND: Ms. Antoine Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Ms. Glover recused from voting because Audible, Inc. is her employer.

Film Tax Credit Program

Delta Films LLC PROD-00317237
MAX AMOUNT OF TAX CREDITS: $10,266,769
MOTION TO APPROVE: Mr. Creuz SECOND: Mr. Weinreich AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

FOR INFORMATION ONLY: The next item was a summary of the Director's Loan Review Committee meeting from January 29, 2025.

BOND PROJECT

APPLICANTS: Delaware River Partners LLC and DRP Urban Renewal 4, LLC*
PROD-00318000
LOCATION: Greenwich Township, Gloucester County
PROCEEDS FOR: Stand-Alone Bond
AMOUNT OF BOND: Not To Exceed $350,000,000 Tax-Exempt
MOTION TO APPROVE: Mr. Creuz SECOND: Mr. Dumont AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Out of an abundance of caution, Mr. O'Toole recused himself because his Morgan Stanley handle his financial matters.

Mr. Shimko recused from voting because Morgan Stanley is the fund manager for his employer.

FOR INFORMATION ONLY: The next item was a summary of the Real Estate Committee meeting from January 31, 2025.

REAL ESTATE

ITEM: Maternal and Infant Health Innovation Center - Approval of the Comprehensive Development Budget and Request for Additional Funds - PROD-00310664
REQUEST: To approve the Center's Budget and request for additional funds as follows: (1) The Center's total development; (2) Allocate additional funding for the Center's design and construction as follows: a. American Rescue Plan Capital Project Funds (ARP CPF) for the uses included the Center's Budget, b. Additional American Rescue Plan State and Local Fiscal Recovery Funds (ARP SLFRF) of which funding is available for the uses included in the Center's Budget and additional funding for the Authority's administrative expenses, c. Strategic Innovation Funds (SIC) for the uses included in the Center's Budget; (3) Reallocate the balance of Fiscal Year 2022-23 State appropriation, for the uses included in the Center's Budget; (4) Reallocate any balance of the previously approved SIC funds to acquire the Center's site to other uses included in Center's Budget; (5) Reallocate FY 2022-23 State appropriation – Real Estate Project Fund (RE Project Fund) as follows: a. From the previously Board approved Local Property Acquisition Program, b. From the previously Board approved Stranded Assets Investment Program, c. From the previously Board approved Emerging Developers Program.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Creuz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Ms. Ferrara recused from voting because this project will appear before the City of Trenton's Planning Board, and is oversees the Department.

Ms. Glover left the meeting at this time (11:00 am).

ITEM: Acceptance of Funding from the NJ Department of Treasury for purchase of New Jersey Transit properties
REQUEST: To approve: accepting funding from the New Jersey Treasury, appropriated to the NJEDA for the purchase of NJT property; (2) Allocating funds from the economic growth account for the development of the properties purchased as required by P.L. 1992, c. 16, and Creating a fund, for NJEDA's use, combining the funds from the NJ Treasury and from the economic growth account to fund due diligence and the purchase of the properties.
MOTION TO APPROVE: Mr. Creuz SECOND: Mr. Dumont AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Memorandum of Agreement between NJEDA, NJDEP, and NJT for the New Jersey Greenway Project (#PROD-00316989)
REQUEST: To approve entering into an MOU with NJDEP and NJT whereby the Authority will collaborate with the parties to plan, design, and construct all or portions of the New Jersey Greenway in Essex and Hudson Counties.
MOTION TO APPROVE: Mr. O'Toole SECOND: Ms. Antoine- Johnson AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Alagia recused from voting because Essex County is heavily involved in the project.

ITEM: Urban Investment Fund Grant Program Funding Award – City of Paterson
REQUEST: To approve: (1) An Urban Investment Fund Grant award 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) 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.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Creuz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Urban Investment Fund Grant Program Funding Award – City of Trenton
REQUEST: To approve: (1) An Urban Investment Fund Grant award 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) 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.
MOTION TO APPROVE: Ms. Dumont SECOND: Ms. Dragon AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Ms. Ferrera recused from voting because her Office worked on the project.

ITEM: Urban Investment Fund Grant Program Funding Award – Invest Newark/City of Newark
REQUEST: To approve: (1) An Urban Investment Fund Grant award 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) 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.
MOTION TO APPROVE: Ms. Dragon SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Urban Investment Fund Grant Program Funding Award – City of Passaic
REQUEST: To approve: (1) An Urban Investment Fund Grant award 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) 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.
MOTION TO APPROVE: Mr. Shimko SECOND: Mr. Dumont AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Mr. Sarlo recused from voting because his firm represents the City of Passaic.

ITEM: Urban Investment Fund Grant Program Funding Award – City of New Brunswick
REQUEST: To approve: (1) An Urban Investment Fund Grant award 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) 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.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Creuz AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Mr. Sarlo recused from voting because his firm (DMR Architects) was retained by New Brunswick to perform the design for the George Street project for which the grant was awarded.

AUTHORITY MATTERS

ITEM: 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.
MOTION TO APPROVE: Mr. Creuz SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

BOARD MEMORANDA – FYI ONLY

- Community Development Products Delegated Authority Approvals, Q4 2024
- Credit Underwriting Projects Approved Under Delegated Authority, December 2024 - January 2025

- Post Closing Delegated Authority Bond Modification Approvals, Q4 2024
- Post Closing Incentives Delegated Authority Memo, Q4 2024
- Post Closing Credit Delegated Authority Approvals, Q4 2024
- Hazardous Discharge Site Remediation Fund (HDSRF) Applications Approved Under Delegated Authority, Q4 2024
- Petroleum Underground Storage Tank Applications (PUST) Approved Under Delegated Authority, Q4 2024
- Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/Licenses, October-November 2024

EXECUTIVE SESSION

The next item was to adjourn the public portion of the meeting and move into Executive Session to receive attorney-client advice and discuss the impacts of and potential litigation related to the use of federal funds and changes to federal policy, the minutes of which will become public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

The Board returned to Public Session.

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Weinreich, the meeting was adjourned at 12:30pm.

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

NJEDA

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: March 12, 2025

Re: March 2025 Board Meeting – CEO Report

At the end of last month, I had the honor to attend Governor Phil Murphy's final Budget Address, which outlined steps to increase affordability, bolster our economy, and put our families first. The Governor continues to be laser focused on issues that the New Jersey Economic Development Authority (NJEDA) board and staff work hard every day on, including economic security, innovation, inclusive growth, economic diversification, manufacturing, and small business.

Despite a tougher fiscal picture than years prior, the NJEDA has an enormous inventory of resources to continue doing our extraordinary work. The Governor even proposed a new manufacturing tax credit program to build upon the success of our Manufacturing Voucher Program. Because of the Governor's trust and belief in the work we do, we'll be able to continue growing New Jersey's economy and help strengthen our communities.

Following our last Board meeting, we hosted a roundtable discussion in celebration of Black History Month. The roundtable included Assemblywoman Tennille McCoy (LD-16), Chief Diversity & Inclusion Officer Michelle Bodden as the moderator, and several business owners from a variety of industries including cannabis, maternal health, hydroponic farming, and the arts. While we have made great progress in uplifting Black-owned businesses, our work continues to create a stronger, more diverse, and more equitable economy.

I attended the announcement of the 2025 North to Shore Festival last week. After the success of the past two years, this festival is shaping up to attract major names in music and comedy. As part of Governor Murphy's vision to promote arts and culture as a driver of economic growth and community development, the NJEDA is committed to showcasing the strength of New Jersey's booming arts and innovation sectors to the rest of the world. In its first two years, the festival brought in more than $25 million for ticketed events and has drawn a total audience of over 500,000 to more than 650 shows in 250 venues in Newark, Asbury Park and Atlantic City, making it New Jersey's largest summer arts festival.

Last week, I joined First Lady Tammy Murphy at the Princeton Innovation Center BioLabs to announce grant funding to support the research and development (R&D) of technologies, products, and services that will enhance the quality of care and service delivery activities to women, infants, and health care agencies. The Commission on Science, Innovation, and Technology (CSIT) Maternal and Infant Health R&D Grant Program supported 23 New Jersey-based start-ups focused on developing technology, therapeutics, and other solutions to address maternal and infant health challenges. Not only will these grants help enhance the well-being of women and children, but it will also support young, innovative businesses in the state, helping create jobs and a stronger economy.

This month, as we celebrate Women's History Month, I want to recognize all the women on our staff and Board who work steadfastly on behalf of New Jersey's nine million residents. I am grateful for their efforts, and I am proud of the role the NJEDA plays in supporting women across all sectors of our economy. Later this month, I look forward to meeting with women-owned small businesses to discuss ways the NJEDA can continue uplifting their businesses.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

RE: New Jersey Film Works Grant Program

Summary

The Members are requested to approve:

1. Creation of the New Jersey Film Works Grant Program ("NJ Film Works" or "Grant Program"), a competitive program that will award grants to selected applicants that will aide in implementing innovative workforce development, training, and skills programs focused on strengthening and diversifying New Jersey's film and digital media talent pipeline.
2. Utilization of a total of $3 million from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid).
3. Waiving the application fee for the New Jersey Film Works Grant Program.

Background

New Jersey has witnessed impressive growth in the film and digital media industry, attracting multiple film studios and production companies with many high-profile productions being filmed in the state. This boom is due in large part to the State's tax and other incentives including the Film and Digital Media Tax Credit Program, the Studio Partners and Film-lease Partners Facilities designation programs, and the pilot Film and Digital Media Studio Infrastructure Program. Utilization of the state's Film Tax Credit has increased substantially. In State Fiscal Year (SFY) 2019, NJEDA made 4 awards resulting in $19.7 million of film production spend in the state. In SFY 2021, 24 awards resulted in $185.5 million spent in NJ. Those figures climbed to 56 awards totaling over $758 million of film production spend in SFY 2023. More information on these programs can be found at [Film and Digital Media Tax Credit Program - NJEDA].

Notable highlights of this industry growth in the state include Lionsgate's on-going construction in Newark of the first purpose-built studio in New Jersey to be constructed for TV and film production (expected to open in 2025), Netflix's planned construction of a studio complex in Monmouth County (2027-2028), and the proposed construction of 1888 Studios in Bayonne. The number of film projects and productions in New Jersey in 2024-2025 are expected to reach over 1,000, and the projected number of film-related jobs for 2024 is close to 15,000. These projects mark a pivotal moment in New Jersey's evolution as an emerging force in film production.

The New Jersey Motion Picture & Television Commission ("Commission"), now part of the Authority, has supported and nurtured the film, and digital media industry for over 45 years. The Commission attracts and supports production work and promotes infrastructure growth through financial incentives, permitting, production services, site selection and clearance.

The NJ Film Works Grant Program will support the State's goals to prepare New Jersey residents for jobs in a targeted industry and to grow the economy in an equitable and inclusive manner. The Grant Program will build on existing workforce development efforts in New Jersey by offering a competitive funding opportunity to entities that can implement programs that will position New Jersey's residents for industry careers, with a particular focus on serving Overburdened Communities[1]. NJEDA is anticipating applications from a broad range of applicants and expects to make multiple awards.

Program Details

The Grant Program will be a competitive program that will provide funding support to entities that provide New Jersey residents with access to workforce development training, internship, apprenticeship, and learning opportunities for careers in the targeted industry of film & digital media (see Exhibit C), with a particular focus on access for residents of New Jersey's Overburdened Communities. The overall goals of the Program will be to:

1. Advance New Jersey as a national model for holistic economic growth in the film and digital media industry.
2. Support and expand best practices in industry workforce training programs that enable New Jersey residents to be part of this growing industry that includes a focus on providing training and career opportunities for residents of Overburdened Communities.
3. Capitalize on New Jersey's long history and expertise in film innovation to support and foster emerging innovations and technologies into training programs.

Eligible grantees will have responsibilities and key deliverables including, but not limited to, the following: offering training for an eligible in-demand occupation; connecting graduates with employers or other entities that can provide job placements, apprenticeships, or paid internships; providing wraparound services as needed; delivering a curriculum and instructional model for the professional development and technical classroom-based components of the Program; conducting a training program specifically accessible for New Jersey residents; providing participants with career guidance; and submitting reports on program outcomes and associated expenditures.

A total of $3 million, funded from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid) is available for programs under this Grant Program with minimum and maximum amounts for individual awards set at $250,000 and $750,000 million respectively. NJEDA anticipates making multiple awards in this grant program. Program specifications can be found in Exhibit A.

NJEDA will deposit the funds into NJEDA's Economic Recovery Fund and utilize the grant-making powers as defined in the New Jersey Economic Recovery Fund Act per N.J.S.A. 34:1B-7.13 a (12) to disburse funds to each awardee per the disbursement schedule. The statutory provision permits grant funding for initiative-based activities which stimulate growth in targeted industries as defined by NJEDA's Board or supports increasing diversity and inclusion within the State's entrepreneurial economy.

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[1] NJ's Environmental Justice Law at N.J.S.A 13:1D-157 defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency. (NJDEP| Environmental Justice | What are Overburdened Communities (OBC)?)

Eligible Applicants

Eligible applicants can include, but are not limited to, the following:

- Non-profit organizations
- Private workforce training organizations
- Labor unions
- Community-based organizations
- Educational institutions
- For-profit film and digital media companies or consortium/associations of private film and digital media companies

Educational institutions that have an executed MOU for film or digital media workforce training with NJEDA at the time of application are not eligible for this grant program.

Applicants may collaborate with additional entities to implement the training program as needed. However, the NJEDA will only award and enter into a grant agreement with the applicant entity.

Applicants will be required to conduct workforce development training, internship, apprenticeship, and learning opportunities in at least 1 (one) but no more than 3 (three) eligible occupation(s) listed in Exhibit B. Applicants must identify which eligible occupation(s) their initiative will concentrate on.

In addition to the eligibility parameters already stated above, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (NJDOL) and, as applicable, the NJ Department of Environmental Protection (NJDEP) to participate in the program. At the time of the execution of the grant agreement, a current tax clearance certificate will be required to demonstrate the applicant is properly registered to do business in New Jersey and in good standing with the NJ Division of Taxation.

Proposal Scope

Applicants must submit proposals that outline compelling plans to:

- Implement a New Jersey based program that will allow New Jerseyans to access workforce opportunities in the film and digital media industry by providing tangible skills sought by employers. Components of programs must include direct workforce training/skill development, and, where relevant, wraparound services such as access to career services, mentorship, family services (such as childcare, eldercare, or other similar services), counseling, transportation, etc.
- Connect with industry and other stakeholders to implement a program that prepares and connects participants with job opportunities in targeted industries in high-growth and in-demand occupations. Applicants are expected to demonstrate that their proposed program will provide meaningful career opportunities through labor market research, employer and industry engagements, and other relevant analysis.
- Develop and/or utilize outreach, recruitment best practices, program design approaches, and wraparound supports that target and support a diverse and inclusive pool of training participants to successfully complete the program.
- Define program evaluation and success metrics such as: recruitment, enrollment, completion, job placement, and learning acquisition targets.
- Reach and target New Jersey's Overburdened Communities and provide opportunities for economic mobility for these communities.
- Collect, track, and report programmatic data, including trainee demographics, trainee surveys, instructor evaluations, training enrollments and completions, and job placement and retention information.

- Execute the project efficiently and on schedule, achieving well-defined milestones to complete the proposed initiative.

Training programs must either be in-person or hybrid (include both a virtual component and an in-person component). The program must describe a clear approach to make the training accessible for and targeted to New Jersey residents and linked to New Jersey employment opportunities in film and digital media careers.

Eligible Funding Uses

Eligible uses of grant funding include:

- Costs associated with planning (e.g., staff costs for program development, curriculum materials, etc.)
- Soft launch (e.g., outreach costs, recruitment materials and related costs, etc.)
- Implementation costs (e.g., instructor time, facility fees, participant stipends, equipment or materials, delivery of wraparound services, etc.)
- Administration and overhead costs

No more than ten percent (10%) of the grant amount may be used on administration and overhead costs. Grant funding may not be used for construction, equipment installation, or fit-out of any kind.

Applicants must provide a detailed budget using the budget template included within the Grant Program application materials. The budget should demonstrate how the grant will be used to cover eligible costs related to the proposed program. If there are program collaborators that will receive funding from the grant, they must be included in the application budget and identified for their role in the project.

Scoring and Evaluation Process

Applications will be accepted during a defined application window, which NJEDA will make all potential applicants aware of through a Notice of Funding Availability (NOFA) and other information posted to NJEDA's website. There will be a defined window for potential applicants to submit questions and receive answers.

The Authority will perform a review of applications after the closing of the application period. Applications will first be reviewed for application completeness to ensure that all necessary application information and documents are submitted and complete. Applicants will be given ten (10) business days to cure any deficiencies or provide answers to clarifying questions. If after the 10-day period, the applications are still incomplete, they will be notified the application will not advance to scoring and will be deemed nonresponsive.

The Evaluation Committee will evaluate proposals based on five criteria (see Exhibit A for more detail):

- Impactful program design[2] and implementation approach[3], and the ability of the initiative to meet the needs of New Jersey's growing film and digital media industry
- Ability to serve NJ's Overburdened Communities

[2] Program design is defined to include the activities leading up to the launch of the program including curriculum development, facility, and technology setup, and planning documents (e.g., recruitment plans, marketing strategies, etc.). The launch of the program is defined as initiation of marketing and recruitment activities that advertise the program to the program target audience.

[3] Program implementation is defined to include activities after the launch of the training program including curriculum delivery and instruction, wraparound services, and job placement.

- Ability to provide wraparound supports and low or no-cost training
- Ability to implement proposed program for film and digital media occupations and prior experience creating and implementing workforce development initiatives
- Justification for the proposed use of funds with a reasonable budget to implement the proposed training program

The minimum score required to be considered for an award is 80 points, with the highest score possible being 100 points.

To maximize the total amount of funding allocated through this grant, NJEDA may opt to request revisions to the proposed budgets or scopes per the following protocol:

- NJEDA will fully fund the top scoring proposals within the maximum program funding of $3 million and within the funding sub-allocations as described above. If the next highest scoring applicant has a budget request that would exceed the total maximum program funding available, NJEDA may request that the applicant revise their budget and/or scope. The applicant has the right to decline or accept the budget revision option.
  - If this applicant declines, NJEDA may make the same offer to the next highest scoring applicant.
  - This process may continue until a qualifying applicant's proposal either fits within the maximum of $3 million available or the applicant accepts the offer to revise its budget to fit within the maximum program funding available.
  - Any applicant that accepts the offer to revise its budget will have the revised application evaluated by NJEDA to determine if the revision would lower their proposal's ranking to an extent that they are no longer the next highest ranked proposal or they no longer meet the minimum score.

Grant Agreement and Disbursement

NJEDA will enter into a grant agreement solely with the applicant, and the applicant will be held responsible for complying with the terms of the grant. Funds will be disbursed according to the following schedule:

- 30 percent of the grant will be disbursed following execution of a grant agreement between NJEDA and the selected applicant.
- 30 percent of the grant will be disbursed upon the applicant's submission of a mid-program report and associated materials, with exact timing and format to be determined based on the grantee's implementation plan and reflected in the grant agreement.
- Up to 40 percent of the grant amount will be disbursed upon receipt of the final report no more than 120 calendar days after the end of the term of the grant and based upon the following:
  - 10% of the grant amount following receipt of a satisfactory final report
  - 10% of the grant amount pro-rated against the proposed number of participants enrolled, at least 25% of the proposed participants enrolled%*
  - 10% of the grant amount pro-rated against the proposed number of participants completing the program, so long as at least 25% of the proposed participants completed the program*
  - 10% of the grant amount pro-rated against the proposed number of program graduates placed in paid employment, internship, or apprenticeship within the industry (see Exhibit C) or trained occupation, within 90 calendar days of program completion, so long as at least 25% of the proposed participants were placed**

*Disbursements based on proposed project outcomes can be pro-rated, so long as the awardee documents it has met at least 25% of the proposed goal. For example, a

$500,000 grant is awarded based on the following proposed program outcomes: 100 participants enrolled, 80 participants completing the training, and 70 program graduates being placed into employment, paid internship, or apprenticeship in the film/digital media industry within 90 calendar days of the program completion. The following illustrative payout scenarios can be calculated:

Illustrative scenario 1: If the awardee demonstrates they met all three proposed outcomes, the grantee's payout for each of those milestones would be $50,000 (10% of $500,000 for each milestone).

Illustrative scenario 2: If the awardee demonstrates they enrolled 100/100 participants, 75/80 completed the program, and 70/70 were placed, the grantees' s payout for each of those milestones would be $50,000, $46,875 (based on meeting 93.8% of the goal), and $50,000 respectively.

Illustrative scenario 3: If the awardee demonstrates they enrolled 80/100 participants, 60/80 completed the program, and 17/70 were placed, the grantee's payout for each of those milestones would be $40,000 (based on meeting 80% of the goal), $37,500 (based on meeting 75% of the goal), and $0 (based on meeting less than 25% of the goal), respectively.

Additional Specifications

- NJEDA will reserve a royalty-free, non-exclusive irrevocable license to reproduce, publish, or otherwise use any copyrightable materials developed utilizing funds awarded through this grant, inclusive of training curriculum materials and program reports.
- NJEDA will require quarterly expense reporting from grantees in a template approved by NJEDA, which is expected to include an expense cover sheet and supporting documentation, including receipts, invoices, and proofs of payment for all grant-related expenses. The grantee will be expected to adhere to Generally Accepted Accounting Principles (GAAP) and utilize grant funding for agreed upon allowable costs as defined within the grant budget. NJEDA, at its discretion, may conduct an audit and/or reject proposed costs incurred by the grantee that are determined to not be allowable under the project scope of work defined in the grant agreement. At the end of the grant agreement period, any underspent funds or disallowed costs will be returned by the grantee to NJEDA.
- NJEDA will require grantees to provide quarterly reporting on program data, including enrollment, completion, and job outcomes from the training, attendance, exam and credential results, recruitment plans, wrapround services, trainee evaluations, expenses, progress against milestones, challenges/successes, and demographics information.
- NJEDA will review and approve all branding for programs offered by grantees through the funding received from this grant, including program names, flyers, websites, use of logos, and communication materials.
- Awarded programs must include "NJ Film Works" as part of the program's branding, with logo and branding materials to be provided and/or approved by the NJEDA.
- Awarded applicants are required to engage with the NJ Department of Labor regarding registering any training program(s) that is funded through the grant with the NJ Department of Labor's Eligible Training Provider List (ETPL).

Additional details on proposal requirements, scoring criteria, and disbursement structure are outlined in the attached product specifications (Exhibit A).

Fees & Administrative Expenses

The state appropriation allows for NJEDA to retain an administration fee. As allowed by NJEDA's recently revised fee rules[4], the New Jersey Film Works Grant Program will not charge an application fee as NJEDA will utilize a portion of the appropriated funds for NJEDA's administrative costs.

Appeals

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 a final agency decision for the Board to adopt.

Recommendation

The Members are asked to approve (1) creation of the New Jersey Film Works Grant Program, a competitive program that will award grants to selected applicants that will aide in implementing innovative workforce training and skills programs focused on strengthening and diversifying New Jersey's film and digital media talent pipeline., (2) utilization of a total of $3 million from the FY '23 State Appropriation for Film Industry Strategic Support Fund (Grants-In-Aid), and (3) waiving the application fee for the New Jersey Film Works Grant Program.

Tim Sullivan, CEO

Prepared by: Luke Brunskill, David Ramsay

Attachments
Exhibit A – Grant Program Specifications
Exhibit B – Eligible Occupations for Grant Program
Exhibit C – Targeted Industry Definition for Film & Digital Media

[4] N.J.A.C. 19:30-6.1A, General fee applicability.

Exhibit A – Grant Program Specifications

NJ Film Works Grant Program Specifications	
Funding Source	A total of $3 million will be available through this program, with minimum and maximum award amounts set at $250,000 and $750,000 respectively. All $3 million will be sourced from the FY 2023 State Appropriation - Film Industry Strategic Support Fund for workforce training in the film and digital media industry.
Program Purpose	The Grant Program will provide funding support to entities that provide New Jersey residents with access to workforce development training, internship, apprenticeship, and learning opportunities for careers in the targeted industry of film & digital media, with a particular focus on access for New Jersey's Overburdened Communities. NJEDA is seeking proposals from entities to implement and deliver programs that will allow New Jerseyans to access workforce opportunities in the film and digital media industry and address identified labor market shortages by providing tangible skill development and/or job readiness training. Components of programs must include direct workforce training and job placement services, and where relevant, wrap around supports, including but not limited to, career services, mentorship, childcare, counseling, and transportation. Evaluation criteria will consider programs that can provide near-term job placement for trainees within the film and digital media industry or trained occupation, including training providers with a direct connection to an employment partner or job placement organization, training providers or employers that operate a train-to-hire program, entities partnering with relevant labor unions committed to placing trainees in a union apprenticeship program, and entities offering paid internships.
Eligible Applicants	Eligible applicants can include, but are not limited to: • Non-profit organizations • Private workforce training organizations • Labor unions • Community-based organizations • Educational institutions • For-profit film and digital media companies or consortium/associations of private film and digital media companies Applicants may collaborate with additional entities to implement the training program as needed. However, the NJEDA will only award and enter into a grant agreement with the applicant entity. The Authority will perform a review of applications after the closing of the application period. Applications will first be reviewed for application completeness to ensure that all necessary application information and documents are submitted and complete. Applicants will be given ten (10)

	business days to cure any deficiencies or provide answers to clarifying questions. If after the 10-day period, the applications are still incomplete, they will be notified the application will not advance to scoring and will be deemed nonresponsive. In addition to the eligibility parameters already stated above, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (NJDOL) and NJ Department of Environmental Protection (DEP) to participate in the program. At the time of the execution of the grant agreement, as well as at the time of each disbursement of funds, a current tax clearance certificate will be required to demonstrate the awarded applicant is properly registered to do business in New Jersey and in good standing with the NJ Division of Taxation.
Eligible Use of Funds	Eligible uses of grant funding are costs associated with training NJ residents only including: • Costs associated with planning (e.g., staff costs for program development, curriculum materials, etc.) • Soft launch (e.g., outreach costs, recruitment materials and related costs, etc.) • Implementation costs (e.g., instructor time, facility fees, participant stipends, equipment or materials, delivery of support services, etc.) • Administration and overhead costs Proposed initiatives must provide workforce development training for at least one of the following occupations (but no more than three). The proposed training(s) should provide tangible skill development and/or job readiness training specific to the selected occupation(s). Please see Exhibit B for detailed job descriptions. Eligible Occupations: • Assistant Camera • Assistant Editor • Audio and Video Technician • Audio Recordist • Camera Operator, Television, Video, and Film • Costume Designer • Digital Imaging Technician (DIT) • Film and TV Editor • Greens/Greensman • Hair Stylist • Makeup Artist • Production Accountant • Production Assistant • Props Craftsperson • Rigger/Grip/Set Grip • Scenic Painter • Set Carpenter • Set Construction

	• Set Design • Set Dresser • Set Electrician/Electrician • Set Painter • Sound Utility Technician • Special Effects Artists (Physical) • Visual Effects Artist • Wardrobe Assistant/Costume Attendant/Costumer Training programs must either be in-person or hybrid (include both a virtual component and an in-person component). The program must describe a clear approach to make the training accessible for and targeted to New Jersey residents and linked to New Jersey employment opportunities in film and digital media careers.
Fees & Administrative Costs	As allowed by NJEDA's recently revised fee rules[5], no application fee will be charged as the Authority is using part of the appropriated funds for NJEDA's administrative costs.
Term of Grant Period	The term of the grant may not exceed two (2) years.
Grant Amounts	$3 million will be available through this grant. Grants will be subject to minimum and maximum amounts of $250,000 and $750,000 respectively. NJEDA will fully fund the top scoring proposals within the maximum program funding of $3 million and within the funding sub-allocations as described above. If the next highest scoring applicant(s) has a budget request that would exceed the total maximum program funding available, NJEDA may request that the applicant(s) revise their budget and/or scope. The applicant(s) has the right to decline or accept the budget revision option. o If this applicant(s) declines, NJEDA may make the same offer to the next highest scoring applicant(s). o This process may continue until a qualifying applicant(s)'s proposal either fits within the maximum of $3 million available or the applicant(s) accepts the offer to revise its budget to fit within the maximum program funding available. o Any applicant(s) that accepts the offer to revise their budget will have the revised application evaluated by NJEDA to determine if the revision would lower their proposal's ranking to an extent that they are no longer the next highest ranked proposal or they no longer meet the minimum score. No more than ten percent (10%) of the grant amount may be used for administration and overhead costs. Applicants must provide a detailed budget using the budget template included within the Grant Program application materials. The budget should demonstrate how the grant will be used to cover eligible costs related to the proposed program. All program collaborators that are receiving grant funding must be included in the application budget and identified for their role in the project.

[5] N.J.A.C. 19:30-6.1A, General fee applicability.

Scoring Criteria	The minimum score requirement to be considered for an award is 80 points, with the highest score possibility being 100 points. Applications will be scored by an Evaluation Committee based on the following criteria: Highest Score Possibility: 80 points Minimum Score Requirement: 100 points In general, applicants will have the opportunity to receive the points outlined below based on the following criteria: **Criteria 1** – Ability to meet the needs of New Jersey's film and digital media industry as described in the grant specifications **(Up to 35 points)** • Details a compelling, impactful, and scalable program concept that will fulfill a workforce-related need in the film and digital media industry and position New Jerseyans to enter a thriving career **(Up to 15 points**) • Clearly details strategies to provide near-term job placement for trainees, including direct connections to employment partners or job placement organizations, training providers or employers that operate a train-to-hire program, partnerships with relevant labor unions committed to placing trainees in a union apprenticeship program, and entities offering paid internships. Also details strategies to engage industry and build a network of employer partners who will be integrated into the program, including development of industry vetted curriculum and the selection of training candidates. **(Up to 15 points)** • Details a track record of related experiences operating workforce development programs resulting in successful outcomes (e.g., completers placed in quality employment and retained, increased wages), including experience recruiting, training, and/or providing services to a diverse group of participants and has a team with the qualifications and experience required to implement the program **(Up to 5 points)** **Criteria 2** – Ability to serve NJ's Overburdened Communities **(Up to 10 points)** • Identifies specific strategies to successfully recruit and serve residents of New Jersey's overburdened communities **(Up to 10 points**). **Criteria 3** – Ability to provide wraparound supports and low- or no-cost training **(Up to 15 points)** • Clearly details process to identify necessary wraparound supports for program participants and the methods by which the applicant will provide such wrap around supports, such as transportation, social services, career readiness, childcare, housing assistance, etc. Identifies which supports will be provided **(Up to 10 points)** • Details strategy to provide low- or no-cost training to participants **(Up to 5 points)**

	Criteria 4 – Ability to implement proposed program for film and digital media occupations and prior experience implementing workforce development initiatives **(Up to 30 points)** • Proposes achievable program outcomes including number of participants enrolled in the program, number of participants completing the program, and number of program graduates placed in employment, paid internship, or apprenticeship within the industry or trained occupation within 90 calendar days of program completion **(Up to 15 points)** • Utilizes instructors with current, real-world experience in the film and digital media industry to ensure relevant learning and facilitate job placement **(Up to 5 points)** • Provides an achievable implementation plan, with quarterly tasks identified in the spreadsheet template provided in the application guidance, and details strategies to mitigate anticipated challenges **(Up to 5 points)** • Describes an approach to conduct ongoing program evaluation and improvement **(Up to 5 points)** **Criteria 5** – Budget **(Up to 10 points)** • Provides a realistic budget aligned with proposed program in spreadsheet format utilizing the template provided in the application guidance and plan for program sustainability beyond the grant term **(Up to 10 points)** To maximize the total amount of funding allocated through this grant, NJEDA may request revisions to the proposed budgets or scopes of the next highest-scoring proposal(s) that, if awarded, would bring the allocation above the funding cap. These changes may result in some applicants not receiving the full amount of their requested grant award.

Funding Disbursement	The grant will be disbursed according to the following milestones:
	• 30% of the grant will be disbursed upon execution of a grant agreement between NJEDA and the selected applicant
	• 30% of the grant will be disbursed upon the applicant's submission of a mid-program report demonstrating progress against the implementation plan and associated materials, with exact timing and format to be determined based on the grantee's implementation plan and reflected in the grant agreement
	• Up to 40% of the grant amount will be disbursed upon receipt of the final report no more than 120 calendar days after the end of the term of the grant and based upon the following:
	  o 10% of the grant amount following receipt of the satisfactory final report
	  o 10% of the grant amount pro-rated against the proposed number of participants enrolled, at least 25% of the proposed participants enrolled%*
	  o 10% of the grant amount pro-rated against the proposed number of participants completing the program, so long as at least 25% of the proposed participants completed the program*

	◦ 10% of the grant amount pro-rated against the proposed number of program graduates placed in paid employment, internship, or apprenticeship within the industry or trained occupation, within 90 calendar days of program completion, so long as at least 25% of the proposed participants were placed* *Disbursements based on proposed project outcomes can be pro-rated, so long as the awardee documents it has met at least 25% of the proposed goal. For example, a $500,000 grant is awarded based on the following proposed program outcomes: 100 participants enrolled, 80 participants completing the training, and 70 program graduates being placed into employment, paid internship, or apprenticeship within 90 calendar days of the program completion. The following illustrative payout scenarios can be calculated: Illustrative scenario 1: If the awardee demonstrates they met all three proposed outcomes, the grantee's payout for each of those milestones would be $50,000 (10% of $500,000 for each milestone). Illustrative scenario 2: If the awardee demonstrates they enrolled 100/100 participants, 75/80 completed the program, and 70/70 were placed, the grantees' s payout for each of those milestones would be $50,000 for the enrollment goal, $46,875 (based on meeting 93.8% of the completion goal), and $50,000 for the placement goal. Illustrative scenario 3: If the awardee demonstrates they enrolled 80/100 participants, 60/80 completed the program, and 17/70 were placed, the grantee's payout for each of those milestones would be $40,000 (based on meeting 80% of the enrollment goal), $37,500 (based on meeting 75% of the completion goal), and $0 (based on meeting less than 25% of the placement goal).
Additional Specifications	• NJEDA will reserve a royalty-free, non-exclusive irrevocable license to reproduce, publish, or otherwise use any copyrightable materials developed utilizing funds awarded through this grant, inclusive of training curriculum materials and program reports. • NJEDA will require quarterly expense reporting from grantees in a template approved by NJEDA, which is expected to include an expense cover sheet and supporting documentation, including receipts, invoices, and proofs of payment for all grant-related expenses. The grantee will be expected to adhere to Generally Accepted Accounting Principles (GAAP) and utilize grant funding for agreed upon allowable costs as defined within the grant budget. • NJEDA, at its discretion, may conduct an audit or disallowance action for any costs incurred by the grantee that are determined to not be allowable under the project scope of work defined in the grant agreement. At the end of the grant agreement period, any underspent funds or disallowed costs will be returned by the grantee to NJEDA. • NJEDA will require grantees to provide quarterly reporting on program data, including enrollment, completion, and job outcomes from the training, attendance, exam and credential results, recruitment plans, wrapround services, trainee evaluations,

	expenses, progress against milestones, challenges/successes, and demographics information. • NJEDA will review and approve all branding for programs offered by grantees through the funding received from this grant, including program names, flyers, websites, use of logos, and communication materials. • Awarded programs must include "NJ Film Works" as part of the program's branding, with logo and branding materials to be provided and/or approved by the NJEDA. • Awarded applicants are required to engage with the NJ Department of Labor regarding registering any training program(s) that is funded through the grant with the NJ Department of Labor's Eligible Training Provider List (ETPL).

Exhibit B – Eligible Occupations for Grant Program

Eligible Occupations for Grant Program	
Occupation	**Description**[6]
Assistant Editor	Key responsibilities include organizing and managing all the video and audio assets, preparing and maintaining edit logs and shot lists, selecting the best takes, and creating rough cut sequences. Assists with technical issues and maintains the editing software and hardware, as well as exporting, encoding, and delivering the final sequences in various formats. Requires proficiency in editing software, organizational skills, and an understanding of storytelling.
Audio and Video Technician	Set up, maintain, and dismantle audio and video equipment, such as microphones, sound speakers, connecting wires and cables, sound and mixing boards, video cameras, video monitors and servers, and related electronic equipment in live or recorded settings. Requires understanding of, and experience with, AV equipment and software, communication skills, attention to detail, and adaptability.
Audio Recordist	Operate and manage the audio recording equipment on a set, including setting up microphones, operating sound recording devices to capture dialogue and ambient sounds effectively during production, conducting sound checks, and maintaining audio logs. Requires an understanding of, and experience with, audio equipment, including microphones, mixers, recorders, and cables.
Camera Operator, Television, Video, and Film	Operate television, video, or film camera to record images or scenes for television, video, or film productions. Requires an understanding of and experience with camera equipment and operation, knowledge of different shot compositions and camera movements, the ability to work well under pressure and in a fast-paced environment, and

[6] Occupation descriptions have been sourced from the following: Media-Match.com, Occupational Information Network (O*NET), Onassemble.com, and Saturation.io

	strong communication skills to collaborate effectively with the director, DP, and other crew members.
Costume Designer	Responsible for designing, creating, and coordinating the clothing and accessories worn during a production. Includes researching historical periods and styles, designing original costumes, managing budgets, and overseeing fittings and alterations. Requires a strong sense of visual aesthetics, creativity, knowledge of textiles and costume history, drawing and computer-aided design (CAD) skills, as well as sewing and pattern-making expertise.
Digital Imaging Technician (DIT)	Responsible for transferring footage from memory cards to a virtual or physical hard drive. Other duties include real-time color correction and facilitating data transfer between production and post-production. Essential skills include strong technical skills in digital camera systems, image processing software, and data management.
Film and TV Editor	Select, assemble, and curate raw footage into a coherent and cohesive narrative. Includes editing moving images on film, video, or other media, as well as working on sound design, visual effects, color correction, and other aspects of post-production. Requires attention to detail, strong sense of storytelling, technical skills and proficiency in editing software, and familiarity with sound design, color correction, and visual effects.
Greens/Greensman	Responsibilities include curating, nurturing, and positioning greenery and natural elements, such as plants and trees, that will be seen on camera. Requires knowledge of, and experience with, designing, installing, and maintaining natural elements.
Hair Stylist	Responsible for styling, cutting, coloring, and maintaining the talents' hair throughout productions, ensuring consistency and authenticity in each scene. Includes working with wigs, hairpieces, and hair extensions and may be required to use chemical solutions, and to administer hair and scalp treatments as necessary. Proficiency in hairstyling techniques, knowledge of period-specific hairstyles, attention to detail, creativity, communication skills, and the ability to collaborate with other department members are essential skills.
Makeup Artist	Responsible for the application of cosmetics and prosthetics to enhance the appearance of talent(s) on screen. Includes working with facial hair and overseeing makeup/appearance continuity on their talent(s). Proficiency in makeup application techniques, knowledge of various makeup products and tools, the ability to interpret a director's vision for a character's appearance, and strong attention to detail are essential skills.
Production Accountant	Responsible for managing finances and maintaining financial records during production, working closely with the producer and the production office. Other

	responsibilities include preparing schedules and budgets for productions and managing the day-to-day accounting and financial reporting against the budgets. Requires strong analytical and organizational skills, attention to detail, and proficiency in financial software and spreadsheets.
Production Assistant	Responsible for general support of a production. Tasks can include delivering scripts, setting up equipment, running errands, coordinating schedules, assisting with paperwork, and providing general support to the production team and/or various departments. Essential skills include communication, adaptability, multitasking, problem-solving, organization, attention to detail, and a willingness to learn and take on new tasks.
Props Craftsperson	Responsible for managing all the physical items that appear on screen, which are not wardrobe, set pieces, or scenery. Includes sourcing, creating, maintaining, and tracking all props needed for a production. Requires proficiency in researching and sourcing as well as hands-on skills in crafting and modifying props.
Rigger/Grip/Set Grip	Primary responsibility involves the rigging of equipment that supports cameras, including tripods, dollies, tracks, jibs, and cranes, as well as the setup of lighting equipment. Essential skills include an understanding of, and experience with, camera and lighting equipment, the ability to follow precise instructions, and a commitment to safety protocols in a physically demanding role.
Scenic Painter	Primary responsibility revolves around painting sets, props, backdrops, and detailing costumes to ensure visual continuity and authenticity. Proficiency in various painting techniques and knowledge of materials is essential, as is the ability to mix paint to achieve desired hues and finishes and understand how different lighting conditions affect color perception on camera.
Set Carpenter	Responsible for constructing and dismantling the structural elements of a set, working closely with other departments to modify set pieces as needed, and adhering to safety standards while operating a range of tools and machinery. Requires ability to read and interpret design plans, proficiency with hand and power tools, and an understanding of different materials and construction methods.
Set Construction	Responsible for building, painting, and dressing of sets according to the vision of the production designer and director. Work to transform concepts into tangible environments. Interpret blueprints and sketches, construct framework, and ensure that all built sets are safe and functional for cast and crew. They may also be involved in dismantling the sets post-production, often repurposing or recycling materials for future use. Proficiency in carpentry, metalwork, and painting is essential, as is familiarity with a wide range of tools and building materials.

Set Design	Responsible for the detailed preparation of design sketches and models and may also be tasked with managing inventories of props and materials. Assists in the design and execution of set constructions, performing research on design trends, and coordinating with other departments to ensure consistency in the visual storytelling. Requires strong artistic ability, proficiency in design software (such as AutoCAD or SketchUp), and an understanding of film production processes.
Set Dresser	Primary responsibility involves the meticulous arrangement and decoration of a film set, including placing furniture, hanging pictures, and adding smaller decor items to give a set a lived-in, realistic appearance that aligns with the storyline and character development. Requires a blend of creative and practical skills, organizational skills, and a keen eye for design and detail to ensure authenticity and coherence.
Set Electrician/Electrician	Responsible for setting up, maintaining, and operating all the electrical equipment used on set. Other responsibilities include collaborating with the Director of Photography and Gaffer to implement the lighting plan, laying cables, setting up generators and power distribution systems, rigging lights, and ensuring electrical safety on set; may also troubleshoot electrical issues, maintain equipment, and adjust lighting levels during filming as required. Technical expertise in electricity, wiring, and lighting equipment is essential, as well as a thorough understanding of safety protocols.
Set Painter	Primary responsibility revolves around painting sets, props, backdrops, and detailing costumes to ensure visual continuity and authenticity. Proficiency in various painting techniques and knowledge of materials is essential, as is the ability to mix paint to achieve desired hues and finishes and understand how different lighting conditions affect color perception on camera.
Sound Utility Technician	Supports the production sound mixer and boom operators by setting up and maintaining audio hardware, minimizing noise on set, and helping resolve any audio problems that might arise. Essential skills include knowledge of, and experience with, sound recording hardware, familiarity with the dialogue capture process, multitasking, and adaptability.
Special Effects Artists (Physical)	Responsible for designing, creating, and implementing physical special effects, including pyrotechnics, atmospheric effects like rain, wind, and fog, mechanical effects such as moving set pieces or rigged actions, and prosthetics for makeup. Requires an understanding of physics and mechanical engineering to devise safe and effective special effects solutions, artistic talent for creating visually convincing effects, and proficiency in using tools and special effects equipment.

Visual Effects Artist	Responsible for creating computer-generated imagery (CGI) and other visual effects that enhance or alter scenes in movies, television shows, video games, or commercials. Work closely with directors, animators, and production teams to integrate these effects seamlessly into the live-action footage, ensuring a cohesive and visually stunning result. Requires proficiency in software such as Adobe After Effects, Nuke, Maya, and Houdini, as well as an understanding of animation principles, compositing, lighting, and rendering techniques.
Wardrobe Assistant/Costume Attendant/Costumer	Manage and maintain the costumes used for a production, working closely with costume designers, actors, and other department heads to make sure the costume pieces are fitting correctly, kept in pristine condition, and ready for use. Key skills include a strong understanding of fabrics, sewing, and garment construction, as well as pattern making, tailoring, and embroidery.

Exhibit C – Targeted Industry Definition for Film & Digital Media

Film & Digital Media	Film and digital media industry include, but is not limited to, the production and management of media communications, processes and technologies for theatrical motion pictures, television and cable broadcast, streaming services, web-based platforms. Digital media may include spoken word production and media software including video games. Research and development activities that advance media production, management and technology are also included. Exclusions are productions intended for local broadcast and local performance venues, and companies and businesses that provide indirect sources of support to the production industry such as food services (including craft services and catering) and vehicle rentals used solely for transportation purposes.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Memorandum of Understanding between the New Jersey Economic Development Authority (NJEDA) and Montclair State University (MSU) - Dreamscape Learn (DSL) Making Innovations for X (MIX) Lab

Request

The Members are requested to approve:

1. A Memorandum of Understanding (MOU) between NJEDA and Montclair State University that will enable NJEDA to provide $1,000,000 in partial construction funding to Montclair State University for the Making Innovations for X (MIX) Lab, utilizing funding from the Fiscal Year 2023 State budget appropriation for Grants in Aid designated for the Film Industry Strategic Support Fund, which will include proprietary technology, a 26-seat immersive classroom and virtual reality pod that will be housed on MSU's Montclair campus

2. Delegated authority to the CEO to extend the MOU by up to 12 months, if needed.

The full text of the MOU is included in Exhibit A of this memorandum.

Policy alignment

Governor Murphy's Economic Development Strategic Plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey" specifically highlights investing in emerging innovative industries as critical to the State's economic development strategy. The plan identifies Film & Digital Media as one of nine strategic sectors that has the potential for outsized growth over the next five to fifteen years where the State could use targeted initiatives to promote innovation and economic development within the sector. Further, the Strategic Plan notes that creating new physical innovation spaces and hubs is an important aspect of building the State's innovation economy through supporting the clustering of industry stakeholders to catalyze innovation. Additionally, the plan includes goals to create the most diverse innovation ecosystem in the country and close the racial and gender wage and employment gaps.

The proposed Dreamscape Learn Initiative will help support workforce development and education within the Film and Digital Media industry, with the potential economic benefit in the long-run of high-wage, high-value job growth for New Jersey. This initiative will build on New Jersey's existing and historic film and digital media ecosystem and strengthen the State's ongoing development as a hub for film and digital media production. With an increasingly robust film and TV production industry presence in the State, there is significant potential to solidify New Jersey's position as a leader in workforce development for film & digital media production.

The MIX Lab is the centerpiece of Montclair State's plan to develop a state-of-the-art Dreamscape Learn (DSL) facility and curriculum on their campus. Dreamscape Learn supplements traditional classroom education with "hands-on" labs conducted in virtual reality. It provides immersive experiences, movie-quality storytelling, and cinematic visuals with established educational principles and clearly defined learning goals. MSU will combine their existing curriculums with Dreamscape Learn to create cutting-edge virtual reality learning experiences. DSL partners with educators to develop virtual reality-enabled courseware to powerfully engage students in 21st-century learning. Senior leaders expect this facility to serve as a strong draw for top students seeking advanced instruction in game design and virtual reality development, as well as create opportunities for continuing education certifications, non-matriculated educational programs, and career exploration for middle and high school students from Overburdened Communities.

Additionally, the MOU seeks approval for NJEDA to support marketing of the MSU initiative to achieve brand awareness of the Dreamscape Learn within the film & digital media industry (including but not limited to cross promotion via NJEDA's social media channels) as well as assistance from NJEDA staff with strategic agenda development to support Montclair State's efforts.

In addition to providing opportunities for MSU students, DSL will create opportunities for continuing education certifications, non-matriculated educational programs, and career exploration for middle and high school students in Overburdened Communities and other communities in the region, including Newark and Paterson. A focus of future project innovations will be improving educational outcomes among underserved communities in the surrounding areas, promoting digital animation design summer programs, to advance New Jersey's television and digital media industry workforce development efforts.

MSU has also received an Educating Character Initiative (ECI) institutional impact grant from the Lilly Endowment Inc. and Wake Forest University that allows MSU to launch a character education initiative called "Planting the SEEDS of Character Growth: Developing Civic and Community Responsibility through Ethical Inquiry using Virtual Reality" that is incorporated into the Project.

As part of Governor Murphy's Economic Development Strategic Plan and NJEDA's purpose, NJEDA seeks opportunities to support innovation that:

1) supports and grows emerging, innovative industries in New Jersey,
2) leverages the relevant expertise of New Jersey academic institutions,
3) includes the necessary infrastructure to serve as a physical hub for R&D and innovation,
4) has the potential for positive social and economic impact in the communities in which they are located, and
5) include a focus on strengthening diversity and equity within an innovative industry.

The Dreamscape Learn Initiative meets all these criteria, including its potential to catalyze growth and workforce development in the State's economy.

Additional Background on the Film and Digital Media Industry

New Jersey has witnessed impressive growth in the film and digital media industry, attracting multiple film studios and production companies with many high-profile productions being filmed in the state. This boom is due in large part to the State's tax and other incentives including the Film and Digital Media Tax Credit Program, the Studio Partners and Film-lease Partners Facilities designation programs, and the pilot Film and Digital Media Studio Infrastructure Program. Utilization of the state's Film Tax Credit has increased substantially. In State Fiscal Year (SFY) 2019, NJEDA made 4 awards resulting in $19.7 million of film production spend in the state. In SFY 2021, 24 awards resulted in $185.5 million spent in NJ. Those figures climbed to 56 awards totaling over $758 million of film production spend in SFY 2023. More information on these programs can be found at Film and Digital Media Tax Credit Program - NJEDA.

Notable highlights of this industry growth in the state include Lionsgate's on-going construction in Newark of the first purpose-built studio in New Jersey to be constructed for TV and film production (expected to open in 2025), Netflix's planned construction of a studio complex in Monmouth County (2027-2028), and the proposed construction of 1888 Studios in Bayonne (recently designated a Film-Lease Partner Facility). The number of film projects and productions in New Jersey in 2024-2025 are expected to reach over 1,000, and the projected number of film-related jobs for 2024 is close to 15,000. These projects mark a pivotal moment in New Jersey's evolution as an emerging force in film production.

Description of the Making Innovations for X (MIX) Lab

The Making Innovations for X (MIX) Lab will include Dreamscape Learn proprietary technology, a 26-seat immersive classroom and virtual reality pod that will be housed on MSU's Montclair campus.

The platform offers the following three state-of-the-art features:

1. ability of users to physically interact in a three-dimensional virtual environment;

2. positioning and movement of users through a system of movement recording, which enables users to see their own bodies and to physically move in the virtual environment with a very low latency; and
3. novel software utilized in conjunction with the virtual reality system.

The software has four main feature and functionality components:

1. tracking – the detection of movement in real time from a motion capture system;
2. real-time animation – the processing of movement data and the animation of the users' virtual characters in real time;
3. a virtual reality display – the integration of the virtual reality headset sensor feedback with the system's game engine; and
4. networking, monitoring, and control – a dedicated network and monitoring infrastructure allowing multiple users to access and share a common virtual reality space.

MOU Description

The proposed MOU will utilize $1,000,000 from the Fiscal Year 2023 Film Industry Strategic Support Fund to provide a grant to Montclair State University for partial construction funding of the Making Innovations for X (MIX) Lab for the duration of the MOU term. The NJEDA will support marketing of the MSU initiative to achieve brand awareness of Dreamscape Learn within the film & digital media industry (including but not limited to cross promotion via NJEDA's social media channels) as well as assistance from NJEDA staff with strategic agenda development to support Montclair State's efforts.

The Project will create opportunities for continuing education certifications, non-matriculated educational programs, and career exploration for middle and high school students in Overburdened and other communities.

NJEDA shall disburse funds to MSU as milestones are completed in accordance with the schedule below. In no case shall NJEDA's funding responsibility exceed $1,000,000. The Funds shall be used solely for the purposes set forth the MOU. Any funds not utilized by the end of the MOU term shall be returned to NJEDA.

Milestone	Timing	Disbursement
Initial General Contractor Billing	Upon NJEDA's receipt of General Contractor's invoice from MSU	$250,000
General Contractor Substantial Completion	Upon NJEDA's receipt of the Temporary Certificate of Occupancy for the MIX Lab	$250,000
Initial Payment to DSL for equipment and installation	Upon NJEDA's receipt of DSL's initial invoice from MSU	$250,000
DSL Substantial completion payment.	Upon NJEDA's receipt of DSL's final invoice from MSU	$250,000

Recommendation

It is the recommendation of Authority staff that the Members approve the MOU between NJEDA and Montclair State University, attached as Exhibit A, to provide $1,000,000 in partial construction funding to Montclair State University for the Making Innovations for X (MIX) Lab, which will include proprietary technology, a 26-seat immersive classroom and virtual reality pod that will be housed on MSU's Montclair campus.

Members are also requested to provide delegated authority to the CEO of NJEDA to extend the MOU by up to 12 months if needed.

Tim Sullivan, CEO

Prepared by: David Ramsay

Attachments:

Exhibit A - Memorandum of Understanding between the New Jersey Economic Development Authority and Montclair State University

Exhibit B – Montclair State University Dreamscape Learn Proposal

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

AND

MONTCLAIR STATE UNIVERSITY

This **MEMORANDUM OF UNDERSTANDING** ("MOU"), made on this ___ day of ___________, 2024, and effective as of the date of the last signature of the parties hereto (the "Effective Date"), is between NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA") and MONTCLAIR STATE UNIVERSITY ("MSU") (each a "Party", and collectively "the Parties").

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

WHEREAS, MSU, established in 1908, is a doctoral research university with 13 degree-granting schools serving more than 24,000 students on two campuses located in Montclair and Bloomfield, New Jersey. MSU is a majority-minority institution that has been designated as a Hispanic Serving Institution by the United States Department of Education; and

WHEREAS, MSU has the unique opportunity to partner with Dreamscape Learn ("DSL"), which is a platform fully dedicated to transforming education through the integration of cinematic storytelling, cutting-edge immersive technologies, and advanced pedagogy. DSL partners with educators to develop virtual reality-enabled courseware to powerfully engage students in 21st-century learning and create educational experiences that will generate a talent pipeline for New Jersey's expanding film and entertainment industry as well as other industries; and

WHEREAS, in addition to providing opportunities for MSU students, MSU's partnership with DSL will create opportunities for continuing education certifications, non-matriculated educational programs, and career exploration for middle and high school students in Overburdened Communities ("OBC"), as defined by the New Jersey Department of Environmental Protection ("DEP"), and other economically and educationally disadvantaged communities in the region, including Newark and Paterson; and

WHEREAS, to enrich the opportunities arising from MSU's partnership with DSL, MSU has contracted for the design and installation of a Making Innovations for X ("MIX") Lab, which will include proprietary technology, a 26-seat immersive classroom and virtual reality pod that will be housed on MSU's Montclair campus ("Project"), but the cost is estimated to be approximately $4,695,000 and additional funding is required to complete the Project; and

WHEREAS, the planned MIX lab has already generated educational and economic benefits to MSU, which also positively impact New Jersey's diversity, equity, and inclusion efforts. MSU received an Educating Character Initiative (ECI) institutional impact grant from the Lilly Endowment Inc. and Wake Forest University that allows MSU to launch an interdisciplinary character education course initiative called "Planting the SEEDS of Character Growth: Developing Civic and Community Responsibility through Ethical Inquiry using Virtual Reality". This course will leverage the MIX lab to create virtual reality experiences, including allowing individuals to see what it feels like to truly walk in someone else's shoes, to assist in the development of the moral, civic and/or intellectual character and capacity of MSU faculty, staff and students; and

WHEREAS, film and digital media has been identified as a strategic sector in the Governor's Economic Development Plan, and as such, the State of New Jersey seeks to create a talent pipeline for film, television, and digital media occupations and encourage participants from New Jersey to learn innovative technologies; and

WHEREAS, the State of New Jersey desires to be the national leader in providing access to higher education for its students from educationally and economically disadvantaged backgrounds, increasing the diversity of students participating in postsecondary education, and contributing to the preparation of citizens for entrance into the state's skilled workforce; and

WHEREAS, Bloomfield College officially became part MSU on July 1, 2023, and is the only four-year institution in New Jersey that has been designated as a Predominantly Black Institution, a Hispanic-Serving Institution, and a Minority Serving Institution and will be further enhanced by the resources of a large, comprehensive public-serving research university including the DSL initiative; and

WHEREAS, the film and digital media opportunities created by this Project and the diversity of the MSU student body support the foregoing State goals, and therefore NJEDA has determined to provide funding to support the Project; and

WHEREAS, on June 30, 2022, Governor Murphy signed the Fiscal Year 2023 Appropriations Act ("Act") into law as P.L. 2022, c. 49. The Act allocated significant State funding for numerous strategic economic development investments to support key industries, advance the innovation economy, continue to bolster recovery, and spur statewide growth. These strategic investments include $15 million for a Film Industry Strategic Support Fund to grow and strengthen the state's film and digital media industry, including attracting film studio production facilities to the state and expanding job opportunities; and

WHEREAS, NJEDA will utilize up to $1,000,000 from the Film Industry Strategic Support Fund to provide a grant to Montclair State University to assist with the cost of the Project; 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. This MOU shall be administered consistent with N.J.S.A. 52:14-1, et seq.; 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 this MOU.

NOW THEREFORE, the Parties hereby 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 are entering into this MOU to document the mutual understanding and intention of the Parties in carrying out their respective obligations under this MOU.

3. Responsibilities of NJEDA. NJEDA shall:
    a. Disburse Funds to MSU in accordance with Section 6 below.
    b. Support marketing of the MSU initiative to achieve brand awareness of DSL within the film & digital media industry (including but not limited to cross promotion via NJEDA's social media channels) and provide assistance with strategic agenda development to support MSU's efforts.

4. Responsibilities of MSU. MSU shall:
    a. Complete each MSU deliverable ("Milestone") as set forth in Section 6 below.
    b. Acknowledge NJEDA as a funder in the Project promotional/marketing materials and any permanent acknowledgement of funders of the Project (e.g., markers, plaques, signage, etc.)
    c. Create and continue community programming utilizing the Project to facilitate opportunities for continuing education certifications, non-matriculated educational programs, and career exploration for middle and high school students in OBC and other communities.
    d. To ensure that the Project will provide benefits as described in c. above, MSU will provide an educational and community engagement plan to NJEDA before the first disbursement is made. The plan should describe:
        i. offerings for continuing education certifications, non-matriculated educational programs, and career exploration opportunities related to the Project;
        ii. frequency of community programming utilizing the Project, including but limited to, educational offerings, workshops, programs, or classes;
        iii. partnerships and collaborations with community partners that will provide opportunities for residents of OBCs and other communities related to the Project.

5. Timeline. MSU shall complete the Milestones substantially in accordance with the anticipated project timeline set forth in Section H on page 3 of the Proposal attached at Exhibit A hereto and incorporated herein.

6. Funding. NJEDA shall provide MSU with Funds not to exceed $1,000,000, which will be disbursed in tranches in accordance with the schedule below. MSU shall provide documentary evidence, to NJEDA's satisfaction, of all expenses incurred or to be incurred by MSU in completing each Milestone prior to NJEDA making the associated disbursement. Such documentary evidence may be in the form of work orders, contracts, invoices, or any other form, as deemed appropriate by NJEDA. Each disbursement shall be made by NJEDA within ten (10) business days of NJEDA's receipt of satisfactory documentary evidence from MSU.

   MSU shall use the Funds solely for the purposes set forth this MOU.

Milestone	Timing	Disbursement
Initial General Contractor Billing	Upon NJEDA's receipt of General Contractor's invoice from MSU	$250,000
General Contractor Substantial Completion	Upon NJEDA's receipt of the Temporary Certificate of Occupancy for the MIX Lab	$250,000
Initial Payment due from MSU to DSL for equipment and installation	Upon NJEDA's receipt of DSL's initial invoice from MSU	$250,000
DSL Substantial completion payment	Upon NJEDA's receipt of DSL's final invoice from MSU	$250,000

7. Progress Reporting. Upon completing each Milestone, MSU shall provide NJEDA with a progress report on the Project status to date, including but not limited to, construction progress of the MIX Lab and related installation of software and equipment.

8. 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:

   For NJEDA:
   Name: David Ramsay
   Title: Director – Workforce Innovation Partnerships
   Address: One Gateway Center
   11-43 Raymond Plaza West Suite 1410
   Newark NJ 07102
   Email Address: David.Ramsay@njeda.gov
   Phone Number: 609-690-1376

   Name: Jen Becker
   Title: Executive Vice President – Clean Energy and Workforce Innovation Partnerships
   Address: One Gateway Center

	11-43 Raymond Plaza West Suite 1410 Newark NJ 07102
Email Address:	Jen.Becker@njeda.gov
Phone Number:	609-256-0837

For Montclair State University:

Name:	Althea Broomfield-Michel
Title:	University Counsel
Address:	1 Normal Ave, Montclair, NJ 07043 Cole Hall Room 333
Email Address:	broomfieldma@montclair.edu
Phone Number:	973-655-4350

9. Term and Extension. This MOU shall remain in effect for eighteen (18) months from the Effective Date. The Parties may extend the MOU for up to twelve (12) months by mutual consent, provided that such consent is in writing, and signed by the authorized representatives of each Party.

10. Termination. This MOU may be terminated by either Party upon sixty (60) days prior written notice to the other Party.

11. Duties Upon Termination. Upon either the early termination or the expiration of this MOU, MSU will deliver to NJEDA a final report containing a full accounting of the Funds received and spent by MSU and a final progress report containing the information required by Section 7 above which has not been included in any prior progress report. If MSU's total expenses are less than the total Funds disbursed to MSU, then MSU shall refund the difference to NJEDA within thirty (30) days of the termination or expiration of this MOU.

12. Notices. All legal notices (not including day-to-day business communications) from one Party to the other regarding this MOU shall be sent to the designated contacts provided below. The Parties will notify each other in writing of any change in these contacts within ten (10) business days:

NJ Economic Development Authority	Montclair State University
Tim Sullivan, Chief Executive Officer 36 West State Street, P.O. Box 990 Trenton, NJ 0862	Jonathan GS Koppell, President 1 Normal Ave, Montclair, NJ 07043 Cole Hall Room 249

13. Assignment. This MOU may not be assigned by a Party without the prior written consent of the other Party.

14. Third-Party Beneficiaries. This MOU is intended for the sole benefit of the Parties and shall not be construed to create any third-party beneficiary.

15. Dispute Resolution. In the event a dispute arises between the Parties concerning this MOU, the CEO of NJEDA and the President of MSU, or their appointed representatives, shall meet to resolve such dispute.

16. Applicable Law. The Parties shall retain all the powers, obligations and immunities provided by law. Each Party shall be responsible for adhering to all applicable laws, regulations, and its own Standard Operating Procedures in the performance its obligations under this MOU.

17. 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 or other publicity, including the marketing materials and public acknowledgements described in Sections 3 and 4 above.

18. Counterparts. 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.

19. Electronic Signatures. The Parties agree that the execution of this MOU by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

20. Entire Agreement. This MOU reflects the entire understanding of the Parties, and it supersedes any prior understandings of the Parties. It 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.

21. Miscellaneous.
    a. 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.
    b. MSU will maintain accurate records of all expenses incurred using NJEDA Funds and any documentation substantiating such expenses. MSU will retain such information for a period of three (3) years following the expiration or termination of the MOU. Throughout the term of the MOU and for three (3) years after its termination or expiration, NJEDA will have the right to audit MSU’s expense records and documentation related to this MOU. NJEDA reserves the right to require the return of any NJEDA Funds not spent in accordance with the terms of the MOU.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives.

New Jersey Economic Development Authority	**Montclair State University**

Name: Tim Sullivan	Name: Jonathan GS Koppell
Title: Chief Executive Officer	Title: President
Signature:	Signature:
Date:	Date:

EXHIBIT B

Montclair State University Dreamscape Learn Proposal

MONTCLAIR STATE UNIVERSITY

Office of the President
Office: 973-655-4212

A. Background

Montclair State University has the unique opportunity to partner with **Dreamscape Learn (DSL)** to create a virtual reality and motion capture educational experiences that will generate a talent pipeline for New Jersey's expanding film and entertainment industry as well as other industries. This concept was developed by Dreamscape Immersive co-founder and acclaimed Hollywood executive Walter Parkes, along with Academy Award-winning director and producer Steven Spielberg.

B. Montclair State University

Montclair State University (MSU) is New Jersey's second largest institution of higher education, with an enrollment of 24,000 students as of the Fall 2024 semester. MSU is a majority- minority institution that has been designated as a Hispanic Serving Institution by the United States Department of Education. The Fall 2024 incoming first year class identified as 25% African American, 45% Hispanic, 42% first generation college students, and over 50% are eligible for federal Pell grants.

C. Dreamscape Learn

DSL is a platform fully dedicated to transforming education through the integration of cinematic storytelling, cutting-edge immersive technologies, and advanced pedagogy. DSL partners with educators to develop virtual reality-enabled courseware to powerfully engage students in 21st-century learning.

The platform offers the following three state-of-the-art features: (a) ability of users to physically interact in a three-dimensional virtual environment; (b) positioning and movement of users through a system of movement recording, which enables users to see their own bodies and to physically move in the virtual environment with a very low latency; and (c) novel software utilized in conjunction with the virtual reality system. The software has four main feature and functionality components: (1) tracking – the detection of movement in real time from a motion capture system; (2) real-time animation – the processing of movement data and the animation in real time of the users' virtual characters; (3) a virtual reality display – the integration of the virtual reality headset sensor feedback with the system's game engine; and (4) networking, monitoring, and control – a dedicated network and monitoring infrastructure allowing multiple users to access and share a common virtual reality space.

D. Virtual Reality, Video Motion Capture Design Programs, and Workforce Development

DSL has chosen MSU as a strategic partner, seeking to expand upon its traditional higher education relationships and work towards the creation of a Virtual Reality educational experiences at MSU. Through this unique partnership, MSU will work with DSL's cutting-edge technology and design team to craft exciting educational opportunities that will produce the next generation of virtual reality artists, creators, designers, and implementers.

The marketplace demand for expertise in virtual reality is growing rapidly, whether it be in computer science, video game design, or the television and motion picture industries. MSU intends to partner with various industries, including the television and film studios and in New Jersey and health care industries to solicit input as to the skills and experience most critical to success in the aforementioned industries. MSU will then work closely with DSL to craft curricula that will cultivate those skills in students and prepare them for immediately entry into the workforce.

Additionally, the partnership between MSU and DSL will create opportunities for continuing education certifications and non-matriculated educational programs that will benefit the surrounding communities are community engagement partners in Newark and Paterson, as well as other engagements in the region. Furthermore, the partnership could also facilitate novel and enticing introductions to higher education for middle school and high school students, encouraging students to think about a journey into high education and the possibilities of same in a manner unlike anything they may have previously imagined.

A. Infrastructure and Budget

MSU has contracted for the design and installation of a Making Innovations for X (MIX) Lab, which will include proprietary technology, a 26-seat immersive classroom and virtual reality pod that will be housed in a School of Communication and Media (SCOM) television studio that will be repurposed.

The proposed project budget is as follows:

SCOM TV studio Design:	$ 450,000
SCOM TV studio Construction:	$1,200,000
DSL Design, Installation, and Initial License:	$2,350,000
IT integration	$ 250,000
Project Contingency:	$ 445,000
Total Startup Costs:	$4,695,000

Ongoing Operational Costs	
Estimated Annual Licensing (multi-year avg)	$900,000

Staffing Costs:	$250,000
	$1,150,000

F. Project Funding

Initial Construction:

$1 Million NJEDA Grant
$500,000 contribution from DSL
$3,960,906 contribution from MSU

Program Sustainability:

It is expected that, much like other lab-based courses at MSU, a modest user-based fee will be charged to students utilizing the Mix lab as part of their coursework that will go towards supporting personnel, maintenance, and future licensing costs. MSU will continue to seek partnerships that will result in branding and/or usage agreements to subsidize the continued operations. The remainder necessary funds will be earmarked in the University's operating budget as part of its annual budgeting process.

G. Proposed Use of EDA Funds/Milestones

The University proposes utilizing the EDA Grant funds to support the following milestones:

$250,000 – Initial General Contractor Billing
$250,000 – General Contractor Substantial Completion
$250,000 – Initial Payment to DSL for equipment and installation
$250,000 – DSL Substantial completion payment.

H. Project Timelines

September 2025	Award of Construction Contract
October 2025	Construction begins
May 2026	Construction concludes; Deliver completed construction to DSL
May 2026	DSL installation
July 2026	Accept installation from DSL and commence MSU usage

I. Additional Academic benefits

The Mix Lab is already generating educational and economic benefits to the University. The Lilly Endowment Inc., through Wake Forest University, has awarded MSU an $1,000,000 institutional impact grant to study ways to strengthen the understanding, integration, and education of character in undergraduate institutions. The principal investigator, Jennifer Urban included the use of the MIX Lab in the proposal. More information on the grant program may be found at the following link: Educating Character Initiative at the Program for Leadership and Character. While the grant will not directly fund the MIX Lab, it is an example of the potential benefits to the MSU's educational and research pursuits.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Memorandum of Understanding between the New Jersey Economic Development Authority and Brookdale Community College - New Jersey Film Academy

Request

The Members are requested to approve:

1. A Memorandum of Understanding (MOU) between the New Jersey Economic Development Authority (NJEDA) and Brookdale Community College (Brookdale) that will enable NJEDA to provide $1,000,000 in funding to Brookdale for support of the New Jersey Film Academy (the "Academy") utilizing funding from the FY2023 State budget appropriation for Grants in Aid designated for the Film Industry Strategic Support Fund.

2. Delegated authority to the CEO to extend the MOU by up to 12 months, if needed.

The full text of the MOU is included in Exhibit A of this memorandum.

Policy Alignment

Governor Murphy's Economic Development Strategic Plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey" specifically highlights investing in emerging innovative industries as critical to the State's economic development strategy. The plan identifies Film & Digital Media as one of nine strategic sectors that has the potential for outsized growth over the next five to fifteen years where the State could use targeted initiatives to promote innovation and economic development within the sector. Further, the Strategic Plan notes that creating new physical innovation spaces and hubs is an important aspect of building the State's innovation economy through supporting the clustering of industry stakeholders to catalyze innovation. Additionally, the plan includes goals to create the most diverse innovation ecosystem in the country and close the racial and gender wage and employment gaps.

The New Jersey Film Academy will help support workforce development and education within the Film and Digital Media industry, with the potential economic benefit in the long-run of high-wage, high-value job growth for New Jersey. This initiative will build on New Jersey's existing and historic film and digital media ecosystem and strengthen the State's ongoing development as a hub for film and digital media production. With an increasingly robust film and TV production industry presence in the State, there is significant potential to solidify New Jersey's position as a leader in workforce development for film & digital media production.

Additionally, the MOU seeks approval for NJEDA to support marketing of the Brookdale initiative to achieve brand awareness of the New Jersey Film Academy within the film & digital media industry (including but not limited to cross promotion via NJEDA's social media channels) as well as assistance from NJEDA staff with strategic agenda development to support Brookdale's efforts.

As part of Governor Murphy's Economic Development Strategic Plan and NJEDA's purpose, NJEDA seeks opportunities to support innovation that:

1) supports and grows emerging, innovative industries in New Jersey,
2) leverages the relevant expertise of New Jersey academic institutions,
3) includes the necessary infrastructure to serve as a physical hub for R&D and innovation,
4) has the potential for positive social and economic impact in the communities in which they are located, and
5) include a focus on strengthening diversity and equity within an innovative industry.

The New Jersey Film Academy meets all these criteria, including its potential to catalyze growth and workforce development in the State's economy.

<u>Additional Background on the Film and Digital Media Industry</u>

New Jersey has witnessed impressive growth in the film and digital media industry, attracting multiple film studios and production companies with many high-profile productions being filmed in the state. This boom is due in large part to the State's tax and other incentives including the Film and Digital Media Tax Credit Program, the Studio Partners and Film-lease Partners Facilities designation programs, and the pilot Film and Digital Media Studio Infrastructure Program. Utilization of the state's Film Tax Credit has increased substantially. In State Fiscal Year (SFY) 2019, NJEDA made 4 awards resulting in $19.7 million of film production spend in the state. In SFY 2021, 24 awards resulted in $185.5 million spent in NJ. Those figures climbed to 56 awards totaling over $758 million of film production spend in SFY 2023. More information on these programs can be found at Film and Digital Media Tax Credit Program - NJEDA.

Notable highlights of this industry growth in the state include Lionsgate's on-going construction in Newark of the first purpose-built studio in New Jersey to be constructed for TV and film production (expected to open in 2025), Netflix's planned construction of a studio complex in Monmouth County (2027-2028), and the proposed construction of 1888 Studios in Bayonne (recently designated a Film-Lease Partner Facility). The number of film projects and productions in New Jersey in 2024-2025 are expected to reach over 1,000, and the projected number of film-related jobs for 2024 is close to 15,000. These projects mark a pivotal moment in New Jersey's evolution as an emerging force in film production.

Description of the New Jersey Film Academy

The New Jersey Film Academy aims to provide students, adult learners, diverse underserved populations, and incumbent workers with education and career pathways to pursue new careers, secure competitive wages, and ensure employers have access to a skilled workforce. The Academy intends to serve as a central hub connecting employers, trade associations, labor unions, educational institutions, and workforce development partners to position New Jersey as a leading hub for film and digital media production. The Academy will provide hands-on training, internship and job placement, and career pathways for entry level positions in the film and digital media industry, while contributing to the state's economic development through job creation and workforce development.

The Academy will offer several curriculum tracks beginning with On Set Production; Production, Office, and Accounting; and Hair Makeup and Wardrobe. Participants will be able to earn a credential in as little as 12 weeks in the specialty areas. The curriculum structure also supports a pathway for academic credit for degree seeking students. The curriculum is standardized and will be replicated in the State's community college system. Professional development opportunities will be provided for faculty and instructors to ensure the effective delivery of these curricula across New Jersey. The Academy will also collaborate with local film studios and production companies to offer internships and job placements. The Academy anticipates that 100 to 125 students will complete a certification program in its first year of operation.

Brookdale must submit quarterly reports to NJEDA detailing progress to date, as well as student outcomes. Student outcomes should include the number of students enrolled in New Jersey Film Academy-related courses, number of student completers, number and type of credentials awarded, internship and job placement rate, and the number and amounts of scholarships awarded. A minimum of 100 students, collectively from Brookdale and the participating community colleges, will complete a certification program by or before the end of the first year the Academy receives funding ("First Funding Year"). A minimum of 50 students will receive tuition assistance through NJEDA's dedicated funding for scholarships with $100,000.00 allocated for student scholarships to be distributed during the term of this MOU.

MOU Description

The proposed MOU will utilize $1,000,000 from the Fiscal Year 2023 Film Industry Strategic Support Fund to support Brookdale Community College's New Jersey Film Academy initiative for the duration of the MOU term, which will build on New Jersey's existing film & digital media ecosystem and develop the state as a hub for the industry. NJEDA funding will be dedicated to the salaries of key personnel, hardware and software critical for coursework, and tuition assistance for students in need.

The NJEDA will support marketing of the Brookdale initiative to achieve brand awareness of the New Jersey Film Academy within the film & digital media industry (including but not limited to cross promotion via NJEDA's social media channels) as well as assistance from NJEDA staff with strategic agenda development to support Brookdale's efforts.

NJEDA shall disburse funds to Brookdale as milestones are completed in accordance with the schedule below. In no case shall NJEDA's funding responsibility exceed $1,000,000. The funds shall be used solely for the purposes set forth in the MOU. Any funds not utilized by the end of the MOU term shall be returned to NJEDA.

Personnel Milestones	**Timing**	**Disbursement**
Hire of Program Manager	Upon NJEDA's receipt of offer letter and acceptance of employment for Program Manager	$95,650
Hire of Program Administrator/Student Success Coach	Upon NJEDA's receipt of offer letter and acceptance of employment for Program Administrator/Student Success Coach	$83,450

Equipment Milestones	**Timing**	**Disbursement**
Purchase of technology hardware and software	Upon NJEDA's receipt of vendor invoice from Brookdale	Not to exceed $720,000

Scholarship/Tuition Assistance Milestones	**Timing**	**Disbursement**
50% of scholarship allocation	Upon execution of the MOU	$50,000
50% balance of scholarship allocation	Upon NJEDA receiving documentary evidence from Brookdale that at least 80% ($40,000) of the initial scholarship allocation was expended	$50,000

Recommendation

It is the recommendation of Authority staff that the Members approve the MOU between NJEDA and Brookdale Community College, attached as Exhibit A, to provide $1,000,000 in funding to support Brookdale Community College's New Jersey Film Academy initiative and its operations to strengthen the film and digital media industry and workforce in New Jersey.

Members are also requested to provide delegated authority to the CEO of NJEDA to extend the MOU by up to 12 months if needed.

____

Tim Sullivan, CEO

Prepared by: Luke Brunskill, David Ramsay

Attachments:

Exhibit A – Memorandum of Understanding between the New Jersey Economic Development Authority and Brookdale Community College

Exhibit B – New Jersey Film Academy Funding Estimate

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

AND

BROOKDALE COMMUNITY COLLEGE

THIS MEMORANDUM OF UNDERSTANDING ("MOU"), made as of this _________ day of ______, 2025 (the "Effective Date"), is between the New Jersey Economic Development Authority ("NJEDA") and Brookdale Community College ("Brookdale") (each a "Party" and collectively referred to herein as "the Parties".

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

WHEREAS, Brookdale, founded in 1967, is an open-admission, comprehensive community college offering associate degrees and certificates in 68 academic programs serving more than 9,700 students per year at five locations throughout Monmouth County. Brookdale empowers a diverse community by providing open access to high-quality and cost-effective educational and lifelong learning options with clear paths to personal, educational, and economic success; and

WHEREAS, Brookdale is a leader in film and television production education, with a Communication Media Department and a Multimedia Production option for students, and historic academic ties to the Garden State Film Festival; and

WHEREAS, Brookdale has pursued a film and television production initiative to help further grow the positive impact of film and digital media on the regional and state economy, to be rolled out to the state's eighteen (18) community colleges, which has included the creation of the New Jersey Film Academy ("NJFA"), dedicated to film and digital media workforce development training at Brookdale's main campus in Lincroft, N.J. (the "Lincroft Campus")(collectively, "the Work"); and

WHEREAS, film and digital media has been identified as a strategic sector in the Governor's Economic Development Plan, and as such, the State of New Jersey seeks to create a talent pipeline for film and digital media occupations and encourage participants from New Jersey to learn innovative technologies; and

WHEREAS, the State of New Jersey desires to be the national leader in providing access to higher education for its students from educationally and economically disadvantaged backgrounds, increasing the diversity of students participating in postsecondary education, and contributing to the preparation of citizens for entrance into the state's skilled workforce; and

WHEREAS, the film and digital media opportunities created by Brookdale and the diversity of the Brookdale student body support the foregoing State goals, and therefore NJEDA has determined to provide funding to support the Work; and

WHEREAS, on June 30, 2022, Governor Murphy signed the Fiscal Year 2023 Appropriations Act ("Act") into law as P.L. 2022, c. 49. The Act allocated significant State funding for numerous strategic economic development investments to support key industries, advance the innovation economy, continue to bolster recovery, and spur statewide growth. These strategic investments include $15 million for a Film Industry Strategic Support Fund to grow and strengthen the state's film and digital media industry, including attracting film studio production facilities to the state and expanding job opportunities; and

WHEREAS, NJEDA will utilize up to $1,000,000 from the Film Industry Strategic Support Fund ("Funds") to support the Milestones described in Section 5 below, and both Parties will support the Work in accordance with Sections 3.b and 4; 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 this MOU shall be administered consistent with N.J.S.A. 52:14-1, et seq.; and

WHEREAS, the Parties have determined that they can assist each other by providing the support outlined below, and that it is mutually beneficial to enter into this MOU.

NOW, THEREFORE, the Parties hereby 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 are entering into this MOU to document the mutual understanding and intention of the Parties in carrying out their respective obligations under this MOU.

3. Responsibilities of NJEDA. NJEDA shall:
   a. Disburse Funds to Brookdale in accordance with Section 5 below.
   b. Support Brookdale's marketing of the Work to achieve brand awareness of the New Jersey Film Academy within the film and digital media industry (including but not limited to cross promotion via NJEDA's social media channels) and assist Brookdale with strategic agenda development associated with the Work.

4. Responsibilities of Brookdale. Brookdale shall:
   a. Complete each Brookdale deliverable ("Milestone") as set forth in Section 6 below.
   b. Acknowledge NJEDA as a funder in promotional/marketing materials and any permanent acknowledgement of funders of the Work (e.g., markers, plaques, signage, etc.)
   c. Create and continue community programming to facilitate opportunities for continuing education certifications, non-matriculated educational programs, and career exploration for middle and high school students in overburdened and other communities associated with the Work.
   d. Apply the Funds, as set forth in Section 5 ("Funding") below.
   e. Ensure a minimum of 100 students, collectively from Brookdale and the participating community colleges, will complete a certification program by or before the end of the first year the Academy receives funding ("First Funding Year"). A minimum of 50 students will receive tuition assistance through NJEDA's dedicated funding for scholarships with $100,000.00 allocated for student scholarships to be distributed during the term of this MOU (collectively, the "Student Requirements").
   f. Recruit and hire a Program Manager and Program Administrator/Student Success Coach in accordance with applicable laws and Brookdale's employment policies.

5. Funding. NJEDA shall provide Brookdale with Funds not to exceed $1,000,000, which will be disbursed in tranches in accordance with the table below. For each Milestone, Brookdale shall provide NJEDA with documentary evidence of expenses to be incurred, to NJEDA's satisfaction. Such documentary evidence may be in the form of work orders, contracts, invoices, or any other form, as deemed appropriate by NJEDA.

The amount of each disbursement by NJEDA shall be the lesser of (i) the documentary evidence submitted by Brookdale for the applicable Milestone; or (ii) the amount of the disbursement for the applicable Milestone in the table below. Each disbursement shall be made by NJEDA within ten (10) business days of NJEDA's receipt of satisfactory documentary evidence from MSU.

Brookdale may submit requests to transfer amounts among the milestone categories for NJEDA approval by an NJEDA contact listed in Section 7, so long as the total funding disbursed to Brookdale does not exceed $1,000,000. Any request for adjustments to the milestone disbursement amounts must be in writing.

Brookdale shall use the Funds solely for the purposes set forth this MOU and shall provide NJEDA with written verification of the completion of each Milestone within five (5) business days of such Milestone completion.

Personnel Milestones	**Timing**	**Disbursement**
Hire of Program Manager	Upon NJEDA receipt of offer letter and acceptance of employment for Program Manager	$95,650.00
Hire of Program Administrator/Student Success Coach	Upon NJEDA receipt of offer letter and acceptance of employment for Program Administrator/Student Success Coach	$83,450.00

Equipment Milestones	**Timing**	**Disbursement**
Purchase of technology hardware and software	Upon NJEDA's receipt of vendor invoice(s) from Brookdale	Not to exceed $720,000

Scholarship Milestones	**Timing**	**Disbursement**
50% of scholarship allocation	Upon execution of MOU	$50,000
50% balance of scholarship allocation	Upon NJEDA receiving documentary evidence from Brookdale that at least 80% ($40,000) of the initial scholarship allocation was expended	$50,000

6. Progress Reporting. Brookdale shall provide NJEDA with a progress report on a quarterly basis outlining the status of the Work to date, including but not limited to, the Milestones set forth in Section 5 above, student outcomes as described below, the status of rolling out the film and television production initiative to other community colleges, and any installation of software and equipment. Student outcomes should include the number of students enrolled in New Jersey Film Academy-related courses, number of student completers, number and type of credentials awarded, internship and job

placement rate, and the number and amounts of scholarships awarded. The reports must provide a status update and confirm compliance with the Student Requirements.

7. 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

For NJEDA:

Name: David Ramsay
Title: Director – Workforce Innovation Partnerships
Address: One Gateway Center
11-43 Raymond Plaza West Suite 1410
Newark NJ 07102
Email Address: David.Ramsay@njeda.gov
Phone Number: 609-690-1376

Name: Jen Becker
Title: Executive Vice President – Clean Energy and Workforce Innovation Partnerships
Address: One Gateway Center
11-43 Raymond Plaza West Suite 1410
Newark NJ 07102
Email Address: Jen.Becker@njeda.gov
Phone Number: 609-256-0837

For Brookdale:

Name: Dr. David M. Stout
Title: President
Address: 765 Newman Springs Road, Lincroft, NJ 07738
Email Address: dstout@brookdalecc.edu
Phone Number: (732) 224-2204

8. Term and Extension. This MOU shall remain in effect for eighteen (18) months from the Effective Date. The Parties may extend the MOU for twelve (12) additional months by mutual consent, provided that such consent is in writing and signed by the authorized representatives of each Party.

9. Termination. This MOU may be terminated by either Party upon thirty (30) days prior written notice to the other Party.

10. Duties Upon Termination. Upon either the early termination or the expiration of this MOU, Brookdale will deliver to NJEDA a final report containing a full accounting of the Funds received and spent by Brookdale and a final progress report containing the information described in Section 7 above which has not been included in a prior Progress Report. If Brookdale's total expenses are less than the total Funds disbursed to Brookdale, then Brookdale shall refund the difference to NJEDA within thirty (30) days of the termination or expiration of this MOU.

11. Notices. All legal notices (not including day-to-day business communications) from one Party to the other regarding this MOU shall be sent to the designated contacts provided below. The Parties will promptly notify each other in writing of any change in these contacts:

NJ Economic Development Authority	Brookdale Community College
Tim Sullivan, Chief Executive Officer 36 West State Street, P.O. Box 990 Trenton, NJ 08625	Dr. David M. Stout, President 765 Newman Springs Road Lincroft, N.J. 07738 cc: Legal Affairs Officer

13. Assignment. This MOU may not be assigned by a Party without the prior written consent of the other Party.

14. Third-Party Beneficiaries. This MOU is intended for the sole benefit of the Parties and shall not be construed to create any third-party beneficiary.

15. Dispute Resolution. In the event a dispute arises between the Parties concerning this MOU, the CEO of NJEDA and the President of Brookdale, or their appointed representatives, shall meet to resolve such dispute.

16. Applicable Law. This Agreement shall be governed by the laws of the State of New Jersey, without giving effect to its conflict of law principles. Each Party shall be responsible for adhering to all applicable laws, regulations, and its own Standard Operating Procedures in the performance its obligations under this MOU.

17. 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 or other publicity, including the marketing materials and public acknowledgements described in Sections 3 and 4 above.

18. Counterparts. 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.

19. Electronic Signatures. The Parties agree that the execution of this MOU by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

20. Entire Agreement. This MOU reflects the entire understanding of the Parties, and it supersedes any prior understandings of the Parties. It 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.

21. Miscellaneous.
    a. 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.
    b. Brookdale will maintain accurate records of all expenses incurred using NJEDA Funds and any documentation substantiating such expenses. Brookdale will retain such information for a period of three (3) years following the expiration or termination of the MOU. Throughout the term of the MOU and for three (3) years after its termination or expiration, NJEDA will have the right to audit Brookdale's expense records and documentation related to this MOU. NJEDA reserves the right to require the return of any NJEDA Funds not spent in accordance with the terms of the MOU.

c. The Parties agree to strictly control the use and retention of any personal and confidential information, which shall be clearly identified as “Confidential” at the time of disclosure by the other Party so that only personnel who have a need to know have access to such information. No further dissemination or use of such information is authorized without written permission of the Party from which such information originated, unless required by law.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives.

New Jersey Economic Development Authority	**Brookdale Community College**
Name: Tim Sullivan	Name: Dr. David M. Stout
Title: Chief Executive Officer	Title: President
Signature:	Signature:
Date:	Date:

EXHIBIT B

NJ FILM ACADEMY FUNDING ESTIMATE

The New Jersey Film Academy seeks funding through the NJEDA to establish a premier film education hub that will cultivate local talent and strengthen NJ's growing film industry. The program will provide hands-on training, industry connections, and career pathways for entry level positions in the film and TV industry, while contributing to the state's economic development through job creation and workforce development.

	Year 1
Program Manager	$95,650.00
Program Coordinator/Student Support	$83,450.00
All necessary equipment and software	$720,900.00
Scholarships	$100,000.00
TOTALS	**$1,000,000.00**

PROPOSED REPORTING MATRIX

# Colleges		
# HS		
# Community Orgs		
# Employers		
# Students enrolled		
Completion Rate		
# Credentials Awarded		
Job Placement Rate		
Scholarships Awarded		

Proposed Timeline:

Milestone	Includes	Amount	Disbursement	Note

Begin hiring process, and fund half of scholarships	Program Manager (50%)	$47,825.00	April 15, 2025	Not to exceed $140,000
	Program Administrator/Student Success Coach (50%)	$41,725.00	April 15, 2025	
	Scholarships (50%)	$50,000.00	April 15, 2025	
Purchase of educational technology equipment and software (First 50%)	Hardware, Software and lab build out	$497,275.00	June, 2025	Not to exceed $500,000
Purchase of equipment (Final 50%)	Hardware, Software and lab build out	$223,625.00	Sept. 1, 2025	Not to exceed $230,000
Final Admin and Scholarship funding	Final Program Manager	$47,825.00	Sept. 1, 2025	
	Program Administrator/Student Success Coach (50%)	$41,725.00	Sept. 1, 2025	
	Scholarships (50%)	$50,000.00	Sept. 1, 2025	Not to exceed $140,000
TOTAL		$999,996.00		Not to exceed $999,996

Narrative

Staffing Requirements and Timeline

Both positions are planned for immediate hiring upon grant approval to ensure proper program setup and student support from day one. These roles are critical for maintaining program quality and ensuring student success throughout the two-year program duration.

Program Manager ($95,650)

The Program Manager will oversee all aspects of the NJ Film Academy's operations, including:

- Curriculum implementation and quality control
- Faculty and staff supervision
- Industry partnership development
- Student recruitment and retention
- Budget management and grant compliance
- Program assessment and reporting

Program Administrator/Student Success Coach ($83,446)

The Program Administrator/Student Success Coach will provide essential support services:

- Direct student support and advisement
- Course scheduling and logistics
- Equipment inventory management
- Internship coordination
- Administrative support for faculty
- Student progress tracking and reporting

Equipment Requirements and Utilization Plan

Overview

This equipment and staffing plan have been designed to support multiple cohorts of students over a minimum two-year period, with infrastructure chosen for its reliability, industry relevance, and long-term serviceability. The professional-grade equipment selection ensures students will be trained on tools currently used in the film and television industry, maximizing their employment potential upon program completion.

Post-Production Editing Suites

The NJ Film Academy requires professional-grade post-production editing suites to provide industry-standard training. Each suite will serve multiple cohorts of students over a two- year period, with components selected for durability and longevity in an educational environment.

Core Computing Infrastructure

- The Mac Studio M2 Ultra workstations, housed in Sonnet Xmac Studio/Echo III rackmount enclosures, will serve as the primary editing platforms. These systems will be utilized daily by students across all production courses, providing the computing power necessary for 4K video editing and advanced post-production work.
- The OWC Thunderbay 4 16TB storage arrays provide essential local storage for active projects, allowing students to work with high-bandwidth 4K footage without performance compromises.
- Dual Apple Studio Displays and professional Genelec speakers are crucial for accurate visual and audio monitoring, ensuring students learn industry-standard quality control practices.

Professional Monitoring Equipment

- The Blackmagic Ultrastudio 4K interface and Smartscope Duo are essential for professional-grade signal monitoring and quality control. These tools teach students critical technical skills in video signal management and industry-standard output specifications.
- Reference Monitors ensure accurate color reproduction, teaching students proper color grading and finishing techniques that meet broadcast and cinema standards.

Shared Infrastructure

- The Editshare 288TB EFS450 shared storage system will connect all editing stations, enabling collaborative project work and providing secure backup for student projects. This system will be utilized throughout the two-year program period, supporting multiple simultaneous users.
- The Editshare Ark LTO-9 Tape Backup system, with Quantum LTO-9 tapes, provides essential archival capabilities for student work and ensures data security for the program's media assets.

Production Equipment

The Blackmagic URSA Mini Pro 4.6K cameras represent a crucial investment in hands-on production training. These cameras will be used for:

- Daily hands-on instruction in camera operation and cinematography
- Student production projects throughout the two-year program
- Work-based learning internships in partnership with the Rutgers Science Storytelling lab
- Professional documentary production training

Infrastructure Implementation Timeline

- Phase 1 (Months 1-2): Installation of editing suites and core infrastructure
- Phase 2 (Months 2-3): Setup of shared storage and backup systems

- Phase 3 (Month 3): Camera equipment deployment and testing
- Phase 4 (Month 4): Staff training and system validation
- Phase 5 (Month 5): Student orientation and beginning of regular operations

ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: AI Innovation Challenge Administration Grant Program

Request

The Members are requested to approve:

1. Creation of the AI Innovation Challenge Administration Grant Program ("Grant Program") - a competitive program whereby NJEDA will award a single grant of $3,800,000 to a qualified entity ("Administrator") who is responsible for: i) developing and administering an AI Innovation Challenge ("AI Challenge"), open to the public in New Jersey; ii) disbursing and managing sub-grant awards to winning Companies selected as part of the AI Challenge over a one-year period.
2. Capitalization of the Grant Program using $4,000,000 in funding received by NJEDA for "AI Innovation Challenge" as a FY2025 State budget appropriation in the Appropriations Act (A4700/P.L. 2024, c. 22).
3. Utilization by the Authority of 5% ($200,000) of the $4,000,000 appropriation as an administrative fee to cover the cost of operating the Grant Program.

Background

In New Jersey, statewide Artificial Intelligence ("AI") adoption has been identified as a strategic priority by Governor Murphy. Aligned with the Governor's broader economic development strategic plan, AI adoption signifies the importance of proactively investing in innovative industries that propel the State's economy to the next level, while cultivating its existing talent and resources. In January 2024, Governor Murphy announced NJ's "AI Moonshot" to capitalize on New Jersey's world-leading investments and initiatives in the realm of AI, including:

- Creation of an AI Innovation Hub in collaboration with Princeton University and the NJEDA, which will leverage State and private funding to catalyze innovations in AI
- Formation of New Jersey's first-ever Task Force on AI, charged with studying the societal impact and encouraging the ethical use of AI
- Establishment of a statewide initiative to train public sector workers to use generative AI to help New Jersey residents access benefits
- Issuance of the State's first policy on AI use to guide State employees to responsibly use generative AI to improve how government delivers services to New Jersey's residents
- Promotion of international alliances to advance collaborative research & development in AI and create jobs in the industries of the future, and
- Appointment of New Jersey's first-ever Chief AI Strategist, Beth Noveck, who will play a leading role in shaping the trajectory of New Jersey's AI Moonshot

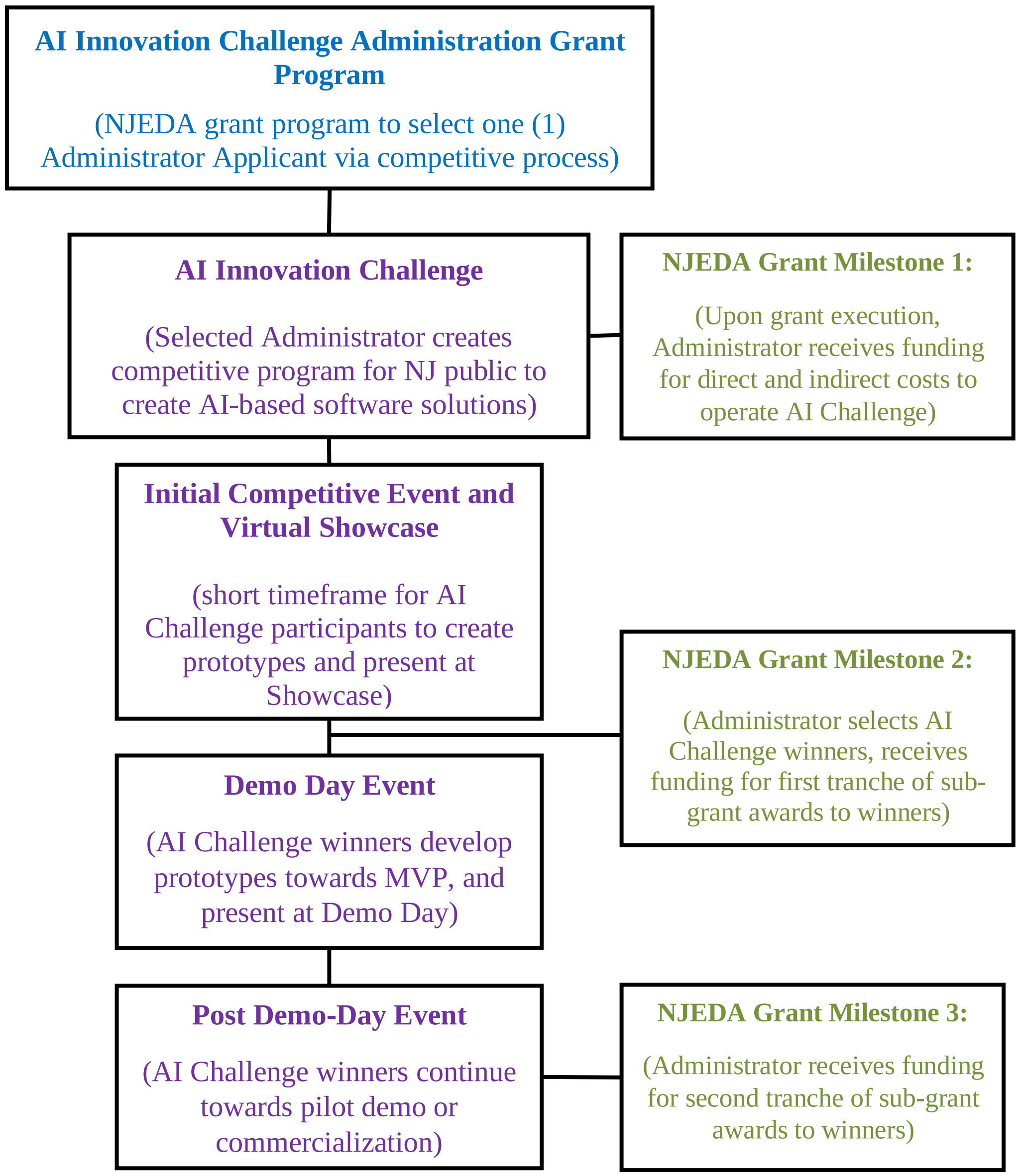
As part of the AI Moonshot, on June 28, 2024, the "AI Innovation Challenge" was approved in the Governor's FY2025 Budget for a $4 million allocation to the NJEDA. The budget proposal outlined the AI Challenge as one or more competitive program(s) through which grants are issued to individuals or entities that submit applications or proposals for the use of AI for social and public good, including, but not limited to, the improvement of government services.

The AI Challenge is a strategic initiative that recognizes the potential of Artificial Intelligence as a tool to advance social and public good. AI presents unparalleled opportunities to enhance government services, address complex societal challenges, and drive innovation across multiple sectors, reinforcing New Jersey's commitment to technological advancement and civic progress. Through the AI Challenge, a diverse array of stakeholders across New Jersey—including residents, researchers, entrepreneurs, students, and companies—will have the opportunity to identify challenges across the State, and leverage AI to develop innovative software solutions to advance social and public good. Through its unique structure, the AI Challenge will promote the following:

- **Collaboration among diverse stakeholders with diverse skillsets:** the AI Challenge will foster collaboration between researchers, entrepreneurs, students, startups, and government officials, leading to collective problem-solving. This collaborative environment is conducive to bridging the gap between government and citizens by facilitating dialogue and partnership. The AI Challenge will attract participants with varied skills, backgrounds, and perspectives, leading to more holistic and effective solutions.
- **Empower citizen engagement:** the AI Challenge will offer a collective approach to problem-solving, engaging citizens in the process of addressing challenges facing their communities.
- **Facilitate rapid prototyping and continuous feedback:** the time-sensitive nature of the AI Challenge will encourage rapid prototyping and iteration, allowing participants to quickly develop and test potential software solutions. This continuous feedback loop is particularly valuable for tackling complex challenges and identifying viable approaches. By providing a platform for experimentation and creativity, the AI Challenge will encourage participants to think outside the box and generate novel ideas that may not arise through traditional methods.
- **Provide tangible outcomes and a pathway for commercialization**: through a focus on participants to produce tangible outcomes in the form of prototypes and Minimum Viable Products (MVPs) during the AI Challenge, the effort will encourage the development of solutions that have the potential for impact beyond the AI Challenge. The State's funding and the Administrator's expertise may provide a unique opportunity for the winnings Teams/Companies to advance social and public good, by ensuring a pathway to commercialization through established milestones.

<u>Program Details</u>

The AI Innovation Challenge Administration Grant Program is a competitive program that will provide grant funding to an eligible Administrator. All Administrator applications will be evaluated to ensure the Grant Program's minimum requirements are met via the "Base Eligibility Requirements Checklist" (Exhibit C). Administrator applicants that meet all Program minimum requirements will be advanced for scoring via the Grant Program's weighted criteria evaluation to ensure applicants meet the Program's minimum acceptable score (Exhibit D). Upon selection, NJEDA will enter into a grant agreement with the highest scoring applicant, with funding disbursed to the Administrator on a milestone basis. The Administrator will be responsible for: i) developing and executing the AI Challenge, and ii) disbursing and managing sub-grant awards to winning Companies that create AI-based software solutions during the AI Challenge. Sub-grant awards refer to NJEDA's grant to the Administrator, for disbursement directly to the winners, who will use the funds to further develop their AI-based software solutions.



AI Innovation Challenge- Scope, Format and Data

The AI Challenge refers to events engaging New Jersey's public, including residents, researchers, entrepreneurs, students, and companies to identify challenges across New Jersey, and develop AI-based software solutions that ensure social and public good. The AI Challenge will consist of the following components:

- **Initial Competitive Event including Virtual Showcase:** participating Teams/Companies will identify challenges across NJ and create relevant AI-based software prototypes in a short timeframe to address these. For the Competitive Event, Teams of at least 3 individuals may apply, or established early-stage startups may apply as a "Company". The Initial Competitive Event will culminate with a public Virtual Showcase, where all participating Teams/Companies will present their prototypes.
- **Demo Day Event:** winners from the Competitive Event will have a set amount of time to develop a working software solution (Minimum Viable Product (MVP)) which will be delivered/demonstrated at a separate Demo Day Event.
- **Post-Demo Day Event:** AI Challenge winners will continue working with the Administrator for the duration of NJEDA's grant agreement term, towards pilot testing or commercialization of the

AI-based software solution.

For the purposes of the AI Challenge, participating Teams/Companies must create AI-based software solutions that are in one of the six AI technologies defined under Exhibit B, which address challenges across NJ by, i) directly contributing to measurable efficiency improvements or ii) enabling the creation of novel software solutions. These categories were determined based on the definitions used in similar NJEDA programs, and additional research on AI technologies primarily utilized by leading industry players.

In addition to receiving sub-grant awards from the Administrator, winners of the AI Challenge will receive mentorship and advisory support from the Administrator's network of Subject Matter Experts (SMEs) and partners to further develop their MVP towards pilot testing or commercialization.

One of the key components for the AI Challenge is State data. Datasets across a variety of sectors are available through NJ OIT's Open Data Portal (www.data.nj.gov), which will be the primary data source for AI Challenge participants to develop their AI-based software solutions. As the AI Challenge progresses, additional datasets may be publicly released through agreements with relevant entities.

Funding Summary

After deducting NJEDA's 5% Administration fee ($200,000), the maximum funding amount available for the Grant Program is $3,800,000. No more than twelve percent (12%) of the total grant, or $456,000 of the $3,800,000, can be used for the Administrator's direct and indirect costs. All remaining funds, $3,344,000, must be used for sub-grant awards to AI Challenge winners. In alignment with NJEDA's milestones for disbursement, the Administrator must disburse sub-grant awards to AI Challenge winners through a minimum of two tranches.

Eligibility

NJEDA will enter into a grant agreement under the Grant Program with one (1) Administrator. One of the Administrator's roles will be to determine the scoring criteria for the selection of winning Teams of individuals or early-stage Companies during the AI Challenge. In addition to the Administrator's scoring criteria, NJEDA has outlined certain requirements for the winning Teams/Companies to ensure compliance with NJ business requirements and successful milestone completion. For the purposes of the Grant Program, "early-stage" is defined as "the phase of start-up development preceding the rapid growth phase and includes activities such as research development, marketing research and product development".

Eligibility Criteria for Grant Program Administrator Applicants:

Administrator Applicants eligible under the Grant Program must:

- Be a legal entity (no individuals) and have been legally formed under the laws of any US state.
- Be registered to do business in New Jersey and be in good standing with NJ Division of Taxation as certified by a valid NJ Tax Clearance Certificate.
- Be in substantial good standing with NJ DOL and DEP.
- Demonstrate experience in managing a budget of at least $3 million in at least (1) one prior competitive event, showcasing the capability to effectively allocate and track use of funds through financial statements.
- Demonstrate evidence of a track record in organizing competitive events open to external audiences, including but not limited to pitch competitions, innovation challenges, hackathons and bootcamps, with at least 5 competitive events hosted by the entity during the 5 years prior to application. Bonus points will be given to entities who demonstrated an ability to host a demo day, showcase or similar event to publicly present winning participants at the end of prior competitive events.
- Demonstrate success of competitive events through at least 50 participants per event (minimum 5

events total), AND
a proven and documented track record of success in prior competitive event participants, including but not limited to at least 15% of prior participants to receive follow-on funding from non-related parties [1], seeing strategic acquisition, significant (50%+) revenue growth post- competitive event, or achieve an exit.

- Demonstrate engagement with the broader startup ecosystem through access to at least 50 actively engaged Subject Matter Experts (SMEs), mentors or partners across industries and functional capabilities (technology, sales, strategy, accounting, finance, marketing etc.).
- Submit an in-depth proposal for the AI Challenge's execution (to be evaluated further via the scoring matrix in Exhibit D).

Administrator Applicants- Execution Proposal

In addition to meeting the eligibility criteria outlined, Administrator Applicants must submit an in-depth proposal for the AI Challenge's execution, which will be evaluated further via the scoring matrix in Exhibit D. Proposals must include the following components:

- Evidence of Administrator's technical and non-technical expertise in AI. Note: experience in the utilization of generative AI tools is not sufficient.
- Details about the programming, format (virtual/in-person/hybrid) of the AI Challenge events (Initial Competitive Event, Virtual Showcase, Demo Day Event). Note: any in-person components of the AI Challenge must be hosted in New Jersey.
- Engagement plan of Administrator's network of partners and SMEs to offer mentorship and advisory support to AI Challenge winners
- Arrangement of in-kind services to AI Challenge participants, including but not limited to: cloud infrastructure, APIs (Application Programming Interfaces), and relevant software tools to test software solutions
- Strategy for outreach and marketing to attract qualified participants for the AI Challenge
- Legal and Intellectual Property (IP) support to ensure AI Challenge participants understand their rights and obligations when developing and sharing their software projects
- Scoring matrix for evaluating and selecting AI Challenge winners, ensuring alignment with the AI Challenge's scope, viability of software prototype, and NJEDA's requirements for sub-grant winners
- Proposed panel of diverse, qualified, and relevant judges to select AI Challenge winners, including AI-domain specific experts and SMEs aligned with the AI Challenge's scope
- Plan for managing sub-grant awards, tracking AI Challenge winners' progress against milestones, ensuring compliance with reporting requirements, conducting post-Demo Day check-ins, and maintaining transparency through a public project dashboard
- Evidence of the Administrator's ability to fully execute the AI Challenge within a maximum of 4 months
- Evidence of the financial viability of Administrator's proposal for AI Challenge execution, including outlining all costs and mitigation for cost overruns

Eligibility Criteria for AI Challenge Winning Teams/Companies:

One of the Administrator's roles will be to determine the scoring criteria for the selection of winning Teams of individuals or early-stage Companies during the AI Challenge. In addition to the Administrator's scoring criteria, NJEDA has outlined certain requirements for the winning Teams/Companies to ensure compliance with NJ business requirements and successful milestone completion. Established early-stage Companies and Teams of individuals eligible as AI Challenge winners must meet the requirements outlined below. If the winner is a Team of individuals, they must form a business entity prior to receiving

[1] "Non-related parties" are entities that are not the Administrator Applicant nor an affiliate, subsidiary, parent, or related entity to the Administrator Applicant.

the sub-grant award from the Administrator:

- Registered to do business and have a valid tax clearance certificate from NJ Department of Treasury, or obtain within 30 days of award notice, prior to receiving sub-grant award from Administrator
- Create an AI-based software solution consistent with NJEDA's defined AI technologies and addressing the AI Challenge's scope
- Demonstrate ability to further develop the prototype on time and on budget by: providing a detailed plan and timeline demonstrating readiness to develop an MVP that is financially viable by the Demo Day Event
- Consist of at least 3 individuals contributing to the product development, including a team lead, and at least 1 member with technical expertise in AI and/or related fields
- Minimum of 50% of the individuals as NJ residents (for Teams of individuals) OR minimum of 50% of the company's full-time workforce working or paying taxes in NJ (for early-stage Companies). Full-time workforce must be verified via NJWR30 or Registered PEO letter, or other forms of documentation, such as Forms 1099, W2, K1, job descriptions and offer letters
- Must have no more than 224 employees (for early-stage Companies)
- Commit to working on the AI-based software solution until successful milestone completion as outlined in Administrator's sub-grant agreement
- Identify a base of operations in NJ post-Demo Day Event

Funding

Eligible uses for Administrator

Eligible uses for funds disbursed to the Administrator under the Grant Program include direct and indirect costs incurred by the Administrator for:

- Planning, developing, and managing the AI Challenge events (including but not limited to Initial Competitive Event including Virtual Showcase, and Demo Day Event)
- Providing in-kind resources to Challenge participants to create and test AI-based software solutions during the AI Challenge
- Scoring and awarding sub-grant awards to winning Companies
- Managing sub-grant awards, including legal agreements, compliance with NJEDA's requirements, milestones, budgets, and reporting to NJEDA

Ineligible uses of funds include: capital costs (such as construction or equipment purchases), and financial investments in the winning Companies through which the Administrator receives or could receive a financial benefit.

Eligible uses for AI Challenge Winners

Eligible uses for sub-grant awards disbursed by the Administrator to winning Companies include:

- Development of prototype towards MVP
- Completion of Administrator's milestones per the sub-grant agreement
- Development of MVP towards pilot demonstration or commercialization post-Demo Day Event
- Securing commercial office space in NJ post-Demo Day Event if needed (such as co-working space/incubator facility in NJ, as verified by a lease agreement, co-working space agreement or similar)

Disbursement

The Administrator will enter into a grant agreement with NJEDA, and funds will be disbursed according to a milestone-based schedule as follows:

- **Milestone 1**: Selection of Administrator based on NJEDA's eligibility criteria and scoring. Disbursement of funds for direct/indirect administrative costs for AI Challenge. No more than $456,000 can be disbursed under this milestone.
- **Milestone 2:** Administrator's selection of AI Challenge's winning Teams/Companies based on a scoring matrix, via a judging panel established by the Administrator. Disbursement of funds to the Administrator, for sub-grant awards to the winners for further development of prototype towards Minimum Viable Product (MVP). Under Milestone 2, the Administrator must select between 5-10 winning Teams/Companies, and no more than $1,000,000 can be disbursed under this milestone.
- **Milestone 3**: Administrator's demonstration of successful MVP development by winners, and hosting of Demo Day Event. Disbursement of funds to the Administrator, for sub-grant awards to the winners working towards a plan for pilot demonstration or commercialization of software solution post-Demo Day Event. Under Milestone 3, the Administrator must further review and determine follow-on funding based on performance for select winners, and no more than $2,344,000 can be disbursed under this milestone.

Grant disbursements under each milestone are subject to NJEDA's satisfactory review of documentation provided by the Administrator to verify milestone completion as outlined in NJEDA's grant agreement, including review of sub-grant agreements prior to execution between the Administrator and AI Challenge winners. For Milestones 2 and 3, the Administrator must disburse sub-grant awards based on the AI Challenge winners' compliance with the Administrator's sub-grant agreement and NJEDA's established criteria for AI Challenge winners.

During the term of the grant agreement, the Administrator must comply with NJEDA's reporting requirements as outlined in the grant agreement. The Administrator must ensure AI Challenge winners are in compliance with NJEDA's eligibility criteria and eligible uses of funds as set forth in this memo and attached program specs. Any expenditures that do not comply with NJEDA's eligibility criteria and eligible use of funds must be returned by the AI Challenge winners and/or the Administrator, to NJEDA, at the end of the grant agreement term.

Application Process

Applications for the Grant Program will be accepted during a defined application window, which NJEDA will make all potential Applicants aware of through a Notice of Funding Availability and other information posted to NJEDA's website.

After the defined application window has closed, NJEDA staff will review all Grant Program applications for completeness and compliance with required documentation and minimum requirements, using the Base Eligibility Requirements Checklist in Exhibit C. Following the completeness review, Applicants with missing or incomplete documentation, or requiring additional clarification, will receive an email notification from NJEDA to cure any deficiencies or provide any needed clarifications, including but not limited to, submitting any missing or requested documentation within five (5) business days. After the five (5) business days, any application that is not complete or for which clarification has not been provided will be deemed incomplete and will not be evaluated or scored.

All complete and compliant applications will be evaluated, scored, and ranked by an Evaluation Committee comprised of NJEDA staff. The Evaluation Committee will review, score, and rank applications based on four (4) Scoring Criteria, as follows:

- **Sector Focus:** *Applicant's demonstrated expertise in technical and non-technical capabilities in Artificial Intelligence* (maximum 10 points)
- **AI Challenge Structure and Programming:** *Applicant's demonstrated ability to develop and execute the AI Challenge* (maximum 45 points)
- **Selection and Management of Sub-Grants:** *Applicant's demonstrated ability to select and*

manage sub-grant awards for AI Challenge winners (maximum 25 points)
- **Project Execution:** *Applicant's demonstrated ability to execute the AI Challenge on time and on budget* (maximum 20 points)

The minimum score required to be considered for an award is 80 points. A five (5) point bonus is available under the "AI Challenge Structure and Programming" criterion, for Applicants who have experience in organizing Demo Day/Showcase or similar events to present winning Companies at the end of prior competitive events. Applicants qualifying for bonus points must obtain a minimum score of 85 points to be considered for an award. The highest score possible is 100 points.

Based on the Evaluation Committee's review, NJEDA Staff will recommend the top-scoring proposal for Board approval, to be awarded the grant funding amount of $3.8 million in accordance with the established milestones. Please see Exhibit D for the detailed Application Scoring Matrix.

Entities whose Grant Program applications are declined will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter. Appeals on declination decisions based on non-discretionary reasons are subject to the existing delegated authority. For declinations based on discretionary reasons, including scoring, the Board is the final decision maker. Managing Director of Legal Affairs will assign a Hearing Officer to review appeals and any relevant documentation, and prepare recommendations for Board decisioning.

<u>Fees</u>

NJEDA will charge a $1,000 non-refundable application fee to Administrator Applicants for the Grant Program.

<u>Recommendation</u>

The Members are requested to approve: **i)** the creation of the AI Innovation Challenge Administration Grant Program ("Grant Program") - a competitive program whereby NJEDA will award a single grant of $3,800,000 to a qualified entity ("Administrator") who is responsible for developing and administering an AI Innovation Challenge ("AI Challenge"), open to the public in New Jersey, as well as disbursing and managing sub-grant awards to winning Companies selected as part of the AI Challenge over a one-year period; **ii)** Capitalization of the Grant Program utilizing $4,000,000 in funding received by NJEDA for the "AI Innovation Challenge" as a FY2025 State budget appropriation in the Appropriations Act (A4700/P.L. 2024, c. 22); **iii)** utilization by the Authority of 5% ($200,000) of the $4,000,000 appropriation as an administrative fee to cover the cost of operating the Grant Program.

Tim Sullivan, CEO

Prepared by:
Fariha Sheikh – Innovation Product Analyst, Technology Innovation Products
Monika Athwal – Manager, Technology Innovation Products
Clark Smith – Senior Director, Technology Innovation Products
Cecily Kovatch – Managing Director, Technology Innovation

Attachments:
Exhibit A – Proposed Product Specifications
Exhibit B – Eligible AI Technologies for AI Innovation Challenge
Exhibit C – Base Eligibility Requirements Checklist
Exhibit D – Administrator Application Scoring Matrix

Exhibit A
AI Innovation Challenge Administration Grant Program
Proposed Product Specifications
March 12, 2025

Proposed Product Specifications	
Funding Source	FY2025 State budget appropriation in the Appropriations Act (A4700/P.L. 2024, c. 22) for $4,000,000 in funding to NJEDA for "AI Innovation Challenge".
Program Purpose	The AI Innovation Challenge Administration Grant Program is a competitive program that will provide grant funding to an eligible Administrator. The Administrator is responsible for: i) developing and executing the AI Innovation Challenge, ii) disbursing and managing sub-grant awards to winning Companies that create AI-based software solutions during the AI Challenge. Sub-grant awards refer to NJEDA's grant to the Administrator, for disbursement directly to the winners, who will use the funds to further develop their AI-based software solutions.
Eligible Applicants **(Grant Program Administrators)**	Eligibility Criteria for Grant Program Administrator Applicants: Administrator Applicants eligible under the Grant Program must: • Be a legal entity (no individuals) and have been legally formed under the laws of any US state. • Be registered to do business in New Jersey and be in good standing with NJ Division of Taxation as certified by a valid NJ Tax Clearance Certificate. • Be in substantial good standing with NJ DOL and DEP. • Demonstrate experience in managing a budget of at least $3 million in at least (1) one prior competitive event, showcasing the capability to effectively allocate and track use of funds through financial statements. • Demonstrate evidence of a track record in organizing competitive events open to external audiences, including but not limited to pitch competitions, innovation challenges, hackathons and bootcamps, with at least 5 competitive events hosted by the entity during the 5 years prior to application. Bonus points will be given to entities who demonstrated an ability to host a demo day, showcase or similar event to publicly present winning participants at the end of prior competitive events. • Demonstrate success of competitive events through at least 50 participants per event (minimum 5 events total), AND a proven and documented track record of success in prior competitive event participants, including but not limited to at least 15% of prior participants to receive follow-on funding from non-related parties [2], seeing strategic acquisition, significant (50%+) revenue growth post- competitive event, or achieve an exit. • Demonstrate engagement with the broader startup ecosystem through access to at least 50 actively engaged Subject Matter Experts (SMEs), mentors or partners across industries and functional capabilities (technology, sales, strategy, accounting,

[2] "Non-related parties" are entities that are not the Administrator Applicant nor an affiliate, subsidiary, parent, or related entity to the Administrator Applicant.

Eligible Applicants
 	
(Grant Program Administrators, continued)
	finance, marketing etc.).
	• Submit an in-depth proposal for the AI Challenge's execution (to be evaluated further via the scoring matrix in Exhibit D). The proposal must include the following components:
	
	    ◦ Evidence of Administrator's technical and non-technical expertise in AI. Note: experience in the utilization of generative AI tools is not sufficient.
	    ◦ Details about the programming, format (virtual/in-person/hybrid) of the AI Challenge events (Initial Competitive Event, Virtual Showcase, Demo Day Event). Note: any in-person components of the AI Challenge must be hosted in New Jersey.
	    ◦ Engagement plan of Administrator's network of partners and SMEs to offer mentorship and advisory support to AI Challenge winners.
	    ◦ Arrangement of in-kind services to AI Challenge participants, including but not limited to: cloud infrastructure, APIs (Application Programming Interfaces), and relevant software tools to test software solutions.
	    ◦ Strategy for outreach and marketing to attract qualified participants for the AI Challenge.
	    ◦ Legal and Intellectual Property (IP) support to ensure AI Challenge participants understand their rights and obligations when developing and sharing their software projects.
	    ◦ Scoring matrix for evaluating and selecting AI Challenge winners, ensuring alignment with the AI Challenge's scope, viability of software prototype, and NJEDA's requirements for sub-grant winners.
	    ◦ Proposed panel of diverse, qualified, and relevant judges to select AI Challenge winners, including AI-domain specific experts and SMEs aligned with the AI Challenge's scope.
	    ◦ Plan for managing sub-grant awards, tracking AI Challenge winners' progress against milestones, ensuring compliance with reporting requirements, conducting post-Demo Day check-ins, and maintaining transparency through a public project dashboard.
	    ◦ Evidence of the Administrator's ability to fully execute the AI Challenge within a maximum of 4 months.
	    ◦ Evidence of the financial viability of Administrator's proposal for AI Challenge execution, including outlining all costs and mitigation for cost overruns.

Eligible Applicants **(AI Challenge Winners)**	***Eligibility Criteria for AI Challenge Winning Teams/ Companies:*** Established early-stage Companies and Teams of individuals eligible as AI Challenge winners must meet the requirements outlined below. If the winner is a Team of individuals, they must form a business entity prior to receiving the sub-grant award from the Administrator: • Be registered to do business and have a valid tax clearance certificate from NJ Division of Taxation, or obtain within 30 days of award notice, prior to receiving sub-grant award from Administrator • Create an AI-based software solution consistent with NJEDA's

	defined AI technologies and addressing the AI Challenge's scope • Demonstrate ability to further develop the prototype on time and on budget by: providing a detailed plan and timeline demonstrating readiness to develop an MVP that is financially viable by the Demo Day Event • Consist of at least 3 individuals contributing to the product development, including a team lead, and at least 1 member with technical expertise in AI and/or related fields • Minimum of 50% of the individuals as NJ residents (for Teams of individuals) OR minimum of 50% of the company's full-time workforce working or paying taxes in NJ (for early-stage Companies). Full-time workforce must be verified via NJWR30 or Registered PEO letter, or other forms of documentation, such as Forms 1099, W2, K1, job descriptions and offer letters. • Must have no more than 224 employees (for early-stage Companies). • Commit to working on the AI-based software solution until successful milestone completion as outlined in Administrator's sub-grant agreement. • Identify a base of operations in NJ post-Demo Day Event.
Eligible Uses of Funding	Eligible uses for funds disbursed to the Administrator under the Grant Program include direct and indirect costs incurred by the Administrator for: • Planning, developing, and managing the AI Challenge events (including but not limited to Initial Competitive Event including Virtual Showcase, Demo Day Event) • Providing in-kind resources to AI Challenge participants to create and test AI-based software solution during the AI Challenge • Scoring and awarding sub-grant awards to winning Companies • Managing sub-grant awards, including legal agreements, compliance with NJEDA's requirements, milestones, budgets, and reporting to NJEDA • Ineligible uses of funds: capital costs (such as construction or equipment purchases), or for financial investments in the winning Companies through which the Administrator receives a financial benefit. Any expenditures that do not comply with the above will be required to be returned by the Administrator to NJEDA at the end of the Grant Agreement term. Eligible uses for sub-grant awards disbursed by the Administrator to winning Companies include: • Development of prototype towards MVP • Completion of Administrator's milestones per the sub-grant agreement • Development of MVP towards pilot demonstration or commercialization post-Demo Day Event • Securing commercial office space in NJ post-Demo Day Event if needed (such as co-working space/incubator facility in NJ, as verified by a lease agreement, co-working space agreement or similar) NJEDA has set forth the following additional stipulations and restrictions for funding awarded through this Grant Program: • No more than twelve percent (12%) of the total grant, or $456,000 of the $3,800,000, can be used for the Administrator's direct and indirect costs.

	• All remaining funds, $3,344,000, must be used for sub-grant awards to AI Challenge winners. In alignment with NJEDA's milestones for disbursement, the Administrator must disburse sub-grant awards to AI Challenge winners through a minimum of two tranches.
Term of Grant Period	One (1) year after disbursement of grant funding.
Grant Amount	A single grant of $3,800,000 will be awarded for the Grant Program on a milestone basis.
Scoring Criteria	The minimum score requirement to be considered for an award is eighty (80) points, with the highest score possibility being one hundred (100) points. Applications will be scored by an Evaluation Committee based on the following criteria: Highest Score Possibility: 100 points Minimum Score Requirement: 80 points Minimum Score Requirement with Demo Day Bonus: 85 points Applicants will have the opportunity to receive the points outlined below based on the following criteria: **Sector Focus:** *Applicant's demonstrated expertise in technical and non-technical capabilities in Artificial Intelligence (Maximum: 10 points)* • Does the Applicant demonstrate expertise in Artificial Intelligence (AI) through a combination of technical and non-technical resources and activities, ensuring a well-rounded capability to meet the AI Challenge's objectives (Please see Exhibit D for list of technical and non-technical categories)? o 0-4 points – Applicant demonstrates expertise in 2 or fewer technical and non-technical capabilities with minimal evidence to support this. o 5-8 points – Applicant demonstrates expertise in 3 to 5 technical and non-technical capabilities (with at least 1 technical), and provides evidence to support this. o 9-10 points – Applicant demonstrates expertise in 6 or more technical and non-technical capabilities (with at least 2 technical). Evidence is highly detailed, supported by specific examples (e.g., project portfolios, successful initiatives, events or partnerships). **AI Challenge Structure and Programming:** *Applicant's demonstrated ability to develop and execute the AI Challenge (Maximum: 45 points)* Does the proposal provide a comprehensive plan for the AI Challenge's programming with the following components? • format (virtual/in-person/hybrid) of the Initial Competitive Event, Virtual Showcase, and Demo Day Event, with any in-person components hosted in New Jersey • planned activities • participant journey • an accessible and user-friendly website to host virtual components of the AI Challenge

Scoring Criteria (continued)	• communication method to respond to participants' inquiries Does it demonstrate how these elements will maximize participant engagement and achievement of the AI Challenge's scope? (Maximum available points: 10 + 5 bonus points*) ○ 0-4 points – Programming details are unclear or generic, and not well-justified in terms of ensuring engagement and achievement of the AI Challenge's objectives ○ 5-8 points – Programming is adequately detailed, with a clear outline of some components, supported by rationale for participant engagement and alignment with the AI Challenge's objectives ○ 9-10 points – Programming is highly detailed with a clear outline of all components. The plan demonstrates how the programming aligns with the AI Challenge's objectives, fosters engagement, and includes measurable outcomes to assess impact, which may include well-documented strategies for achieving results. ○ *5 bonus points – for applicants that demonstrate prior experience in organizing Demo Day/Showcase or similar events to present winning Companies at the end of competitive events Does the proposal outline a comprehensive strategy to engage the applicant's network of partners and Subject Matter Experts (SMEs) during the AI Challenge to offer strategic support/mentorship to AI **Challenge winners** (e.g. mentorship program, advisory board, office hours etc.)? (Maximum available points: 10) ○ 0-4 points – Engagement plan lacks specificity and provides minimal details on how SMEs and partners will support the AI Challenge winners. ○ 5-8 points – Engagement plan is adequately detailed, with clear roles for SMEs and partners and a reasonable structure for their involvement. ○ 9-10 points – Engagement plan is highly detailed and well-structured, with clearly defined roles and contributions expected from SMEs and partners. The proposal demonstrates a strong alignment with the AI Challenge's objectives, includes diverse expertise across relevant domains, and provides clear mechanisms for winners' access and support. Metrics for evaluating the impact of SMEs and partners' engagement are included Does the proposal demonstrate a clear and actionable plan to provide in-kind services to AI Challenge participants, such as cloud infrastructure, APIs, or relevant software tools to enable effective project development and testing? (Maximum available points: 10) ○ 0-4 points – Minimal details or evidence regarding the applicant's ability to provide in-kind services, with limited relevance to participant needs or no clear plan for accessibility and utilization. ○ 5-8 points – Evidence of adequate range of in-kind services with reasonable relevance to participant needs. Some details are provided on accessibility and utilization.

Scoring Criteria (continued)	9-10 points – Highly detailed and comprehensive plan for in-kind services provided, offering a wide range of relevant tools (e.g., cloud infrastructure, APIs, software) tailored to participant needs. Accessibility, customization, and scalability are well-defined, with strong partnerships and technical support mechanisms included. Does the proposal demonstrate the Administrator's ability to conduct effective outreach and marketing to attract qualified participants for the AI Challenge, ensuring strong alignment with the AI Challenge’s objectives? (Maximum available points: 5) 0-1 points: Outreach and marketing strategies are vague and lack clear methods for reaching AI Challenge participants. 2-3 points – Outreach and marketing strategies are adequately detailed, with some evidence of methods to attract a qualified participant pool. Includes basic mechanisms for tracking the effectiveness of marketing efforts. 4-5 points – Outreach and marketing strategies are highly detailed and aligned with the AI Challenge’s objectives. The proposal demonstrates a strong focus on attracting a qualified participant pool and may include details such as communication channels, and evidence of previously successful outreach campaigns. Clear metrics for evaluating the success of outreach efforts are included. Does the proposal provide a clear and effective plan for offering legal and Intellectual Property (IP) support to AI Challenge participants, ensuring they understand their rights and obligations when developing and sharing their software projects? (Maximum available points: 5) 0-1 points – Legal and IP support is minimally addressed, with little evidence of relevance to participant needs or mechanisms for accessibility 2-3 points – Compelling plan for legal and IP support, with adequate detail about the scope, relevance, and accessibility of services. 4-5 points – Detailed and well-structured plan for legal and IP support, offering accessible resources (e.g., consultations, workshops) provided by qualified experts or reputable organizations. **Selection and Management of Sub-Grants:** *Applicant’s demonstrated ability to select and manage sub-grant awards for AI Challenge winners (Maximum: 25 points)* Does the proposal include a comprehensive scoring matrix for evaluating and selecting the AI Challenge winners, ensuring alignment with the AI Challenge's objectives, viability of software prototype, and include NJEDA’s requirements for sub-grant awardees? (Maximum available points: 10) 0-4 points – Scoring matrix lacks sufficient detail to ensure alignment with the AI Challenge objectives, NJEDA’s requirements for sub-grant awardees and prototype viability.

Scoring Criteria (continued)	5-8 points – Scoring matrix is adequately detailed, with some metrics to ensure alignment with AI Challenge objectives, NJEDA's requirements for sub-grant awardees and prototype viability. 9-10 points – Scoring matrix is highly detailed, with well-defined metrics to ensure alignment with the AI Challenge's objectives, full integration of NJEDA's requirements for sub-grant awardees, and prototype viability including functionality, scalability, and implementation feasibility is ensured. Does the proposal include a proposed panel of diverse, qualified, and relevant judges, including AI-domain specific experts and SMEs aligned with the AI Challenge's scope, to ensure fair and effective evaluation of AI Challenge winners? (Maximum available points: 5) 0-1 points – Proposed judges for the panel possess insufficient or irrelevant expertise related to the AI Challenge's scope. 2-3 points – Panel includes some relevant AI- domain specific experts and SMEs but lacks diversity and a comprehensive engagement plan. 4-5 points – Panel includes a diverse mix of qualified AI-domain specific experts and SMEs, and aligns strongly with the AI Challenge's scope, with defined mechanisms to ensure fairness, impartiality, and active engagement. Does the Administrator demonstrate a clear, detailed, and effective plan for managing sub-grant awards, tracking the AI Challenge winners' progress against milestones, ensuring compliance with reporting requirements, conducting post-Demo Day check-ins, and maintaining transparency through a public project dashboard? (Maximum available points: 10) 0-4 points –Plan lacks sufficient or key details for sub-grant management and reporting 5-8 points – Plan is adequately detailed, and includes some details for sub-grant management and reporting 9-10 points – Plan is highly detailed and comprehensive, with clear processes for managing sub-grants, tracking progress, and reporting deliverables to NJEDA. It includes robust plans for regular post-Demo Day check-ins and maintaining a well-structured public dashboard to ensure transparency and accountability. **Project Execution:** *Applicant's demonstrated ability to execute the AI Challenge on time and on budget (Maximum: 20 points)* Does the proposal convincingly demonstrate readiness and ability to fully execute the AI Challenge within a maximum of 4 months, as demonstrated by such items as detailed timelines, Gantt chart, and clear milestones? (Maximum available points: 10) 0-4 points – Proposal lacks sufficient detail, with incomplete timelines, milestones, or Gantt charts, and minimal evidence of readiness to meet the 4-month execution window

Scoring Criteria (continued)	○ 5-8 points – Proposal demonstrates moderate readiness with a basic timeline, milestones, and Gantt chart, but the execution plan lacks depth or complete structure to ensure success within 4 months ○ 9-10 – Proposal is highly detailed and well-structured, with a comprehensive timeline, clear milestones, and Gantt chart, demonstrating strong readiness and a clear path to complete the AI Challenge within 4 months. Proposal also includes evidence of Applicant's ability to execute prior projects within similar timelines. Does the proposal convincingly demonstrate the financial viability of the Administrator's plan to execute the AI Challenge, including outlining all costs and mitigation for cost overruns? (Maximum available points: 10) ○ 0-4 points – Financial plan is vague or incomplete, lacking a detailed cost breakdown and offering minimal or no evidence of mitigation strategies for cost overruns ○ 5-8 points – Financial plan includes an adequate cost breakdown with some evidence of financial viability and basic but underdeveloped strategies for mitigating cost overruns ○ 9-10 – Financial plan is highly detailed and comprehensive, with a clear cost breakdown and robust, well-thought-out mitigation strategies for managing cost overruns, demonstrating strong financial planning
Fees	$1000 non-refundable application fee
Funding Disbursement	The Administrator will enter into a grant agreement with NJEDA, and funds will be disbursed according to a milestone-based schedule as follows: • **Milestone 1**: Selection of Administrator based on NJEDA's eligibility criteria and scoring. Disbursement of funds for direct/indirect administrative costs for AI Challenge. No more than $456,000 can be disbursed under this milestone. • **Milestone 2:** Administrator's selection of AI Challenge's winning Teams/Companies based on a scoring matrix, via a judging panel established by the Administrator. Disbursement of funds to the Administrator, for sub-grant awards to the winners for further development of prototype towards Minimum Viable Product (MVP). Under Milestone 2, the Administrator must select between 5-10 winning Teams/Companies, no more than $1,000,000 can be disbursed under this milestone. • **Milestone 3**: Administrator's demonstration of successful MVP development by winners, and hosting of Demo Day Event. Disbursement of funds to the Administrator, for sub-grant awards to the winners working towards a plan for pilot demonstration or commercialization of software solution post-Demo Day Event. Under Milestone 3, the Administrator must further review and determine follow-on funding based on performance for select winners, no more than $2,344,000 can be disbursed under this milestone. Grant disbursements under each milestone are subject to NJEDA's satisfactory review of documentation provided by the Administrator to verify milestone completion as outlined in NJEDA's grant agreement,

	including review of sub-grant agreements prior to execution between the Administrator and AI Challenge winners. For Milestones 2 and 3, the Administrator must disburse sub-grant awards based on the AI Challenge winners' compliance with the Administrator's sub-grant agreement and NJEDA's established criteria for AI Challenge winners. During the term of the grant agreement, the Administrator must comply with NJEDA's reporting requirements as outlined in the grant agreement. The Administrator must ensure AI Challenge winners are in compliance with NJEDA's eligibility criteria and eligible uses of funds as set forth in this memo and attached program specs. Any expenditures that do not comply with NJEDA's eligibility criteria and eligible use of funds must be returned by the AI Challenge winners and/or the Administrator, to NJEDA, at the end of the grant agreement term.

Exhibit B
Eligible AI Technologies for AI Innovation Challenge
(adapted from NJ Innovation Fellows AI Cohort)

Teams/Companies participating in the AI Challenge must develop software solutions using one or more of the following AI technologies:

1. **Learning and Adaptation**
   AI-powered software leveraging machine learning, deep learning, or reinforcement learning to continuously learn from data and optimize processes over time. Examples include predictive analytics platforms, AI-driven workflow automation tools, and intelligent business process optimization solutions.

2. **Autonomous Decision-Making**
   Software solutions capable of making decisions independently to automate processes without human intervention. Examples include AI-powered financial trading algorithms, automated fraud detection systems, and intelligent supply chain management platforms.

3. **Data-Driven Insights**
   AI software focused on extracting actionable insights from large datasets through AI-driven analytics. Applications include predictive customer analytics, AI-enhanced business intelligence platforms, and dynamic pricing models.

4. **Natural Language Processing (NLP)**
   AI software enabling human-like interactions through text or speech processing. Examples include AI chatbots for customer support, AI-driven content generation platforms, and automated language translation software.

5. **Perception and Interaction**
   AI-powered software utilizing computer vision or speech recognition to enhance digital interactions. Examples include AI-driven virtual assistants, automated video content analysis tools, and real-time transcription software.

6. **Generative AI**
   AI software focused on creating new digital products, designs, or content using generative algorithms. Examples include AI-assisted design platforms, generative text and image creation software, and AI-driven product innovation tools.

Eligibility Criteria
A proposed AI-based software solution must address challenges across New Jersey by directly contributing to measurable efficiency improvements or enabling the creation of novel software solutions. Solutions that solely support general business operations without a direct AI-driven impact on efficiency or innovation will not qualify. Participating Teams/Companies creating AI-based software solutions during the AI Challenge must demonstrate one of the following innovation outcomes:

1. **Improved Efficiency**
   AI software that optimizes digital processes, reduces costs, or enhances operational performance, such as automating workflows, optimizing customer interactions, or improving data analysis speed and accuracy.

2. **Novel Product or Service**
   AI software that enables the development of a completely new digital product, service, or offering, such as an AI-powered recommendation engine, an innovative SaaS platform, or a unique AI-driven business model.

Exhibit C
AI Innovation Challenge Administration Grant Program
Base Eligibility Requirements Checklist

All AI Innovation Challenge Administration Grant Program applications must include at least one Administrator Applicant who meets all eligibility requirements.

Applicants with missing or incomplete documentation, or requiring additional clarification, will receive an email notification from NJEDA to cure any deficiencies or provide any needed clarifications, including but not limited to, submitting any missing or requested documentation within five (5) business days. After the five (5) business days, any application that is not complete or for which clarification has not been provided will be deemed incomplete and will not be evaluated or scored.

Administrator Applicant – Eligibility Criteria	
Is the Applicant a legal entity (no individuals) that has been legally formed under the laws of any US state?	'Yes' is required
Is the Applicant registered to do business in New Jersey and in good standing with NJ Division of Taxation as certified by a valid NJ Tax Clearance Certificate?	'Yes' is required
Is the Applicant in substantial good standing with NJ DOL/DEP?	'Yes' is required
Does the Applicant demonstrate experience in managing a budget of at least $3 million in at least (1) one prior competitive event, showcasing the capability to effectively allocate and track use of funds through financial statements?	'Yes' is required
Does the Applicant demonstrate evidence of a track record in organizing competitive events open to external audiences, including but not limited to pitch competitions, innovation challenges, hackathons and bootcamps, with at least 5 competitive events hosted by the entity during the 5 years prior to application?	'Yes' is required
Does the Applicant demonstrate success of competitive events through at least 50 participants per event (minimum 5 events total) hosted by the entity during the 5 years prior to application?	'Yes' is required
Does the Applicant demonstrate a proven and documented track record of success in prior competitive event participants, including but not limited to least 15% of prior participants to receive follow-on funding from non-related parties [3], seeing strategic acquisition, significant (50%+) revenue growth post- competitive event, or achieve an exit?	'Yes' is required
Does the Applicant demonstrate engagement with the broader startup ecosystem through access to at least 50 actively engaged SMEs/mentors/partners across industries or functional capabilities (technology, sales, strategy, accounting, finance, marketing etc.)?	'Yes' is required
Did the Applicant submit an in-depth proposal for the AI Innovation Challenge's execution? (To be evaluated further via the scoring matrix in Exhibit D)	'Yes' is required
Each applicant can only submit one application for the Program.	

[3] "Non-related parties" are entities that are not the Administrator Applicant nor an affiliate, subsidiary, parent, or related entity to the Administrator Applicant.

Exhibit D
AI Innovation Challenge Administration Grant Program
Administrator Application Scoring Matrix

If all eligibility requirements for applicants are met, AI Innovation Challenge execution proposals will be evaluated by NJEDA staff according to the scoring criteria outlined.

<table>
<tr><th>General Proposal Criteria</th><th>Scoring</th></tr>
<tr><td colspan="2">I. Sector Focus: Applicant's demonstrated expertise in technical and non-technical capabilities in Artificial Intelligence (Maximum: 10 points)</td></tr>
<tr><td>Does the Applicant demonstrate expertise in Artificial Intelligence (AI) through a combination of technical and non-technical resources and activities, ensuring a well-rounded capability to meet the AI Challenge's objectives?
(Maximum available points: 10)

Technical:
AI-focused Challenges or Competitive Events: prior experience in designing, managing, or executing challenges, hackathons, or competitive events specifically focused on AI innovation.
Collaboration with Academic Institutions on AI Initiatives or Research: track record of partnerships with academic institutions to advance AI research, develop AI-related educational programs, or collaborate on AI-focused innovation.
Development, Programming, and Management of AI Tools: direct expertise in creating, programming, implementing, incubating, or managing AI solutions, with a focus on generative AI and handling structured/unstructured datasets.
Experience in Real-World Applications of AI: proven track record of implementing AI in practical, industry-relevant scenarios, including but not limited to healthcare, climate, finance, or education.
Non-technical:
Subject Matter Experts (SMEs) in AI: portfolio of SMEs recognized as experts in the AI field, with demonstrated knowledge</td><td>0-4 points – Applicant demonstrates expertise in 2 or fewer technical and non-technical capabilities with minimal evidence to support this.

5-8 points – Applicant demonstrates expertise in 3 to 5 technical and non-technical capabilities (with at least 1 technical), and provides evidence to support this.

9-10 points – Applicant demonstrates expertise in 6 or more technical and non-technical capabilities (with at least 2 technical). Evidence is highly detailed, supported by specific examples (e.g., project portfolios, successful initiatives, events or partnerships).</td></tr>
</table>

<table>
<tr><td>

and experience in areas such as generative AI development, programming, or implementation.
Staff expertise in AI: evidence of relevant expertise among the Applicant’s senior leadership or staff, which may include prior roles or projects outside their current entity (e.g., in academia, industry, or startups)
Industry Partnerships in AI: track record of partnerships with AI-focused companies to secure in-kind support (e.g., APIs, cloud credits).
Outreach and Community Engagement in AI: demonstrated ability to build and sustain AI-focused communities or networks, ensuring diverse and broad participation.

(Note: experience in utilization of generative AI tools is insufficient)
</td><td></td></tr>
<tr><td colspan="2">II. AI Challenge Structure and Programming: Applicant’s demonstrated ability to develop and execute the AI Challenge (Maximum: 45 points)</td></tr>
<tr><td>
Does the proposal provide a comprehensive plan for the AI Challenge’s programming with the following components?

format (virtual/in-person/hybrid) of the Initial Competitive Event, Virtual Showcase, and Demo Day Event, with any in-person components hosted in New Jersey
planned activities
participant journey
an accessible and user-friendly website to host virtual components of the AI Challenge
communication method to respond to participants’ inquiries

Does it demonstrate how these elements will maximize participant engagement and achievement of the AI Challenge’s scope?

(Maximum available points: 10 + 5 bonus points*)
</td><td>
0-4 points – Programming details are unclear or generic, and not well-justified in terms of ensuring engagement and achievement of the AI Challenge’s objectives

5-8 points – Programming is adequately detailed, with a clear outline of some components, supported by rationale for participant engagement and alignment with the AI Challenge’s objectives

9-10 points – Programming is highly detailed with a clear outline of all components. The plan demonstrates how the programming aligns with the AI Challenge’s objectives, fosters engagement, and includes measurable outcomes to assess impact, which may include well-documented strategies for achieving results.

*5 bonus points – for applicants that demonstrate prior experience in organizing Demo Day/Showcase or similar events to present winning Companies at the end of competitive events
</td></tr>
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Does the proposal outline a comprehensive strategy to engage the applicant's network of partners and Subject Matter Experts (SMEs) during the AI Challenge to offer strategic support/mentorship to **AI Challenge winners** (e.g. mentorship program, advisory board, office hours etc.)? (Maximum available points: 10)	**0-4 points –** Engagement plan lacks specificity and provides minimal details on how SMEs and partners will support the AI Challenge winners. **5-8 points –** Engagement plan is adequately detailed, with clear roles for SMEs and partners and a reasonable structure for their involvement. **9-10 points –** Engagement plan is highly detailed and well-structured, with clearly defined roles and contributions expected from SMEs and partners. The proposal demonstrates a strong alignment with the AI Challenge's objectives, includes diverse expertise across relevant domains, and provides clear mechanisms for winners' access and support. Metrics for evaluating the impact of SMEs and partners' engagement are included.
Does the proposal demonstrate a clear and actionable plan to provide in-kind services to AI Challenge participants, such as cloud infrastructure, APIs, or relevant software tools to enable effective project development and testing? (Maximum available points: 10)	**0-4 points –** Minimal details or evidence regarding the applicant's ability to provide in-kind services, with limited relevance to participant needs or no clear plan for accessibility and utilization. **5-8 points –** Evidence of adequate range of in-kind services with reasonable relevance to participant needs. Some details are provided on accessibility and utilization. **9-10 points –** Highly detailed and comprehensive plan for in-kind services provided, offering a wide range of relevant tools (e.g., cloud infrastructure, APIs, software) tailored to participant needs. Accessibility, customization, and scalability are well-defined, with strong partnerships and technical support mechanisms included.
Does the proposal demonstrate the Administrator's ability to conduct effective outreach and marketing to attract qualified participants for the AI Challenge, ensuring strong alignment with the AI Challenge's objectives? (Maximum available points: 5)	**0-1 points –** Outreach and marketing strategies are vague and lack clear methods for reaching AI Challenge participants. **2-3 points –** Outreach and marketing strategies are adequately detailed, with some evidence of methods to attract a qualified participant pool. Includes basic mechanisms for tracking the effectiveness of marketing efforts. **4-5 points –** Outreach and marketing strategies are highly detailed and aligned with the AI Challenge's objectives. The proposal demonstrates a strong focus on attracting a qualified participant pool and may include details such as communication channels, and evidence of previously successful outreach

	campaigns. Clear metrics for evaluating the success of outreach efforts are included.
Does the proposal provide a clear and effective plan for offering legal and Intellectual Property (IP) support to AI Challenge participants, ensuring they understand their rights and obligations when developing and sharing their software projects? (Maximum available points: 5)	**0-1 points –** Legal and IP support is minimally addressed, with little evidence of relevance to participant needs or mechanisms for accessibility. **2-3 points –** Compelling plan for legal and IP support, with adequate detail about the scope, relevance, and accessibility of services. **4-5 points –** Detailed and well-structured plan for legal and IP support, offering accessible resources (e.g., consultations, workshops) provided by qualified experts or reputable organizations.
III. Selection and Management of Sub-Grants: *Applicant's demonstrated ability to select and manage sub-grant awards for AI Challenge winners (Maximum: 25 points)*	
Does the proposal include a comprehensive scoring matrix for evaluating and selecting the AI Challenge winners, ensuring alignment with the AI Challenge's objectives, viability of software prototype, and include NJEDA's requirements for sub-grant awardees? (Maximum available points: 10)	**0-4 points –** Scoring matrix lacks sufficient detail to ensure alignment with the AI Challenge objectives, NJEDA's requirements for sub-grant awardees and prototype viability. **5-8 points –** Scoring matrix is adequately detailed, with some metrics to ensure alignment with AI Challenge objectives, NJEDA's requirements for sub-grant awardees and prototype viability. **9-10 points –** Scoring matrix is highly detailed, with well-defined metrics to ensure alignment with the AI Challenge's objectives, full integration of NJEDA's requirements for sub-grant awardees, and prototype viability including functionality, scalability, and implementation feasibility is ensured.
Does the proposal include a proposed panel of diverse, qualified, and relevant judges, including AI-domain specific experts and SMEs aligned with the AI Challenge's scope, to ensure fair and effective evaluation of AI Challenge winners? (Maximum available points: 5)	**0-1 points –** Proposed judges for the panel possess insufficient or irrelevant expertise related to the AI Challenge's scope. **2-3 points –** Panel includes some relevant AI-domain specific experts and SMEs but lacks diversity and a comprehensive engagement plan. **4-5 points –** Panel includes a diverse mix of qualified AI-domain specific experts and SMEs, and aligns strongly with the AI Challenge's scope, with defined mechanisms to ensure fairness, impartiality, and active engagement.

Does the Administrator demonstrate a clear, detailed, and effective plan for managing sub-grant awards, tracking the AI Challenge winners' progress against milestones, ensuring compliance with reporting requirements, conducting post-Demo Day check-ins, and maintaining transparency through a public project dashboard? (Maximum available points: 10)	**0-4 points –**Plan lacks sufficient or key details for sub-grant management and reporting **5-8 points –** Plan is adequately detailed, and includes some details for sub-grant management and reporting **9-10 points –** Plan is highly detailed and comprehensive, with clear processes for managing sub-grants, tracking progress, and reporting deliverables to NJEDA. It includes robust plans for regular post-Demo Day check-ins and maintaining a well-structured public dashboard to ensure transparency and accountability.
IV. Project Execution: *Applicant's demonstrated ability to execute the AI Challenge on time and on budget (Maximum: 20 points)*	
Does the proposal convincingly demonstrate readiness and ability to fully execute the AI Challenge within a maximum of 4 months, as demonstrated by such items as detailed timelines, Gantt chart, and clear milestones? (Maximum available points: 10)	**0-4 points –** Proposal lacks sufficient detail, with incomplete timelines, milestones, or Gantt charts, and minimal evidence of readiness to meet the 4-month execution window **5-8 points –** Proposal demonstrates moderate readiness with a basic timeline, milestones, and Gantt chart, but the execution plan lacks depth or complete structure to ensure success within 4 months **9-10 –** Proposal is highly detailed and well-structured, with a comprehensive timeline, clear milestones, and Gantt chart, demonstrating strong readiness and a clear path to complete the AI Challenge within 4 months. Proposal also includes evidence of Applicant's ability to execute prior projects within similar timelines.
Does the proposal convincingly demonstrate the financial viability of the Administrator's plan to execute the AI Challenge, including outlining all costs and mitigation for cost overruns? (Maximum available points: 10)	**0-4 points –** Financial plan is vague or incomplete, lacking a detailed cost breakdown and offering minimal or no evidence of mitigation strategies for cost overruns **5-8 points –** Financial plan includes an adequate cost breakdown with some evidence of financial viability and basic but underdeveloped strategies for mitigating cost overruns **9-10 –** Financial plan is highly detailed and comprehensive, with a clear cost breakdown and robust, well-thought-out mitigation strategies for managing cost overruns, demonstrating strong financial planning

Scoring Summary	
Maximum Possible Points	**100**
Minimum Required Points with Demo Day Experience Bonus	**85**
Minimum Required Points for all other Applicants	**80**

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: New Jersey Innovation Evergreen Fund: March 2025 Qualified Investment Approval

SUMMARY

The Members are asked to approve a Qualified Investment presented today under the New Jersey Innovation Evergreen Program ("Program") for an application submitted by SOSV Investments LLC ("SOSV") to invest into Nascent Materials Inc. ("Nascent Materials"). The Qualified Investment recommendation is for an investment up to $750,000, with additional associated fees and expenses as described in this memorandum. The approval will allow Staff to utilize Program funds to execute a Qualified Investment into a Qualified Business alongside SOSV. Additionally, upon approval of this investment, Staff will reserve Program capital for subsequent follow-on investments into the Qualified Business and for management fees and direct administrative expenses required to support the investment, as authorized in Program regulations, and described in this memorandum.

BACKGROUND

The New Jersey Innovation Evergreen Act ("Act") (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq*.). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq*.), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund ("NJIEF", or "Evergreen Fund") and the New Jersey Innovation Evergreen Program, which supports the private sector's investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State's innovation ecosystem and create the conditions necessary for entrepreneurs to succeed. As of February 18th, 2025, approximately $33.4 million of unallocated capital remains available for program investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a Qualified Venture Firm. Applications for Qualified Venture Firms opened on December 16, 2022, and 18 Qualified Venture Firms have been approved to-date. Qualified Venture Firms are approved by Staff pursuant to an updated delegated authority approved by the Members on April 10, 2024.

Qualified Investment Review Process

To access Program co-investment capital, Qualified Venture Firms may apply for Qualified Investments on a rolling basis. Applications for Qualified Investments opened on May 23, 2023. NJEDA Staff recommendations are presented to the Members for consideration upon completion of eligibility review of the Qualified Business and Qualified Venture Firm associated with the Qualified Investment transaction. Such Qualified Investments in New Jersey-based businesses must receive a co-investment from the Qualified Venture Firm that matches or exceeds the Qualified Investment amount. Upon approval for a Qualified Investment and as required by the Program rules, Qualified Venture Firms will establish a special purpose vehicle ("SPV") to facilitate the Qualified Investment transaction between the Evergreen Fund, the Qualified Venture Firm, and the Qualified Business. As the Evergreen Fund's investments mature and experience exit events (e.g. a sale or initial public offering), the proceeds from profitable investments will flow back to the Evergreen SPV. Proceeds will be used to make carried interest payments to the Qualified Venture Firm and to transfer remaining capital back to the Evergreen Fund, providing an ongoing stream of funds to support the State's innovation ecosystem.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Applications must be submitted to the EDA within 90 days of date of the transaction by the QVF into the high-growth business. Each request for a Qualified Investment may be as much as the Program investment limit of $5 million, or up to $6.25 million for businesses that meet any of the following criteria: i) certified by the State as a "minority business" or "women's business" pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university.

The recommendation presented to Members for consideration this month represents the Program's fourth Qualified Investment to invest up to $750,000 of Program capital alongside SOSV into the New Jersey-based innovative, high-growth company, Nascent Materials. SOSV executed a term sheet to invest $750,000 through an equity investment on January 13th, 2025. The investment from SOSV will be executed through its $306 million fifth fund, SOSV V LP. The proposed Qualified Investment will be contingent upon SOSV successfully executing its own investment into the business at least matching any Program Qualified Investment. Based upon the projections provided by SOSV, and following approval by the Members, Staff will reserve an additional $800,000 for subsequent follow-on investments into Nascent Materials, matching the ratio of reserves set aside by SOSV, along with an additional $120,000 for management fees and $215,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are adjusted up or down at least annually based upon guidance from SOSV.

Please refer to **Appendix A** for a summary of SOSV and an overview of the firm's eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of Nascent Materials and of the business's eligibility as a Qualified Business. Finally, please refer to **Appendix C** for an overview of the proposed Qualified Investment transaction terms and related reserves for subsequent follow-investments, transaction management fees, and direct administrative expenses.

QUALIFIED INVESTMENT REQUIREMENTS

Qualified Venture Firms may submit applications for Qualified Investments funded by the Program after receiving NJEDA Board approval as a Qualified Venture Firm or in conjunction with an application for certification as a Qualified Venture Firm. While applications for Qualified Investment are submitted by Qualified Venture Firms, the applications contain information about both the Qualified Venture Firm and the proposed Qualified Business seeking capital. Staff review investment applications on a first-come, first-served basis and screen both Qualified Venture Firms and proposed Qualified Businesses as part of the transaction for eligibility.

The NJEDA Staff underwriting process is completed by the NJEDA Venture Programs Department in parallel with the NJEDA Product Operations Department to ensure objectivity and is limited to an eligibility review of the Qualified Investment, Qualified Venture Firm, and proposed Qualified Business. The eligibility review contains various statutory requirements that ensure the financial merit of the proposed investment, such as requiring certain experience and assets under management by the Qualified Venture Firm, as well as requiring an investment by the Qualified Venture Firm's main fund that is at least equal to the amount of the Qualified Investment. The latter ensures that the Qualified Venture Firms share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. However, the Program does not establish any additional review by staff for the financial merits of the proposed investment. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business.

QVF and Investment Requirements at Time of Initial Qualified Investment

QVFs must demonstrate continued compliance with Program initial certification requirements described in this memorandum through the time of approval for a Qualified Investment. The firms are not re-evaluated based on the Program's weighted scoring criteria at the time of application for Qualified Investment. Continued eligibility requirements for Qualified Venture Firms required at the time of application for initial Qualified Investments include, but are not limited to, those described below, which are further defined in the Program regulations.

1) Number of Investors Employed by the Firm: QVFs must continue to employ at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each) at the time of application.

2) Minimum Assets Under Management: QVFs must continue to maintain at least $10,000,000 in assets under management at the time of application.

3) Limit on Size and Number of Investments: QVFs may only complete up to two qualified investments per calendar year. Applications for investments shall not be less than $100,000 per Qualified Investment and must be limited to $5,000,000 per investment. If the proposed Qualified Business is a New Jersey university spin-off, utilizes intellectual property developed at a NJ university that is core to its business model, or is certified by the State as a "minority business" or a "women's business" pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.)., the businesses may qualify for a Qualified Investment of up to $6,250,000.

In cases where multiple Qualified Venture Firms apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same Qualified Business up to a $5,000,000 aggregate initial investment limit, or $6,250,000 limit for select types of companies, if the investments occur in the same fundraising round.

4) Concentration Limits on Qualified Venture Firms: To mitigate concentration risk, Qualified Venture Firms may only receive aggregate Program capital across investments up to 15 percent of the firm's total assets under management, to be tested at the time of initial and follow-on investment application. If the Program is unable to fulfill a firm's entire request for investment due to investment size and concentration risk policies or an availability of funds, a QVF may amend the amount requested through its investment application.

5) Initial Investments by a Firm: Any initial Qualified Investment by the Program must represent the Qualified Venture Firm's first investment into the business. This requirement is intended to prevent venture firms from using Program capital to prop-up failing investments.

6) Timing of Investment Application: Qualified Venture Firms must have at least begun negotiations over a draft term sheet with a business before applying for a Qualified Investment. In all cases, an executed stock purchase agreement, which finalizes the terms of the investment between the Qualified Venture Firm and the proposed Qualified Business, must be submitted by the Qualified Venture Firms to close on an approved Qualified Investment. The investments must be part of the same fundraising round and on equal terms.

Qualified Business Requirements at Time of Initial Qualified Investment

Proposed Qualified Businesses must also meet Program eligibility requirements prior to Qualified Venture Firms receiving approval for a Qualified Investment into the business. Eligibility is reviewed by NJEDA Staff from the Venture Programs Department in parallel with the Product Operations Department to ensure objectivity of review. Qualified Business eligibility requirements at the time of application for an initial Qualified Investment include, but are not limited to, those described below.

1) New Jersey Principal Business Operations: Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.

2) New Jersey Place of Business: Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.

3) Targeted Industry: Qualified Investments will be restricted to businesses primarily operating in one of the following program targeted industries: advanced transportation and

logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models.

4) Limit on Business Size: Qualified Businesses must employ fewer than 250 full-time employees.

5) High-growth Business: Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.

Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections from the Qualified Venture Firm. For these businesses, QVFs may submit their base case forward-looking projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in anyone-year period over the subsequent 3-5 years.

6) Concentration Limits on Qualified Businesses: The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.

QUALIFIED VENTURE FIRM COMPLIANCE REQUIREMENTS

Qualified Venture Firms must submit an annual report to the Authority demonstrating they remain in compliance with Program requirements. Ongoing compliance requirements include continuing to maintain at least $10,000,000 in assets under management and two full-time investors employed to direct investment capital with at least five years of professional money management experience. QVFs must also submit documentation demonstrating the firm's efforts to identify New Jersey-based investment opportunities.

Additionally, Qualified Venture Firms that received points through the Program's weighted criteria evaluation model for maintaining robust diversity, equity, and inclusion or New Jersey Incentive Area investment policies must demonstrate best efforts to comply with their policy goals. Firms that fail to do so will be rescored through the weighted criteria evaluation model and risk decertification should their score fall below the minimum acceptable score.

The annual reports will also include important information pertaining to program Qualified Investments, such as audited financial statements of the Evergreen SPV established to execute the Qualified Investment and Qualified Venture Firm Active Fund. Firms that fall out of compliance with program requirements risk decertification.

QUALIFIED BUSINESS COMPLIANCE REQUIREMENTS

Qualified Businesses that receive Qualified Investment capital from the Evergreen Fund must meet ongoing compliance requirements throughout the Qualified Business Compliance Period, which is the period starting with the initial Qualified Investment and ending with the sale or other disposition of all shares of stock of the Qualified Business from the Evergreen SPV, including any distribution of the shares to the NJEDA. If the distribution of the shares of stock from the Evergreen Fund SPV to the NJEDA occurs in less than five years after the Qualified Investment, the Qualified Business Compliance Period shall be five years or such other shorter Qualified Business Compliance Period determined by the NJEDA, which may be based on factors including, but not limited to, the number of the Qualified Business full-time employees filling a position in New Jersey.

Throughout the Qualified Business Compliance Period, Qualified Businesses that receive a Program Qualified Investment must maintain a place of business and their principal business operations in New Jersey, as described in this memorandum. Compliance will be tested annually, and businesses that fail to meet ongoing requirements will receive a one-year grace period to come back into compliance. If Qualified Businesses fail to continue to meet Program compliance requirements following the conclusion of the one-year grace period, the NJEDA may exercise its right of redemption to require the Qualified Business to redeem the shares purchased with the Qualified Investment and any follow-on investments for an amount equal to the greater of the cost of the Qualified Investment plus follow-on investments or the fair market value of the shares at the time of the redemption demand. If the Qualified Venture Firm or any other investor offers to purchase the shares for the same amount as set forth above, the NJEDA may accept such purchase instead of redemption.

FOLLOW-ON INVESTMENT REQUIREMENTS

The Program authorizes subsequent follow-on investments alongside Qualified Venture Firms into Qualified Businesses after the initial Qualified Investment. The Authority shall have the right, but not the obligation, to make a follow-on investment from the Evergreen Fund into the Qualified Business. Follow-on investments will be made on a pro rata basis with the Qualified Venture Firm's investment at the same ratio which the Evergreen Fund matched the initial Qualified Investment.

The screening process for follow-on investments requires NJEDA Staff to verify that firms and businesses continue to meet Program requirements and that the transaction conforms to Program eligibility and concentration limits. Staff will also screen for any clear signs of financial, reputational, or legal risks. As previously approved by the Board of the Authority, follow-on investments may be approved under delegation to the Authority's Chief Executive Officer (with certain exceptions) to best match operational needs and intensity with the expectations of the private market transaction.

Staff will seek Board approval for follow-on investments for certain atypical cases, such as if Qualified Venture Firms have been previously decertified or the Qualified Venture Firm or Qualified Business is not in compliance with Program requirements. Because follow-on investments may present an opportunity for the State to increase its exposure to a valuable investment, the Program regulations permit the Authority to decide whether to approve or decline a follow-on investment if the Qualified Venture Firm is decertified or the Qualified Venture firm or Qualified Business are not in compliance with Program requirements, subject to approval by the Board of the Authority. Examples of scenarios the Authority may deem an investment is in the best interest of the State are cases of atypical financial promise, such as 'unicorn' investments that are rapidly appreciating in value, or while significant economic development is still anticipated in New Jersey, despite a shortfall in technical compliance.

The maximum follow-on investment from the Fund into a qualified business shall not exceed the lesser of i. $5,000,000 (or up to $6,250,000 if so approved) on an aggregate basis of follow-on investments in a twelve-month period; ii. a business concentration limit of 10 percent of invested plus uninvested capital of the Evergreen Fund; and iii. a Qualified Venture Firm concentration limit of 15 percent of the total invested with the Qualified Venture Firm by all its investors, including investments in any Evergreen special purpose vehicles (total assets under management).

RECOMMENDATION:

Based on the evaluation conducted by Authority staff, according to the criteria established by the legislation, and clarified through Program regulations and the April 2022 Program Board memorandum, approval for an amount up to a $750,000 initial Qualified Investment alongside SOSV into the innovative, high-growth, New Jersey-based company Nascent Materials is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional $120,000 and for expected associated direct administrative expenses of up to an additional $215,000. Following approval, the Program will reserve an additional $800,000 for subsequent follow-on investments into Nascent Materials matching the ratio of reserves set aside by SOSV V LP.

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Tim Sullivan, CEO

Prepared by:
Alexander Pachman – Manager, Venture Products
Kremena Mironova – Senior Product Officer, Venture Products

Attachment(s):
Appendix A – Summary of Qualified Venture Firm and Eligibility
Appendix B – Summary of Qualified Business and Eligibility
Appendix C – Confidential Summary of Transaction Details

Appendix A – Summary of Qualified Venture Firm and Eligibility

SOSV

NJEDA Staff finds the Qualified Investment applicant, SOSV, meets all Program Qualified Investment eligibility requirements. As described in this memorandum, the firm maintains at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each). Additionally, Staff finds that the firm exceeds the Program minimum assets under management of at least $10,000,000 in assets under management, which is measured as the sum of the firm's net assets of the funds managed by the Qualified Venture Firm, equity capitalization of the funds managed by the Qualified Venture Firm, and written commitments of cash or cash equivalents committed by investors. The proposed Qualified Investment represents the firm's first priced equity round investment into the Qualified Business and the application for Qualified Investment was submitted within 90 days of the Qualified Venture Firm's investment into the Qualified Business. Finally, the proposed Qualified Investment size of $750,000 falls within the 15 percent concentration limit of the firm's total assets under management.

Overview

In 1995, Sean O'Sullivan founded SOSV as a family office to make investments in early-stage startups. In 2010, SOSV began its evolution into an institutional investment firm, leading industry vertical startup accelerator programs. Shortly thereafter, SOSV raised third-party capital into managed funds to deploy as a venture capital firm. Today, Princeton, NJ-based SOSV is a global multi-stage venture capital firm that operates early-stage deep-tech programs and has over $1 billion in assets under management. In addition to its Princeton, NJ headquarters, the firm operates offices in Newark, NJ, New York, NY, San Francisco, CA, Shenzhen, China, Shanghai, China, Taipei, Taiwan, and Tokyo, Japan. The firm is current investing out of a 2023 vintage year $306M fifth core fund, SOSV V LP.

SOSV seeks to leverage three key economic trends and has created three startup programs focused on these themes. Biology (IndieBio), hard tech (HAX), and emerging and frontier markets cross-border technologies (Orbit Startups). According to Pitchbook data, SOSV is one of the most active Seed-stage investors globally, specifically in the verticals of biology and hard tech. Many of the firm's biology and hard tech investments are focused on human health and climate change.
In 2021, SOSV formed HAX LLC, the firm's Newark-based hard tech accelerator, in partnership with the Authority investing $25M into the newly formed company for a 50% ownership share. SOSV committed to investing an average of $250,000 into at least 100 participating startup companies in the HAX Program for a total of at least $25M over a 5.5 year period. In November 2022, HAX was approved for support from NJ Accelerate. Over the years SOSV has been a frequent participant at the Authority's New Jersey Founders & Funders events.

Strategy

SOSV seeks to invest, globally, in pre-Seed, Seed, Series A+, and growth-stage rounds of financing of companies operating in biotechnology, hard tech, and emerging and frontier markets cross-border technologies. SOSV typically makes initial investments of up to $500,000 when a startup joins one of its development programs (HAX, IndieBio, Orbit Startups). Thereafter, the firm will continue funding successful companies through their Seed and Series A rounds of financing, and beyond. Their startup development program alumni are provided investor introductions and ongoing access to experts on the SOSV teams. The firm typically makes more than 300 investments per year, including 100+ pre-Seed financing round investments in new startups.

Investment and Management Team

SOSV's senior team is comprised of eight individuals located across China, the United States, and Europe. Firm-wide SOSV employs over 100 staff globally.

Mr. Sean O'Sullivan, Founder and Managing General Partner, SOSV leads the organization and heads the investment committee. Mr. O'Sullivan is an inventor, entrepreneur and investor. He co-invented street maps on personal computers in 1985 at MapInfo and co-coined the term "cloud computing" in 1996 during his work co-founding NetCentric. Mr. O'Sullivan has a 20+ year track record of successful exits, including as co-founder of MapInfo (NASDAQ), early investor in Harmonix (70x return), and many others. Mr. O'Sullivan has been granted nineteen U.S. and European patents, with others pending, and software that he wrote has been used by many millions of users.

Mr. Duncan Turner, General Partner, SOSV and Global Managing Partner, oversees HAX USA in Newark, New Jersey and the HAX program in Shenzhen, China. Mr. Turner has led product design and consumer engagement strategy projects for several Fortune 500 companies while at IDEO and has mentored at HAX since its inception in 2012.

Mr. Cyril Ebersweiler, General Partner, SOSV and Managing Director at HAX. Mr. Ebersweiler founded and ran two major SOSV programs: HAX (2012) and Chinaccelerator (2010). He is a board member and advisor to a few startups, including Formlabs, Angel List, Collaborate (ACQ: CISCO), Hackster (ACQ: AVNET), and Adoreme. He is an experienced global investor in deep tech (250+ companies). Mr. Ebersweiler currently oversees HAX along with SOSV General Partner, Duncan Turner.

Mr. Stephen Chambers, General Partner, SOSV and Managing Director, IndieBio NY program, has a PhD in Molecular Biology, and has a deep background in entrepreneurship in the pharma industry. Stephen was one of the founding scientists at Vertex Pharmaceuticals, working on many drug discovery programs including in the FDA approval of Agenerase & Lexiva.

Mr. Po Bronson, General Partner, SOSV, and Managing Director at IndieBio manages the IndieBio San Francisco team, integrating together the strategy, team leadership, and portfolio selection at the program level. He also works with portfolio startups on their storytelling to investors and customers, and guides IndieBio's strategic thinking around future markets.

Ms. Pae Wu, General Partner, SOSV and CTO at IndieBio, is responsible for IndieBio's portfolio management and technical oversight. Prior to joining IndieBio, Ms. Wu served as the Scientific Director of Telefónica's moonshot factory, Alpha (Barcelona). She was Science Director at the US Office of Naval Research – Global (Singapore), and technical consultant at the Defense Advanced Research Projects Agency (DARPA).

Mr. Mohan Iyer, General Partner, SOSV and Partner at IndieBio San Francisco. Mr. Iyer brings deep operational experience with more than 25 years as an entrepreneur and leader at several life science startups where he enjoyed developing strategy, building successful teams, executing against complex operational goals, fundraising, and forging sell-side strategic partnering and M&A deals.

Mr. Stephen McCann, Chief Financial Officer and General Partner, SOSV oversees the Cork, Ireland office. He is responsible for the strategy and execution of SOSV's finance team, legal team, and investment operations. He is an active mentor to the 1,000+ companies in the SOSV portfolio on financial and business operations. Before joining SOSV, Mr. McCann held senior finance roles in Bord Gáis Energy (a leading Irish semi-state organization), an international retail business, and a leading audit and accountancy firm.

New Jersey Investment History

The firm's funds have invested in 50 Newark, New Jersey-based business over the past five years. These businesses are: RightBot (2020), XN Health and Kolibri (2021), Lura Health (2019, 2020, 2021), Portable Diagnostics Systems, PONS, MetalLight, Tandem, Dia (fka E-Sentience), Still Bright, Gaia, Renovate, Chronos, Maa'va (2022); OpenShelf, Amatec, Algoma Homes, Mimic, Arculus, Verdex, TrelliSense, Mitico, Vandrax Technologies, Biomr, Silana, AuraSense, Oli Technologies, Cool Amps, Material, PureLi, LightHearted AI, Cocoon Carbon, Carbon Bridge, Qnetic, AtomICS, AtoMe, 3DK Tech (2023), Flux Climate Tech, Level Zero Health, Navion, Gemma Robotics, Sodex, Cephia AI, Danu Robotics, Xera Energy, Kaio, Sharper Sense, Seismi, BenerG, and Yplasma (2024.

Appendix B – Summary of Qualified Business and Eligibility

Nascent Materials

Business Overview

Nascent Materials leverages an innovative production process to develop cost-effective cathode active materials, a key input in lithium-ion batteries. Cathodes are the single most expensive component of lithium-ion batteries, representing roughly 40% of total battery cell cost and current cathode production capacity largely stems from manufactures based in China. The lack of domestic battery material supply and cathode manufacturing increases the input costs of US-based battery producers that incur meaningful custom duties, transportation fees, and insurance costs. The demand for US-based cathode production is experiencing rapid growth and currently far exceeds supply. Nascent Materials' proprietary chemistry, manufacturing processes, and deep supply chain expertise position the company well to meet this growing demand.

The company was formed in 2024 is currently working out of SOSV's Newark-based deep tech accelerator, HAX, which was launched in partnership with the Authority in late 2022. Nascent Materials will generate revenue through direct sales of lithium iron phosphate (LFP) and lithium manganese iron phosphate (LMFP) cathodes to battery manufacturers and licensing of proprietary technologies to join venture partners. LFP and LMFP cathodes are emerging as the preferred solution for applications such as battery storage, passenger EVs, and cellular phone applications due to raw material availability, safety, and technical performance. Nascent Materials has two filed patents and is developing seven others supporting its proprietary production technologies, which increase LFP and LMFP cathode production efficiency, technical performance, and improve the environmental efficiency of the production process.

The company has formed strategic partnerships with two cathode production companies based in the U.S. and India, which will enable Nascent Materials' rapid market entry and scaling with partners in place to shoulder the large costs associated with scaling cathode manufacturing. Nascent Materials will be the technology provider in these joint ventures and will only 30-40% of the JV entity. These JVs will leverage legacy battery manufacturing production technologies, enabling the company to safeguard its competitive advantage enabled through its proprietary technologies. Both production lines are scheduled to launch on a pilot basis beginning in 2H2025 with plans for meaningful expansion.

Team

Nascent Materials is led by CEO Chaitanya Sharma who has an extensive background in factory operations and battery production. Mr. Sharma has dedicated his career to the clean tech sector and has been integral to the growth of several startups, including Verdigris, where he served as Partner and helped the company grow to over 50 employees. Verdigris is a California-based software as a service platform that develops artificial intelligence to optimize energy consumption that has raised over $50M in third-party capital. Mr. Sharma then transitioned into factory operations and battery production, leading the build of the Tesla Gigafactory 1 in 2015, the first ever Gigafactory. Mr. Sharma was one of the first engineers hired on the project, growing operations to over 10 GWh/yr of production capacity. From 2021 to 2023, Mr. Sharma served as CEO of iM3NY, a battery manufacturing company based in New York. In this capacity, Mr. Sharma led the build of a Gigafactory, fundraising, hiring, and project and product development. Under Mr. Sharma's leadership the company raised over $170M in third-party capital. Insights gained while serving as CEO of iM3NY about challenges faced by U.S.-based battery cell manufactures sparked the idea to launch Nascent Materials. Mr. Sharma earned a Bachelors in Mechanical Engineer degree from the Indian Institute of Technology (IIT) Roorkee and a Masters in Mechanical Engineering from Stanford University.

Mr. Sharma's prior experiences offer a unique perspective about the scale up and supply chain challenges associated with battery manufacturing and of the challenges faced by U.S.-based cell manufactures in accessing North America manufactured cathode active materials. While Mr. Sharma is currently the company's sole full-time employee, Nascent Materials has identified two planned hires with technical backgrounds in materials sciences and equipment that will join the company full-time following the Series Seed capital raise and will primarily be based in New Jersey.

Eligibility
NJEDA Staff finds the proposed Qualified Business, Nascent Materials, meets all Program Qualified Investment eligibility requirements**.** As described in Table 1 below, the Newark-based high-growth, innovative business maintains a place of business and its principal business operations in New Jersey and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, Nascent Materials operates in the Program-targeted clean energy and advanced manufacturing industries and satisfies the Program's high-growth test using forward-looking projections prepared by SOSV highlighting the companies projected revenue growth of 437% YoY for the next 5 years. Finally, the proposed Qualified Investment size of $750,000 is within the concentration limit of aggregate investments into any Qualified Business of 10 percent of the Program's uninvested and invested capital.

Table 1: Nascent Materials Eligibility Review

Criteria	Criteria Explanation	Eligibility
NJ Principal Business Operations	Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to	1 out of Nascent Material's 1 full-time employees work in New Jersey out of the HAX accelerator in Newark.

	individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.	
NJ Place of Business	Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.	Nascent Material's corporate headquarters is located at the HAX accelerator in Newark, New Jersey.
Targeted Industry	Qualified Investments will be restricted to businesses operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models. Qualified Business shall be considered to be in a targeted industry if the business is engaged primarily in a targeted industry.	Nascent Materials operates in the Program-targeted clean energy and advanced manufacturing industries.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	Nascent Materials maintains 1 full-time employee.
High-growth Business	Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round. Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections. For these businesses, Qualified Venture Firms	Nascent Materials satisfies the Program's high-growth test using forward-looking projections prepared by SOSV highlighting the company's projected revenue growth of 437.4% YoY for the next 5 years. Forward-looking projections are a permissible in this case, as Nascent Materials has less than one year of revenue and customers and has not previously raised third-party

	may submit their base case projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in any, one-year period over the subsequent 3-5 years.	priced equity capital prior to this financing round.
Concentration Limits on Businesses	The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.	The proposed $750,000 Qualified Investment is less than 2% of the Program's uninvested and invested capital.

Note: Table 1 depicts the Program's primary Qualified Business eligibility requirements, however the Program maintains additional technical requirements, such as the requirement to register to do business in the State.

NJEDA

MEMORANDUM

TO:	Members of the Authority
FROM:	Tim Sullivan, Chief Executive Officer
DATE:	March 12, 2025
RE:	Memorandum of Understanding with NJ Green Bank for 2023-2025 RGGI Funding

Summary

The purpose of this memorandum is to seek approval from the Board for a Memorandum of Understanding (MOU) with the New Jersey Green Bank ("NJGB") (Exhibit A). This MOU would provide for the NJEDA's transfer of $50 million in Regional Greenhouse Gas Initiative ("RGGI") funds from its 2023-2025 allocation to NJGB and set forth the terms of NJEDA's and NJGB's ongoing cooperation concerning the transfer of funds and their use for clean energy related projects. The NJEDA's funding of the NJGB will assist the Authority in meeting its obligations under the Global Warming Response Act ("Act"), the Rules promulgated thereunder ("Rules") and the 2023-2025 Strategic Funding Plan ("Plan") to both disburse RGGI funds and support the clean energy economy for New Jersey businesses and communities.

Background: The Regional Greenhouse Gas Initiative

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. RGGI is a cooperative effort among states in the New England and Mid-Atlantic region to reduce greenhouse gas emissions through the operation of a carbon dioxide budget trading program. New Jersey was an original member of RGGI at the time of its creation in 2005. New Jersey withdrew from RGGI effective January 1, 2012. On January 29, 2018, Governor Murphy signed Executive Order 7 (EO7), instructing state government agencies to return New Jersey to full participation in RGGI as quickly as possible.

Through its participation, New Jersey has received funding that totaled approximately $372 million from 2020-2022. In 2023 and 2024, RGGI auctions and fixed price sales resulted in over $465 million in funding to the State. The Plan is reviewed every three years and updated to ensure that investments are aligned across agencies to meet the Murphy Administration's clean energy and greenhouse gas reduction goals. Pursuant to the 2023-2025 Plan, the State is deploying those funds among four initiative categories: 1) Accelerate Healthy Homes and Building Decarbonization; 2) Catalyze Clean, Equitable Transportation; 3) Strengthen New Jersey's Forests; and 4) Promote Blue Carbon in Coastal Habitats. Programs and projects within these initiatives must demonstrate net emission reductions and economic co-benefits.

New Jersey's RGGI funds allocation is governed by the Act, N.J.S.A. 26:2C-45 et seq. and the Rules promulgated thereunder at N.J.A.C. 7:27D-1 et seq. Pursuant to N.J.S.A. 26:2C-51 three state agencies (NJEDA, NJDEP, and the New Jersey Board of Public Utilities (NJBPU)) are allocated RGGI proceeds as follows: NJEDA receives 60 percent to provide grants and other forms of financial assistance to commercial, institutional, and industrial entities to support end- use energy efficiency projects and new, efficient electric generation facilities; NJBPU receives 20 percent to support programs that are designed to reduce electricity demand or costs to electricity customers in the low-income and moderate-income residential sectors; and NJDEP receives 10 percent to support programs designed to promote local government efforts to plan, develop and implement measures to reduce greenhouse gas emissions and 10% to support programs that enhance the stewardship and restoration of the State's forests and tidal marshes.

NJ Green Bank

At its April 10, 2024, Board Meeting the NJEDA Board approved the creation of the New Jersey Green Bank as a subsidiary of the NJEDA focused exclusively on climate investments pursuant to Section 16 of P.L. 1997, c. 150 (C. 34:1B-159) (the "Subsidiary Act"). On May 28, 2024, the New Jersey Green Bank held its first organizational meeting, formally adopted its by-laws, and elected its first board members. While the NJGB was capitalized initially with $40 million in State funding from the FY 2023 budget, its mission is aligned with the statewide Green Bank envisioned in the 2020-2022 RGGI Funding Plan.

At its September 11, 2024, Board Meeting the NJEDA Board approved the execution of a first MOU with NJGB transferring $50 million in RGGI funds to NJGB in accordance with the 2020-2022 RGGI Funding Plan. On its December 12, 2024, Board Meeting the NJGB Board also approved the execution of the MOU. This first MOU was formally executed by both parties in January 2025. This funding helped NJGB to reinforce its balance sheet and organizational strength as it operationalizes. NJGB is in the process of setting up products to deploy funds, based on over $250 million in requests for funding received through its initial Request for Expressions of Interest solicitation.

MOU

The proposed second MOU will allow NJEDA to transfer additional existing funding already statutorily available to the NJEDA in the Global Warming Solutions Fund to the NJGB and will further assist the NJEDA in satisfying its obligations under the Act, Rules, and Plan. The NJGB satisfies the NJEDA's criteria for eligible uses of its RGGI funding and NJGB will ensure that all projects funded satisfy NJEDA's RGGI eligibility and reporting requirements.

The NJGB will be solely responsible for administering the $50 million including reviewing and approving all applicants and administering all agreements. The NJGB will report to NJEDA on a quarterly basis on the status of the funds with any information required by NJEDA so that it can confirm the funds are being used consistent with its allowable RGGI activities.

Funding Uses

If approved, the $50 million will provide funding for NJGB products designed to mobilize private capital in advancement of New Jersey's climate goals. Specifically, this funding will be used by NJGB in alignment with "Initiative One: Accelerate Healthy Homes and Building Decarbonization" as outlined in the 2023 to 2025 Strategic Funding Plan. As the Plan notes, "Initiative One aims to accelerate the pace of decarbonization of buildings in the state by strategically investing in projects and programs to increase building electrification and reduce energy consumption, energy burden, and overall emissions from the building sector…Projects will include financing beneficial electrification, renewable energy, distributed energy resources, and energy efficiency projects."

To ensure all communities benefit from the NJGB, the NJGB will prioritize providing financial support to transactions benefitting the State's Environmental Justice Communities (EJCs). Additionally, to support its efforts to advance environmental justice through its investments and financial assistance, the NJGB is in the process of forming an Environmental Justice Advisory Committee.

Recommendation

Staff recommends the Members approve the execution of a MOU with NJGB transferring $50 million in NJEDA 2023-2025 RGGI funds to NJGB to help the Authority satisfy its obligations under the Act, Rules, and Plan.

____

Tim Sullivan, CEO

Submitted by:
Sean Sonnemann, Sr. Project Officer

Attachments:

- Exhibit A –Memorandum of Understanding between NJEDA and NJGB

EXHIBIT A: MEMORANDUM OF UNDERSTANDING
BETWEEN
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AND
NEW JERSEY GREEN BANK

This **MEMORANDUM OF UNDERSTANDING** ("MOU"), effective as of the date of the last signature of the parties hereto (the "Effective Date"), is between NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA") and NEW JERSEY GREEN BANK ("NJGB"), each a "Party", and collectively "the Parties").

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

WHEREAS, NJGB is a subsidiary of the NJEDA formed pursuant to N.J.S.A, 34:1B-159; and

WHEREAS, the NJEDA Board met on March 12th, 2025 and voted to approve a memorandum of understanding with NJGB in order to transfer $50,000,000 of Regional Greenhouse Gas Initiative ("RGGI") funding ("Funds") available to NJEDA; and

WHEREAS, in order to further the State's efforts to reach its energy goals, while providing measurable benefits to Environmental Justice Communities, NJEDA desires to engage NJGB; 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. This MOU shall be administered consistent with N.J.S.A. 52:14-1, et seq.; and

WHEREAS, New Jersey enacted the Global Warming Solutions Fund Act, P.L. 2007, c. 340 (N.J.S.A. 26:2C-45 to -57) (the "Act"), with rules at N.J.A.C. 7:27D-1 et seq. (the "Rules"), which enabled the State to participate in a carbon dioxide ("CO2") emission trading program and established specific state agency funding allocations and programmatic areas of focus, and established the Global Warming Solutions Fund ("GWSF"); and

WHEREAS, NJEDA previously transferred $50,000,000 of RGGI funds to NJGB under a previous MOU executed in January 2025 in alignment with "Initiative Four: Create a New Jersey Green Bank" to fund projects as outlined in the 2020-2022 Strategic Funding Plan; and

WHEREAS, NJEDA has additional funding available under "Initiative One: Accelerate Healthy Homes and Building Decarbonization" as outlined in the 2023-20225 Strategic Funding Plan ("Plan") and the transfer of additional EDA RGGI funds to the NJGB is the most effective and best way for the Parties to accomplish their respective mandates under the Act, its associated Rules, and the Plan; and

WHEREAS, the Parties have determined that they can assist each other with the implementation of the Funds by providing the support outlined below, and that it is mutually beneficial to enter into this MOU.

NOW THEREFORE, the Parties hereby 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 are entering into this MOU to document the mutual understanding and intention of the Parties in carrying out their respective obligations under this MOU.

3. Responsibilities of NJEDA.
   a. NJEDA shall transfer $50,000,000 of its 2023-2025 RGGI funding allocation from the GWSF to NJGB.

4. Responsibilities of NJGB.
   a. Accept the aforementioned Funds and ensure that they are used consistently with NJEDA's obligations under the Act, Rules, and Plan.

5. Funding. NJGB may use the Funds as follows: funding for projects in accordance with Initiative One of the 2023-2025 RGGI Strategic Funding Plan: "Accelerate Healthy Homes and Building Decarbonization." The Funds shall be used solely for the purposes set forth in this MOU.

6. Reporting. A Party receiving funds under this MOU shall provide the funding party or its designate with reports on a quarterly basis. The NJGB will provide the NJEDA with any information that is required of NJEDA to report under the Act, Rules, and Plan.

7. 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:

For NJEDA:	For NJGB:
Sean Sonnemann	Ryan Klaus

8. Term and Extension. This MOU shall remain in effect for 10 years from the Effective Date. The Parties may extend the MOU for an additional 1 to 5 years by mutual consent, provided that such consent is in writing, and signed by the authorized representatives of each Party.

9. Termination. This MOU may be terminated by either Party upon 90 days prior written notice to the other Party.

10. Duties Upon Termination. The parties agree to provide a final accounting on the Funds. Any unencumbered funding shall be returned to the NJEDA upon the termination or expiration of this MOU

11. Notices. All legal notices (not including day-to-day business communications) from one Party to the other regarding this MOU shall be sent to the designated contacts provided below. The Parties will notify each other in writing of any change in these contacts within ten (10) business days:

NJEDA	NJGB
Tim Sullivan, CEO 36 West State Street P.O. Box 990 Trenton, NJ 08625	Ram Akella, Board Member 36 West State Street P.O. Box 990 Trenton, NJ 08625

12. Assignment. This MOU may not be assigned by a Party without the prior written consent of the other Party.

13. Third-Party Beneficiaries. This MOU is intended for the sole benefit of the Parties and shall not be construed to create any third-party beneficiary.

14. Dispute Resolution. In the event a dispute arises between the Parties concerning this MOU, the CEO of NJEDA and the Executive Director of NJGB, or their appointed representatives, shall meet to resolve such dispute.

16. Applicable Law. The Parties shall retain all the powers, obligations and immunities provided by law. Each Party shall be responsible for adhering to all applicable laws, regulations, and its own Standard Operating Procedures in the performance of its obligations under this MOU.

17. 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 or other publicity.

18. Counterparts. 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.

19. Electronic Signatures. The Parties agree that the execution of this MOU by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

20. Entire Agreement. This MOU reflects the entire understanding of the Parties, and it supersedes any prior understandings of the Parties. It 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.

21. Miscellaneous.
   a. 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.
   b. The Parties agree to strictly control the use and retention of any personal and confidential information provided by the other Party so that only personnel who have a need to know have access to such information. No further dissemination or use of such information is authorized without written permission of the Party from which such information originated, unless required by law.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives.

For NJEDA	For NJGB
Name: Tim Sullivan	Name: Ram Akella
Title: CEO	Title: Board Member
Signature:	Signature:
Date:	Date:

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Office

DATE: March 12, 2025

RE: Recommendation for Additional Funding for the Small Business E-commerce Support Program (SBESP)

Summary

The Members' approval is requested to:

1. Utilize $6 million in funding from the Fiscal Year 25 State appropriation for the Main Street Recovery Finance Program to supplement the Small Business E-commerce Support Program (SBESP). The additional funding allows the contracts to remain in effect for the full term until February 12, 2027.

Background:

On December 21, 2022, the Board approved the utilization of $1 million of Main Street Recovery Finance Program funding to create the Small Business E-commerce Support Program – a pilot product that provides e-commerce/digital marketing consulting services to small businesses to assist with the development of websites, e-commerce platforms and digital marketing plans. As use of web-based platforms continues to increase many small, customer-facing businesses are in need of a robust online presence to help them complete and thrive in today's economy. It is especially difficult for business owners that own or rent their commercial space to make investments in digitization due to limited technical capabilities, experience and financial resources. They need immediate assistance to transform and adapt their online sales and marketing activities and allow them to operate profitably in today's economy. The E-commerce Support Program connects eligible small businesses in the restaurant, retail and personal care (e.g., barbershops, hair salons, nail salons, etc.) industries to consultants that can develop a fully functional online platform, provide a marketing plan, and train business owners and their staff to use and maintain the implemented solution effectively to increase sales and/or establish an online presence.

The CEO was also granted delegated authority to increase funding to a total of $4 million should demand exceed the $1 million in available funding (ref. Exhibit A for programs memo and specifications).

On the same date, the Board also approved award of contracts to seven (7) firms to provide these services for a two (2) year term, with two (2) one (1) year extension options to be exercised at the sole discretion of the Authority at the same pricing, terms and conditions.

Due to demand for this product, the CEO under delegated authority approved supplemental funding of $2 million on September 27, 2023, and $1 million on August 9, 2024, bringing the total funding for this product to the Board approved $4 million.

Since the program launch on February 24, 2023, NJEDA has approved 500 projects totaling over $3,904,069 in assistance (ref. Exhibit B for Main Street Recovery Finance Program Summary), and projects continue to be submitted on a weekly basis.

At this time, the $4 million approved by the Board in December 2022 to fund the program is expected to be exhausted by the end of Q1 2025. To date the program has been very successful with over $1 million in assistance approved within 8 months of launch. In customer satisfaction surveys received from program participants, 88% report being satisfied or very satisfied with all aspects of the program, 85% felt it would help their business succeed, 81% felt it would help their business grow and 91% would recommend the program to other business owners.

We expect continued demand for the product and anticipate additional funding in the amount of $6 million will be needed to cover approvals through expiration of the final contract extension on February 12, 2027. No other changes to the prior approvals other than the funding increase are being requested at this time.

Recommendation:

The members of the Board are asked to approve the utilization of $6 million from the Fiscal Year 24-25 State appropriation for the Main Street Recovery Finance Program to allow for continuation of the Small Business E-commerce Support Program and support of small businesses throughout New Jersey.

Tim Sullivan, CEO

Prepared by: Holly Morgan, Team Lead
Maggie Peters, Director SBS

Exhibit A – SBESP Board Memo and Product Specifications
Exhibit B – Main Street Recovery Finance Program Product Summary
(includes SBESP approvals)

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Office

DATE: December 21, 2022

RE: Small Business E-commerce Support Program

Summary

The Members are requested to approve:

1. Creation of the Small Business E-commerce Support Program – a pilot product under the Main Street Recovery Finance Program that will offer up to one million dollars ($1,000,000) in e-commerce/digital marketing consulting services to be provided to eligible New Jersey restaurants, retail stores and personal care businesses (e.g., barbershops, hair salons, nail salons, etc.) that are situated in a commercial location and meet the U.S. Small Business Administration (SBA) definition of a small business, to assist with the development of websites, e-commerce platforms and digital marketing plans.

2. Entering into contracts with the seven (7) firms indicated in this memo to provide E-commerce/Digital Marketing Services to New Jersey restaurants, retail stores and personal care businesses for a two (2) year term, with two (2) one (1) year extension options to be exercised at the sole discretion of the Authority at the same pricing, terms and conditions. The total combined contract award is based on a budget of one million dollars ($1,000,000).

3. Utilization of up to one million dollars ($1,000,000) from the Main Street Recovery Finance Program to fund the Small Business E-commerce Support Program, with delegation to the Authority's Chief Executive Officer to increase funding through contract amendments up to a total of four million dollars ($4,000,000) in the event the demand exceeds the one million dollars ($1,000,000).

4. Delegation to the Authority's Chief Executive Officer to approve individual requests for a Small Business E-commerce Support Program up to a maximum of eleven thousand four hundred dollars ($11,400) in accordance with the terms set forth in the attached product specifications.

Background

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (ERA) into law. The ERA presents a strong recovery and reform package that will address the ongoing economic impacts of the COVID-19 pandemic and position New Jersey to build a stronger and fairer economy that invests in innovation, in our communities, and in our small businesses the right way, with the protections and oversight taxpayers deserve. Tax incentives and other investment tools are critical to economic development, and when used correctly they can drive transformative change that uplifts communities and creates new opportunities for everyone. The ERA includes fifteen plus (15+) economic development programs, including:

- Tax credits to incentivize job creation and capital investment;
- Investment tools to support and strengthen New Jersey's innovation economy;
- Tax credits to strengthen New Jersey's communities including revitalization of brownfields and preservation of historic properties;
- Financial resources for small businesses, including those impacted by the COVID-19 pandemic;
- Support for new supermarkets and healthy food retailers in food dessert communities;
- Additional tax credits for film and digital media.

On July 7, 2021, Governor Murphy signed P.L. 2021 c.160 further improving the programs established under the New Jersey Economic Recovery Act of 2020.

One of the fifteen plus (15+) programs established under the ERA is the Main Street Recovery Finance Program, a $100 million small business support program under which individual financial assistance products will be created, all of which will share a common purpose of supporting the growth and success of small businesses in New Jersey. As of today, one hundred and fifty million dollars ($150,000,000) has been appropriated for the Main Street Recovery Fund, which funds products in the Main Street Recovery Finance Program. On August 11, 2021, the Members approved the creation of special adopted rules creating the Main Street Recovery Finance Program. These rules created two initial products under the Main Street Recovery Finance Program – the Small Business Lease Assistance Grant and the Small Business Improvement Grant. On November 13, 2021, the Members approved the creation of a third pilot product under the Main Street Recovery Finance Program - the Main Street Micro Business Loan. At the time each of these products were approved, Members were advised that requests to create additional pilot products under the Main Street Recovery Finance Program would be forthcoming. On February 9, 2021, the Members approved the creation of a fourth product under the Main Street Recovery Finance Program – the Main Street Lenders Grant. This memo is submitted to request the Members approval to create a fifth pilot product the Small Business E-commerce Support Program.

As the economy continues to recover from the COVID-19 pandemic and use of web-based platforms increases, many small, customer-facing businesses are in need of a robust online presence to help them complete and thrive. It is especially difficult for these business owners that own or rent their commercial space to make investments in digitization due to limited technical capabilities, experience and financial resources. They are in need of immediate assistance to transform and adapt their online sales and marketing activities and allow them to operate profitably in today's economy.

The product being presented for the Members approval in this memorandum is Small Business E-commerce Support – a pilot product under the Main Street Recovery Finance Program that will offer up to one million dollars ($1,000,000) in e-commerce/digital marketing consulting services to be provided to eligible New Jersey restaurants, retail stores and personal care businesses (e.g., barbershops, hair salons, nail salons, etc.) that are situated in a commercial location and meet the

U.S. Small Business Administration (SBA) definition of a small business. This product will provide the assistance these businesses need to survive and thrive in today's economy. A summary including contractor engagement, product details, eligibility criteria, available support, maximum assistance amounts and the approval process is provided below.

Product Details

The Small Business E-commerce Support Program will connect eligible small businesses in the restaurant, retail and personal care (e.g., barbershops, hair salons, nail salons, etc.) industries to consultants that will offer E-commerce/Digital Marketing Services to assist with the development of websites, e-commerce platforms and digital marketing plans, thereby enabling businesses to increase their client base, better serve customers and operate profitably while adhering to current social distancing limitations/health guidelines and accommodating changing customer preferences.

The Authority will issue a press release to announce the product and will market it to businesses to generate leads. The Authority will distribute leads to Contractors (the selection of which is described in detail in a section below) beginning with the highest scored Contractor for the applicable region and continuing sequentially by score on a rotating basis. Awarded Contractors are also responsible for marketing and outreach to potential clients and must make a good faith effort to ensure that forty percent (40%) of clients served are located within Qualified Opportunity Zones, with focus on serving small, women, minority, veteran and disabled veteran owned businesses.

Interested businesses will be required to complete an initial intake form. The Contractor will make initial contact with a potential client and schedule a diagnostic interview to assess the client's needs within one (1) week of initial contact. The Contractor will then develop and present a proposal to the client for approval and signature. Following client approval, the Contractor will forward the signed proposal to the Authority for project approval. Once the project is approved by the Authority, the Contractor will submit an invoice for fifty percent (50%) of the estimated project cost.

To be eligible for assistance, businesses must meet the product eligibility parameters. The business must be a restaurant, retail store or personal care business (e.g., barbershop, hair salon, nail salon, etc.) situated in a commercial location with a physical store front in the State and currently registered to do business in New Jersey. Further, the business must meet the U.S. Small Business Administration (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 will be confirmed by required submission of a current tax clearance certificate and small business status will be verified using the business' NAICS Code and annual gross revenue, evidenced by submission of its most recent Federal income tax filing, as compared to the SBA Table of Small Business Size Standards.

The e-commerce/digital marketing consulting services offered will consist of the following, with maximum not to exceed hours for each service:

Service	Business Type	Key Features of End Product	Estimated Hours Min-Max Not to Exceed the Maximum Hours Listed

A. Web Page Design, Development, and Implementation	All	● URL registration ● Fully functional web landing page which includes key information about the business, its services/ product offering, contact information, etc. **Use of pre-built website hosting platforms (e.g., Squarespace, WordPress) is encouraged.*	1-4 hours
B. Online Ordering Implementation	Restaurant	● Integrates with business' website ● Online ordering capabilities, including menu for selections and a "sold out" indicator ● Delivery or take-out options ● Online payment capability **Use of existing online ordering platform (e.g., Olo, Otter) is encouraged.*	1-4 hours
C. Online Appointment Booking Implementation	Personal Care	● Integrate with business' website ● Online menu of service options ● Online appointment booking capability **Use of existing scheduling management platform (e.g., MindBody, Vagaro) is encouraged.*	1-4 hours
D. E-commerce Platform Design, Development, and Implementation	All	● Product listing, including photos, descriptions, prices and links to back-end inventory system ● Customer account set-up capability ● Online shopping cart feature ● Online check-out and payment capability **Use of existing e-commerce platform (e.g., WooCommerce, Shopify, Wix, BigCommerce) is encouraged.*	1-40 hours
E. Website and E-commerce Platform Adaptation/ Migration	All	● Modern, easily accessible and user-friendly web landing page and/or e-commerce platform	1-10 hours
F. Online Marketing	All	Customizable by client	1-10 hours
G. Training and Post-delivery Remote Assistance	All	● One (1) hour of training for business owner and staff ● Up to two (2) additional hours of remote assistance for two (2) weeks following completion of project ● Debugging, if applicable, for two (2) weeks following completion of project	1-3 hours
H. Troubleshooting with advanced approval	All	● Up to five (5) additional hours of troubleshooting assistance ● Proposer shall obtain prior approval for all troubleshooting from the Designated Contract Manager before any work can begin	1-5 hours

Services provided and hours expended by the Contractor will be tailored to meet the needs of each individual client. Not all clients will receive all of the services listed.

The Contract will also cover the initial cost of any apps, hosting and/or domain registrations that may be purchased to develop or enhance client's website and/or e-commerce capabilities (i.e., Squarespace, Wordpress, Olo, Otter, Mindbody, Vagaro, WooCommerce, Shopfly, Wix, BigCommerce). The business owner will be responsible for all subsequent, ongoing costs/fees associated with these apps and services.

Services will be provided up to a maximum value per completed project for each type of business as follows:

- Restaurants maximum per completed project = $11,400
- Retail stores maximum per completed project = $10,800
- Personal care maximum per completed project = $11,400

Contractors will complete the following tasks in the performance of the work:

1. Identify the client's digitization needs by performing an initial intake, introductory diagnostic and developing and presenting a proposal.
2. Obtain proposal approval from the client and the Authority prior to beginning work on any project.
3. Build and implement the needed solution(s), working remotely and completing the project within four (4) weeks of the Authority's approval of the proposal; the Contractor will:
    a. Work with the client to gain an understanding of the business owner's preferences for website e-commerce platform and digital marketing design and layout;'
    b. Build a customer-facing digital interface and back-end solution based on the client's needs using client input and feedback on design, layout and content and updating the client on progress frequently throughout the process.
    c. Implement the solution, delivering a live, fully functional web page, e-commerce platform, food ordering plug-in, appointment booking and/or social media marketing plan or other solution based on the client's needs.
4. Provide client training and ongoing assistance, the Contractor will:
    a. Training the business owner and staff to use and maintain the new platform(s) effectively to increase sales and/or establish an online presence and track website traffic and customer engagement.
    b. Offer on-demand remote assistance for questions and debugging.

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., photos, screenshots, weblinks, documents, etc.). The Contractor's invoice will include the initial cost of any apps, hosting and/or domain registrations that may be purchased to develop or enhance client's website and/or e-commerce capabilities. The business owner will be responsible for all subsequent, ongoing costs/fees associated with these apps and services. 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.

Approval Process

In recognition of the anticipated volume of requests for assistance under this product and the limited discretion staff has in reviewing requests under the product parameters, the Members are requested to approve Delegation to the Authority's Chief Executive Officer to approve individual requests for assistance under the product, up to a maximum of eleven thousand four hundred dollars ($11,400) in accordance with the terms set forth in the attached product specifications.

Contractor Procurement Process

The Procurement Department issued a Request for Proposals, #2022-RFP-130, for E-commerce/Digital Marketing Services on August 31, 2022. The RFP was duly advertised in two (2) newspapers for one (1) day and posted on both the Authority's website and the NJ State Business Portal. Additionally, five hundred twenty-five (525) firms were notified of the solicitation via e-mail.

The RFP sought to solicit proposals from consulting firms experienced in the development of websites, e-commerce platforms and digital marketing plans to provide E-commerce/Digital Marketing Services to New Jersey restaurants, retail stores and personal care businesses in any or all of the Northern, Central and Southern New Jersey regions and provided for award of contracts to up to three (3) responsible Proposers in each of the three (3) geographic regions for two (2) year terms, with two (2) one (1) year extension options to be exercised at the sole discretion of the Authority. The total combined budget for these services is $1 million for the entire term of the contracts including all potential extension options.

Proposals were due on October 3, 2022, and 13 proposals were received by the due date. IPM staff reviewed all proposals for responsiveness. All 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 to market the program and conduct outreach to generate their own leads in any of the three (3) designated geographic regions throughout the State:

Rank	Proposer	Score	Comment
1	Beyond Media Global, LLC	4.4	Proposal met threshold score of 3.0
2	New Frontier	4.2	Proposal met threshold score of 3.0
3	Masterpiece Design	3.8	Proposal met threshold score of 3.0
4	Tara Dowdell Group, LLC	3.6	Proposal met threshold score of 3.0, lower ranked price
5	Positive Solutions, LLC	3.6	Proposal met threshold score of 3.0, higher ranked price
6	360 Marketing and PR	3.5	Proposal met threshold score of 3.0
7	eGrove Systems Corporation	3.3	Proposal met threshold score of 3.0

The Authority will provide leads to firms by awarded geographic region, on a rotating basis starting with the highest scored firm in each geographic region as follows:

Northern New Jersey Region		
Rank	**Proposer**	**Score**
1	Beyond Media Global, LLC	4.4
2	New Frontier	4.2
3	Masterpiece Design	3.8

Central New Jersey Region		
Rank	**Proposer**	**Score**
1	Beyond Media Global, LLC	4.4
2	Masterpiece Design	3.8
3	Positive Solutions, LLC	3.6

Southern New Jersey Region		
Rank	**Proposer**	**Score**
1	Beyond Media Global, LLC	4.4
2	Masterpiece Design	3.8
3	360 Marketing & PR	3.5

Budget and Payment

The one million dollar ($1,000,000) contract award will be expended incrementally, spread unevenly between Contractors over the Contract term as services are provided. Following project approval, the Authority will pay the Contractor fifty percent (50%) of the estimated project cost. Final payment will be issued upon successful completion of the project, as evidenced by photographs of completed work and completed customer feedback form.

Recommendation

The Members of the Board are requested to approve: (1) Creation of the Small Business E-commerce Support Program – a pilot product under the Main Street Recovery Finance Program that will offer up to one million dollars ($1,000,000) in e-commerce/digital marketing consulting services to be provided to eligible New Jersey restaurants, retail stores and personal care businesses (e.g., barbershops, hair salons, nail salons, etc.) that are situated in a commercial location and meet the U.S. Small Business Administration (SBA) definition of a small business, to assist with the development of websites, e-commerce platforms and digital marketing plans; (2) Utilization of up to one million dollars ($1,000,000) from the Main Street Recovery Finance Program to fund the Small Business E-commerce Support Program, with delegation to the Authority's Chief Executive Officer to increase funding up to a total of four million dollars ($4,000,000) in the event the demand exceeds the one million dollars ($1,000,000); and (3) Delegation to the Authority's Chief Executive Officer to approve individual requests for an Small Business E-commerce Support in accordance with the terms set forth in the attached product specifications, to decline requests, based solely on non-discretionary reasons and for final administrative decisions on appeals of non-discretionary declinations based solely on non-discretionary reasons.

Tim Sullivan, CEO

Prepared by: Christina Fuentes

Appendix A – Product Specifications

Appendix A

Small Business E-commerce Support Program
Product Specifications
December 21, 2022

Funding Source	$1 million Main Street Recovery Finance Program (NJ Economic Recovery Act 2020), with delegation to CEO to increase funding up to $4 million.
Product Expiration	Assistance will be offered until funding is exhausted.
Product Purpose	The Small Business E-commerce Support Program supports the growth and success of New Jersey small businesses in the restaurant, retail and personal care industry by offering up to one million dollars ($1,000,000) in e-commerce/digital marketing consulting services to assist with the development of websites, e-commerce platforms and digital marketing plans at no cost to the business. This funding was awarded via RFP and will be administered via 3rd party consultants.
Eligible Recipients	• Business must be a restaurant, retail store or personal care business (e.g., barbershop, hair salon, nail salon, etc.) as described in the applicant's intake form. • Final determination of businesses eligibility to receive services by a contractor is determined by NJEDA. • Business must be situated in a commercial location • Business must have a physical store front in the State. • Business must meet the U.S. Small Business Administration (SBA) definition of a small business. • Business must be currently registered to do business in New Jersey. • Business must complete an intake form. • Business must provide a current tax clearance certificate prior to approval. • Business must provide a current Federal income tax filing. • Ineligible businesses include businesses that: conduct or purveyance of "adult" (that is, pornographic, lewd, prurient, obscene, or otherwise similarly disreputable) activities, services, products, or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction, bankruptcy, fire, "lost-our-lease," "going-out-of-business," or similar sale; sales by transient merchants, Christmas tree sales, or other outdoor storage; or any activity constituting a nuisance.

Eligible Assistance Types	• Web Page Design, Development, and Implementation • Online Ordering Implementation • Online Appointment Booking Implementation • E-commerce Platform Design, Development, and Implementation • Website and E-commerce Platform Adaptation/Migration • Online Marketing • Training and Post-delivery Remote Assistance • Troubleshooting
Maximum Project Costs	Consulting services provided at no cost to businesses, up to a maximum cost per project as follows: • Restaurants maximum per completed project = $11,400 • Retail stores maximum per completed project = $10,800 • Personal care maximum per completed project = $11,400
Contractor Responsibilities	• Market product • Outreach to businesses • Initial intake • Introductory diagnostic • Develop proposal • Obtain approval • Obtain business owner input • Build solution(s) • Implement solution(s) • Training • Ongoing assistance • Obtain client feedback
Approval Process	The Authority will be responsible for reviewing and approving project proposals under Delegated Authority. Delegated approvals come from the CEO.
Funding Disbursement	The Authority will pay the Contractor fifty percent (50%) of the estimated project cost following project approval and upon receipt of invoice. 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.

Exhibit B

Main Street Products	Board Approved	Approvals	Approved Amount	Balance of Funding	Applications Under Review	Under Review Amount	Board Approval	Product Launch
Small Business Lease Grant	$26,552,500.00	672	$17,026,095.70	$9,526,404.30	140	$4,075,720.79	August of 2021	10/20/2021
EDA Admin Fee	$600,000.00							
Temp Funding	$250,000.00							
Total	**$27,402,500.00**							
Small Business Improvement Grant	$80,000,000.00	2448	$62,199,416.03	$17,800,583.97	344	$11,600,827.83	August of 2021	2/10/2022
EDA Admin Fee	$3,197,500.00							
Temp Funding	$1,750,000.00							
Total	**$84,947,500.00**							
Main Street Lenders Grant	$22,500,000.00	11	$15,700,000.00	$6,800,000.00	0	$-	February of 2022	5/26/2022
EDA Admin Fee	$675,000.00							
Temp Funding	$-							
Total	**$23,175,000.00**							
Main Street Micro Business Loan	$20,000,000.00	411	$19,993,056.80	$6,943.20	0		September of 2022	10/6/2022
EDA Admin Fee	$600,000.00							
Temp Funding	$1,000,000.00							
Total	**$21,600,000.00**							
Main Street Micro Business Loan	$28,300,000.00		$69,588,679.68	$3,025,501.81	0	$-	September of 2022	10/6/2022
EDA Admin Fee	$849,000.00						May of 2023	
Temp Funding	$-							
Total	$28,375,000.00	543	$25,349,498.19	$3,025,501.81				
Total for MBLs	**$72,625,000.00**	1465	$69,588,679.68					
Main Street Acquisition Support Grant	$10,000,000.00						February of 2024	10/1/2024
EDA Admin Fee	$500,000.00							
Temp	$500,000.00							
Total	**$11,000,000.00**							
Small Business Liquor License Grant	$10,000,000.00						November of 2024	Hasn't launched yet
EDA Admin Fee	$500,000.00							
Temp	$-							
Total	**$10,500,000.00**							
E-commerce Technical Assistance	**$4,000,000.00**	500	$3,904,068.92	$95,931.08	0	$0.00	12/21/2022	2/24/2023
(Approved amount is down this week due to 1 withdraw.)								
Total of funds allocated to products	**$211,000,000.00**	**5507**	**$172,711,317.13**	**$37,255,364.36**	**484**	**$15,676,548.62**		

Total Main Street Appropriation	$227,000,000.00
Allocated to Fund Approvals	$200,578,500.00
Allocated to EDA Admin Fees	$6,921,500.00
Allocated to Temps	$3,500,000.00
Balance	**$16,000,000.00**

Additional Funding for Main Street MBL	Board Approved	Approvals	Approved Amount	Balance of Funding	Applications Under Review	Under Review Amount	Board Approval	Product Launch
Lending Partnerships Funding FY22	$25,000,000.00							
NJEDA Administrative Fee	$750,000.00							
Funding for MBL approvals	**$24,250,000.00**	511	$24,246,124.69	$3,875.31			September of 2022	10/6/2022
Total for MBLs	$44,250,000.00	922	$44,239,181.49					

Rev. 01/30/2025

MEMORANDUM

TO: Members of the Authority

FR: Tim Sullivan
Chief Executive Officer

DA: March 12, 2025

RE: Recommendation for Addition of Funds - 2023 RFP-163
Business Attraction and Marketing Contract

Summary

The members of the Board are asked to approve the allocation of additional funds to the Authority's 2023 RFP-163 contract for Business Attraction and Marketing, which was awarded to Choose New Jersey, Inc. in June of 2023. Specifically, the Board is asked to authorize an additional $6,800,000 to enhance Choose New Jersey's ongoing contract, enabling the development and execution of comprehensive marketing campaigns and business development initiatives. These efforts aim to showcase the advantages of doing business in New Jersey, attracting both domestic and international companies to relocate and expand within the state.

Background

In New Jersey's Fiscal Year 2023 Appropriations Act, which was signed into law by Governor Phil Murphy in June of 2022, the New Jersey Economic Development Authority ("Authority") was appropriated $15,000,000 for Business Attraction and Marketing initiatives. To best utilize this funding, the Authority issued a Request for Proposals (RFP) to enter into a contract with a qualified, responsible, and recognized 501(c)(3) nonprofit organization to develop and implement an extensive marketing program that highlights the benefits of doing business in New Jersey and encourages domestic and international business entities to relocate to, and expand, within the state. The contract was valued at $14,500,000 across three years, with the Authority retaining a 3% fee for contract administration.

The Authority issued RFP 2023-RFP-163 on March 27, 2023, seeking proposals from qualified nonprofits. The solicitation was advertised in the Courier Post and Star Ledger, posted on the Authority's website, and listed on the New Jersey State Business Portal. Additionally, bid notifications were sent to 41 identified firms. The Q&A period closed on April 4, 2023, followed by two addenda clarifying submission requirements.

A four-member Evaluation Committee, comprising senior Authority officials, was formed to review proposals based on four weighted criteria: Personnel (20%), Experience (35%), Technical Proposal (30%), and Fee Proposal (15%). Proposals were due by May 17, 2023, and one submission, from Choose New Jersey, was received.

Choose New Jersey, Inc. met the RFP's evaluation criteria, achieving a total score of 4.4 (above the required minimum of 3). Based on this assessment, the Evaluation Committee recommended Choose New Jersey for the contract award.

Work Completed to Date Under the Business Attraction & Marketing Grant

Since being awarded the Business Attraction and Marketing contract in 2023, Choose New Jersey has worked extensively to promote the state as a premier business destination through high-impact marketing campaigns, global business development initiatives, and participation in high profile industry events both domestically and abroad. These efforts align with Governor Murphy's 2018 Economic Development Plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey," and support business attraction and development across the strategic sectors of advanced manufacturing, clean energy, film and digital media, finance and professional services, life sciences, non-retail food and beverage, transportation and logistics, and technology.

A significant portion of the contract's funding has been dedicated to marketing campaigns that elevate New Jersey's reputation as a top location to live, work, and raise a family. Through digital, print, and out-of-home advertising, Choose New Jersey has launched campaigns across the state and in major business hubs such as New York, California, London, Germany, Japan, Korea, and India that focus on promoting New Jersey's strengths in technology, life sciences, fintech, and advanced manufacturing. Most notably, this includes Choose New Jersey's "This Is New Jersey Campaign", which promotes the state's thriving industries, top-ranked educational institutions, exceptional talent pool, and diverse cultural landscape through a series of billboards, out-of-home, digital, and print advertisements both domestically and internationally, reaching over 4.3 billion global impressions last year. This also includes Choose New Jersey's Artificial Intelligence Campaign, promoting New Jersey as the Next Home for AI, by targeting C-Suite leaders and key decision-makers in tech and life sciences in the Tier One markets of San Francisco, Los Angeles, Boston, Seattle, New York, and New Jersey and Austin, as well as the Tier Two markets of Philadelphia, Pittsburgh, Nashville, DMV, Chicago, and Columbus, with digital, social, and out-of-home (including billboard) advertisements.

Additionally, Choose New Jersey has also invested in branding efforts within the film and entertainment industry by placing advertisements in major trade publications such as Variety and The Hollywood Reporter, including the creation of a specific Variety Paid Partner Content booklet on New Jersey's Film Industry, as well as New Jersey dailies for global film festivals, including Cannes, Tribeca, and Berlinale, to further attract media and entertainment investment. Additionally, strategic marketing partnerships with the Philadelphia 76ers, New York Jets, New Jersey Devils, and the New York Red Bulls have helped to enhance national and regional visibility through in-arena advertising, digital activations, and social media collaborations. In addition to partnering with major sports teams that have a New Jersey presence, Choose New Jersey launched a Name, Image, and Likeness (NIL) campaign in partnership with Rutgers University, highlighting the prominence and influence of Rutgers University Football and Basketball players to showcase the state's strong economy, quality of life, vibrant communities, demographic diversity, and plethora of businesses, both big and small.

Beyond marketing, Choose New Jersey has expanded its global presence by increasing the number of CNJ-branded offices worldwide. These offices function as in-country extensions of the organization, providing direct outreach to potential investors and generating business leads. Since the contract's launch, new offices have been established in East Asia and the U.S. West Coast, while existing offices in Europe and India have been expanded. Approximately 28% of business leads now stem from direct outreach through these international locations, demonstrating the effectiveness of the global expansion strategy.

Choose New Jersey has also actively participated in major business conferences and investment summits to further position New Jersey as a prime location for corporate expansion. Key engagements have included the BIO International Conference and SelectUSA Investment Summit, both critical platforms for engaging with biotech, pharmaceutical, and life sciences companies. Additional participation in events such as TechCrunch Disrupt and CES has helped highlight New

Jersey's growing prominence in artificial intelligence, fintech, and other technology-driven industries. The organization has also played a role in hosting foreign business delegations and facilitating site visits for executives considering New Jersey as a location for expansion.

Funding Request

In order to continue the momentum and impact made by Choose New Jersey to date, Authority staff is requesting approval for the allocation of an additional $6,800,000 into their current Business Attraction and Marketing contract, therefore increasing the total award to $21,300,000. Specifically, the funds requested for transfer were provided to the Authority as part of the Fiscal Year 2024 Appropriations Act, where the Authority was appropriated an additional $10,000,000 for Business Attraction and Marketing initiatives, and as part of the Fiscal Year 2025 Appropriations Act, where the Authority was appropriated $19,000,000 for Events and Marketing initiatives.

If approved, Choose New Jersey aims to use the additional funds to focus on targeted marketing efforts, specifically campaigns focused on highlighting the strength of New Jersey's economy, and attracting businesses and families to relocate to the Garden State. Additionally, further funding would allow Choose New Jersey to expand its international business recruitment efforts, particularly within high-growth sectors such as AI, clean energy, life sciences, as well as film and digital media, while also scaling up development initiatives in emerging markets, including the Middle East and Latin America. Furthermore, these funds will allow Choose New Jersey to maintain and expand its global presence through increased participation in trade missions, international business summits, and key industry events. By securing this additional allocation, the Authority aims to sustain the successes achieved thus far, ensuring that New Jersey remains at the forefront of business attraction and economic growth while continuing to generate high-value investment opportunities for the state.

Recommendation

The members of the Board are asked to approve the allocation of additional funds to the Authority's 2023 RFP-163 contract for Business Attraction and Marketing, which was awarded to Choose New Jersey, Inc. in June of 2023. Specifically, the Board is asked to authorize an additional $6,800,000 to enhance Choose New Jersey's ongoing contract, enabling the development and execution of comprehensive marketing campaigns and business development initiatives. These efforts aim to showcase the advantages of doing business in New Jersey, attracting both domestic and international companies to relocate and expand within the state.

Tim Sullivan, CEO

Prepared by: E. Corrado, Chief of Staff

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: The Next New Jersey Program – AI

Request:

The Members are asked to approve:

1) The attached special adoption of the new rules and concurrent proposed new rules for the new Next New Jersey Program – AI ("Next NJ Program – AI") and to authorize staff to (a) submit the special adoption of the new rules and concurrent proposed new rules to the Office of Administrative Law for publication in the New Jersey Register; and (b) submit the rules as final adopted rules to the Office of Administrative Law for publication in the New Jersey Register if no formal comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; and

2) The creation of the Next NJ Program – AI, a tax credit incentive program signed into law as P.L. 2024, c. 49 on July 25, 2024 (codified at N.J.S.A. 34:1B-394, et. seq.), which is designed to attract and support the artificial intelligence ("AI") industry and AI related businesses.

3) Delegation of authority to the Chief Executive Officer to approve administrative changes to approved Next NJ Program – AI as currently exists for New Jersey Economic Recovery Act of 2020 programs and for the newly approved CAFE program.

New Jersey Economic Recovery Act

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020, into law as P.L. 2020, c.156 ("ERA"). On July 7, 2021, Governor Murphy signed P.L. 2021 c.160 amending P.L. 2020, c.156 and further improving the programs established under the ERA.

The program being presented for the Members' approval in this memorandum is the Next NJ Program - AI, which will leverage $500 million of uncommitted funds from the Emerge/Aspire programs created under the ERA and will accept applications through March 1, 2029, on a rolling basis subject to available tax credits.

This memorandum provides a summary about the Next NJ Program – AI, including eligibility criteria and specific program requirements. The program rules, which will govern the program, are included in the attached rules for Board review and approval.

Program Purpose and General Description

The Next NJ Program – AI is a tax credit program aimed at drawing significant investment, creating high-paying jobs, and cementing New Jersey's position as a leader in the AI industry economy. The Next NJ Program – AI offers competitive incentives for companies ready to invest in New Jersey's AI sector and commit to the State's long-term growth. It awards tax credits to eligible businesses investing in large-scale AI data centers and AI-related development projects, including, but not limited to, visual perception, speech recognition, decision-making, translation between languages, and generative AI.

To be eligible for the Next NJ Program – AI, a project must meet various eligibility criteria at the time of application. In addition, a project must comply with certain standards during the eligibility period (that is, when tax credits can be used) and the compliance period (the additional amount of the commitment period after the eligibility period). Some of the key criteria and standards include:

- Create a minimum of 100 new full-time jobs in the State.
- Meet minimum capital investment requirement of $100 million in the State.
- Each incented job must pay at least 120 percent of the median salary for the county in which the project is located. If the qualified business facility consists of a complex of buildings spread across multiple counties, the county with the highest median salary among the counties where the buildings are located shall be used.
- The business or its division is primarily engaged in the AI industry or the large-scale AI data center industry. More than 50 percent of the businesses or division's employees are engaged in AI-related activities, or more than 50 percent of the business's or division's revenue is generated from AI-related activities, or both.
- The business will enter into a collaborative relationship with one of three types of entities.
- The business will ensure that at least 80 percent of incented employees' work time is spent in New Jersey.
- The business will commit to stay in the State and maintain the incented jobs for a total of ten (10) years.

Tax credits awarded through the Next NJ Program – AI: The eligible business shall not sell or assign a tax credit transfer certificate allowed pursuant to this section for consideration received by the eligible business of less than 85 percent of the transferred credit amount before considering any further discounting to present value that shall be permitted. The tax credit transfer certificate issued to the eligible business by the Director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to the Next NJ Program – AI statutes and any other terms and conditions that the Director may prescribe.

In addition to meeting the program eligibility, the business must be in substantial good standing with the New Jersey Department of Labor and Workforce Development, the New Jersey Department of Environmental Protection, and the New Jersey Department of the Treasury. If a compliance issue exists, the eligible business may enter into an agreement with the respective Department that includes a practical corrective action plan. Furthermore, the business will be required to provide, prior to execution of an agreement, a valid tax clearance certificate from the New Jersey Division of Taxation. The business must also comply with environmental laws (including flood hazard requirements). Projects also need to meet minimum environmental and sustainability standards established by the Authority in accordance with the green building manual prepared by the Commissioner of the Department of Community Affairs pursuant to N.J.S.A. 52:27D-130.6, regarding the use of renewable energy, energy-efficient technology, and non-renewable resources to reduce environmental degradation and encourage long-term cost reduction.

Construction contracts and building services contracts must adhere to New Jersey's prevailing wage and labor compliance requirements. Construction contracts must comply with the Authority's affirmative action requirements. The payment of prevailing wages shall apply to all construction work performed at the qualified business facility that is undertaken in connection with financial assistance received under the Program. Additionally, the payment of prevailing wages shall apply to building services work, such as maintenance and custodial services, if applicable, for the duration of the commitment period as outlined in the draft rules.

Eligibility Criteria

The following highlights certain key eligibility requirements for the Next NJ Program - AI. Full eligibility details are contained in the draft rules. To be eligible, a project must meet various eligibility criteria at application:

Job Creation

A business must create a minimum of 100 new full-time jobs to be eligible for the Next NJ Program - AI. To qualify as an eligible job, the business must demonstrate to the Authority's satisfaction that the employee spends at least 80 percent of the individual's work time in this State, is paid no less than 120 percent of the median salary for the county in which the qualified business facility is located, or if the qualified business facility is a complex of buildings which spans multiple counties, the county with the highest median salary among the counties where the buildings comprising a complex of buildings are located. Additionally, a position is not counted as an incented new full-time job unless it is in addition to the number of full-time jobs in the business's Statewide workforce in the last tax accounting or privilege period prior to the tax credit amount approval.

Capital Investment

The Next NJ Program – AI, requires a business to meet a minimum capital investment of $100 million to the qualified business facility (QBF). For specific details to eligible capital investment costs, please refer to Rules in appendix C.

Affiliates

An affiliate of an eligible business may contribute towards the capital investment and eligible position requirements and may satisfy the requirement for site control during construction and the eligibility period, but in no event shall the tax credit certificate be issued to any affiliate.

Artificial Intelligence (AI)

The business or its division is primarily engaged in the artificial intelligence industry or the large-scale artificial intelligence data center industry. A business or its division shall be considered to be primarily engaged in an industry set forth herein if more than 50 percent of the business's or the division's employees, respectively, are engaged in AI-related activities or more than 50 percent of the business's or the division's revenue, respectively, is generated from AI-related activities, or both.

Collaboration

The Next NJ Program - AI requires that the business enter into a collaborative relationship, which is a contract between the business and:

1. New Jersey-based public or private research university; or
2. New Jersey-based technology startup company; or
3. New Jersey-based incubator(s), accelerator(s), studio(s), or other similar entity or entities wherein a majority of the members of such entity or entities are technology startup companies which benefit from the collaborative relationship.

This collaborative relationship is evidenced by measures such as price concessions, artificial intelligence support services, or other measures related to artificial intelligence as determined to be appropriate by the Authority. The net cost value of any collaborative relationship shall be at least 10 percent of the total awarded amount and be in effect for the duration of the ten (10) year commitment period.

Qualified Business Facility (QBF)

Means any building, complex of buildings, or structural components of buildings, and all machinery and equipment located therein, used in connection with the operation of an eligible business in the State supporting artificial intelligence (AI) or activities related to AI development, implementation, or innovation.

Tax Credits Award Calculations

The Next NJ Program - AI tax credit awards are calculated by the lesser of:

> Method #1: 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs or
>
> Method #2: 25 percent of the eligible business's total capital investment; or
>
> Method #3: $250 million. Based on the above criteria, the calculation of the tax credit award is illustration as below:

EXAMPLE OF AWARD

AI company proposing to create and maintain ***165 jobs*** *with a capital investment of* ***$500 million***.

NEW JOBS	165
CAPITAL INVESTMENT	$500,000,000

Method 1 Calculation: (0.1% x $500 million = $500,000) x 165 new jobs = $82,500,000

 # 2 Max Percentage: 25% x $500 million = $125,000,000

#3 Max Award: Fixed cap = **$250 million**

ESTIMATED AWARD AMOUNT $82,500,000

Hence, in the above illustration, method 1 is the lesser of the three calculations, and thus, the award of the tax credits in this scenario is $82,500,000.

Post-Approval Process

After approval, the eligible business must sign an approval letter and subsequently a commitment agreement with the Authority as to the terms and conditions to receive the tax credit. Upon completion of the capital investment at the qualified business facility ("Project"), the eligible business must submit certifications regarding the capital investment, jobs, and other eligibility requirements and conditions. The award may be adjusted based on compliance with, among other things, the amount of capital investment, jobs and salaries. If there is a reduction in the amount of capital investment, the number of full-time jobs or salaries, it may result in reduction of the award. The eligible business must continue to comply with the Program eligibility criteria for the ten-year commitment period. For each year of the commitment period, the eligible business must submit annual reports stating, among other things, the number and salaries of the new full-time jobs, the number of jobs Statewide, and a certification that a collaborative relationship is in effect. Authority staff will review each report for compliance with the Program rules, approval letter, and commitment agreement. Changes in the amount of capital investment, the number of jobs and salaries during the eligibility and compliance periods may subject the awardee to forfeiture, reduction, or a recapture of the tax credits. Examples of the changes which may impact tax credit awards as follows:

- During the eligibility period (in years 1-5), the eligible business must maintain at least 80 percent of the number of new full-time jobs and their salaries as certified at project completion and 80 percent of the number of full-time jobs in the Statewide workforce at the end of the business's tax period prior to approval. Falling below this threshold will result in a forfeiture of the tax credit award for that year and for each subsequent year until the eligible business restores the number of incented jobs above 80 percent.
- During the eligibility period, the eligible business must continue to satisfy the eligibility criteria. Failure to do so will result in a forfeiture of the tax credit award for that year. Noncompliance for two consecutive years or a single year of noncompliance during the compliance period (in years 6-10) will lead to a recapture of some or all the tax credits.
- If at any time, the Authority determines that the eligible business made a material misrepresentation on its application, all of the tax credits may be forfeited and recaptured.
- If the business fails to maintain the project for the required commitment period, the Authority may recapture all or part of the tax credits.

Rulemaking Process

The Next NJ Program – AI legislation authorized the Authority to promulgate special adoption rules for the Next NJ Program – AI, which will be effective immediately upon filing with the Office of Administrative Law. In addition, Staff proposes concurrently proposing the rules, which will include a formal 60-day public comment period pursuant to the Administrative Procedure Act's rulemaking procedures, so the rules can ultimately be adopted as final program rules.

Compliance with Executive Order 63

In accordance with Executive Order 63, the Authority conducted a public listening session to gather informal feedback on the Next NJ Program - AI. The listening session slide deck and Zoom session playback were made available on the Authority's web page. Written public feedback through the Authority's web page was also encouraged.

Chief Compliance Officer Certification of Draft Rule Proposal

Pursuant to N.J.S.A. 34:1B-365, the Chief Executive Officer is required to appoint a Chief Compliance Officer (CCO) to, among other things, "review and certify that the provisions of program rules or regulations provide the authority with adequate procedures to pursue the recapture of the value of an economic development incentive in the case of substantial noncompliance, fraud, or abuse by the economic development incentive recipient, and that program rules and regulations are sufficient to ensure against economic development incentive fraud, waste, and abuse".

Lisa Almeida has been designated the CCO. In that capacity, Ms. Almeida has reviewed the proposed compliance portion of rules and regulations for the Next NJ Program - AI and is prepared to sign the certification, subject to the Board taking action to approve the same for submission to the New Jersey Office of Administrative Law for publication in an upcoming issue of the New Jersey Register.

Fees

To establish the proposed fee structure outlined in the new rules for the Next NJ Program - AI, program staff conducted a comprehensive internal review and analysis in coordination with our CFO and his team. This review aimed to estimate the administrative costs likely to be incurred by the Authority in managing the Program. The analysis considered cross-organizational areas where Authority staff time may be required and estimated the percentage of staff time allocated to these areas.

Key Methodology Adjustments

Fees for small, medium, and large projects are based on employee job numbers.

This approach ensures a stable metric.

By tying fee calculations to new job creation, which is a factor in determining the award, the model offers a reliable and transparent basis for fee determination.

Fee Structure

Application Fee

> Applicants will pay a one-time, non-refundable application fee based on the number of new full-time jobs.

Approval Fee

> Before the Board Members approve a tax credit award, applicants must pay a one-time approval fee (refundable if the business is not approved for a tax credit award by the Board). This fee is also based on the number of new full-time jobs.

Issuance Fee

> Before receiving a tax credit certificate at project completion, awardees will pay an issuance fee, tiered based on the number of new full-time jobs.

Annual Servicing and Modification Fees

Throughout the Program term, awardees will be responsible for:

- A servicing fee for ongoing Program administration.
- A modification fee if the business requires adjustments to the tax credit award.

Transfer Fee

A transfer fee will apply if an awardee opts to sell or transfer their tax credit. A transferred tax credit cannot be subsequently transferred.

Extension Fee

If an awardee requests an extension of time to submit the certification related to capital investment, employment, or other eligibility requirements, a non-refundable extension fee will be charged.

Termination Fee

Businesses seeking to terminate an existing incentive agreement to participate in the Next New Jersey – AI program must pay a termination fee.

Assignment Fee

If an eligible business seeking to assign a project agreement, the resulting transfer of the certificate shall not be considered a sale of the transfer certificate, and an assignment fee will be applicable.

For detailed information on specific fee amounts and tier structures, please refer to the chart below:

NEXT NJ - AI FEES			
Project Fee Inputs	Small projects (100-149 Jobs)	Medium projects (150-199 Jobs)	Large projects (200+ Jobs)
Application Fee	$10,000	$25,000	$50,000
Approval Fee	$75,000	$150,000	$330,000
Tax Credit Certificate Issuance Fee	$10,000	$100,000	$200,000
Annual Servicing Fee	$20,000	$40,000	$120,000
Tax Credit Transfer Fee (each request)	$10,000	$20,000	$30,000
First Six-month Extension Fee	$10,000	$20,000	$30,000
Subsequent Extension Fee	$15,000	$30,000	$50,000
Minor Modification Fee (administrative change, additions, or modification to the tax credit)	$5,000	$7,500	$10,000
Major Modification Fee (board approval)	$15,000	$25,000	$35,000
Existing Incentive Agreement Termination Fee: minor	$5,000	$7,500	$10,000
Existing Incentive Agreement Termination Fee: major (board approval)	$15,000	$25,000	$35,000
Assignment Fee	$37,500	$75,000	$165,000

Delegated Authority

On November 18, 2024, the Members approved a delegation to the CEO to approve routine administrative changes to ERA products, including applicant/awardee name changes, site identification updates, affiliate additions (program permitting), updates to reflect internal reorganizations and organizational changes, and the re-designation the recipient of an award as a result of an acquisition and/or merger. On January 23, 2025, the Members approved including the new CAFE program to this delegated authority.

Staff is seeking the Members' approval to delegate to the CEO, who pursuant to existing delegated authority policy may further sub-delegate authority to staff, authority to approve routine administrative changes for Next NJ Program – AI.

Recommendation

The Members are requested to approve:

1) The attached special adoption new rules and concurrent proposed new rules for the new Next NJ Program – AI and to authorize staff to (a) submit the special adoption new rules and concurrent proposed new rules to the Office of Administrative Law for publication in the New Jersey Register and (b) submit the rules as final adopted rules to the Office of Administrative Law for publication in the New Jersey Register if no formal comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; and

2) The creation of the Next NJ Program – AI, a tax incentive program signed into law as P.L. 2024, c. 49 on July 25, 2024 (codified at N.J.S.A. 34:1B-394, et. seq.), which is designed to attract and support the AI industry and AI related businesses; and

3) Delegation of authority to the Chief Executive Officer to approve administrative changes to approved Next NJ Program – AI as currently exists for New Jersey Economic Recovery Act of 2020 programs and for the newly approved CAFE program.

Tim Sullivan
Chief Executive Officer

Prepared by: Mercades White

Attachments:

Appendix A - New Rules – The Next NJ-AI Program
Appendix B - Green Building Standards
Appendix C- Adopted Rules: Capital Investment

Appendix A

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Next New Jersey Program

Special Adopted and Concurrent Proposed New Rules: N.J.A.C. 19:31CC

Filed: ________________________

Authority: P.L. 2024, c. 49.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Concurrent Proposal Number: PRN 2025-___.

Effective Date:

Expiration Date:

Submit written comments by ____________, 2025, to:

Alyson Jones, Managing Director of Legislative and Regulatory Affairs
New Jersey Economic Development Authority

PO Box 990

Trenton, NJ 08625-0990

alyson.jones@njeda.gov

Take notice that in accordance with P.L. 2024, c. 49, the New Jersey Economic Development Authority ("NJEDA" or "Authority") has specially adopted the following new rules to implement the provisions of the Next New Jersey Program Act, P.L.2024, c.49.

The specially adopted new rules shall be effective on ____________, 2025, upon acceptance for filing by the Office of Administrative Law ("OAL"). The specially adopted new rules shall be effective for a period not to exceed 365 days from the date of filing, that is, until ________________, 2025.

Concurrently, the provisions of the new rules are being proposed for readoption in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. As the NJEDA has filed this notice of readoption before _________, 2025, the expiration date is extended 180 days to ____________, 2025, pursuant to N.J.S.A. 52:14B-5.1.c. The concurrently proposed new rules will become effective and permanent upon acceptance for filing by the OAL (see N.J.A.C. 1:30-6.4(f)), if filed on or before ___________, 2025.

The specially adopted and concurrently proposed new rules follow.

Summary

As set forth at N.J.S.A. 34:1B-394 through -402, the Next New Jersey Program ("Program") is established as a program under the jurisdiction of the NJEDA. The purpose of the Program is to provide substantial tax credits to eligible businesses to attract new investment to New Jersey in the artificial intelligence ("AI") and AI-related industries, create new jobs and economic opportunities, and position New Jersey as a leader in the innovation economy.

This Program awards tax credits to eligible businesses investing in large-scale AI data centers and AI-related development projects, including visual perception, speech recognition, decision-making, translation between languages, and generative AI. Eligible businesses must make a minimum capital investment of at least $100 million and create at least 100 new-full time jobs in the State. The tax credits are awarded on a first-come, first-served basis up to the lesser of either the product of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs; 25 percent of the eligible business's total capital investment; or $250 million. The total value of tax credits approved by the Authority shall not exceed the limitations set forth in N.J.S.A. 34:1B-362.

The following paragraphs summarize the contents of each section of the specially adopted and concurrently proposed new rules implementing the Next New Jersey Program.

N.J.A.C. 19:31CC-1 provides that this subchapter is promulgated by the NJEDA to implement the provisions of the Next New Jersey Program Act, P.L. 2024, c. 39 (codified N.J.S.A. 34:1B-394 through -402).

N.J.A.C. 19:31CC-2 sets forth the definitions used throughout the Program rules, such as, “AI data center”; “artificial intelligence”; “capital investment”; “collaborative relationship”; “full-time employee”; “new full-time job”; “New Jersey-based public or private research university”; “qualified business facility”; and “technology startup company”.

N.J.A.C. 19:31CC-3 sets forth the eligibility criteria for participation in the Program, including that the business: will make, acquire, or lease a capital investment at the qualified business facility of at least $100 million; will create at least 100 new-full time jobs in the state; is primarily engaged in AI or large-scale AI data centers; will enter into a collaborative relationship; and will meet the affirmative action, prevailing wage, and minimum environmental and sustainability standards requirements.

N.J.A.C. 19:31CC-4 sets forth restrictions on the awarding of tax credits under the Program, including if a business has received a tax credit or other incentive award relating to the same capital investment and/or employees that qualify the business for a tax credit under the Program.

N.J.A.C. 19:31CC-5 sets forth the Program application requirements, which include but are not limited to: information on the business, including all affiliates contributing either full-time employees or capital investment; documentation demonstrating that more than 50 percent of employees at the business are engaged in AI related activities or that more than 50 percent of the revenue is generated from AI-related activities, or both; a letter of intent evidencing a proposed collaborative relationship; a description of the proposed project, including capital investments planned by the business at the proposed qualified business facility; a description of how the proposed qualified business facility supports AI or activities related to AI development, implementation, or innovation; and a list of proposed new full-time jobs, the anticipated salaries of the employees filing such new full-time jobs, and a description of how these proposed new full-time jobs support AI or activities related to AI development, implementation, or innovation.

N.J.A.C. 19:31CC-1.6 sets forth the fee schedule for the Program.

N.J.A.C. 19:31CC-1.7 sets forth the process for reviewing completed applications. Completed applications will be reviewed on a first come, first served basis, but must be submitted prior to March 1, 2029. Each completed application will be reviewed to check whether the applicant meets the Program eligibility criteria, satisfies the Program submission requirements, and provides adequate information in support of its application. The Authority will additionally confirm that the applicant is in good standing with the Department of Labor and Workforce

Development, the Department of Environmental Protection, and the Division of Taxation as part of its review process.

N.J.A.C. 19:31CC-1.8 sets forth the requirements for determination of the tax credit award amount. The amount of tax credit allowed under the Program is the lesser of either the product of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs; 25 percent of the eligible business's total capital investment; or $250 million.

N.J.A.C. 19:31:CC-1.9 sets forth the requirements for the approval letter. The Board shall determine whether to approve an application. The approval letter shall contain conditions, including but not limited to: evidence that the business has entered a collaborative relationship, that the project complies with prevailing wage and affirmative action requirements, and documentation evidencing project financing and planning approvals. The Authority's approval of tax credits shall expire if the business does not submit the required documentation within one year after approval.

N.J.A.C. 19:31:CC-1.10 sets forth the project agreement and certification requirements. The project agreement shall include, but is not limited to, the following: a detailed description of the proposed project, any personnel information, and a requirement that the business be in New Jersey. Upon completion of the capital investment and employment requirements of the Program, an eligible business shall submit certifications evidencing that the eligible business has satisfied the conditions relating to the capital investment, employment requirements, and other eligibility requirements.

N.J.A.C. 19:31:CC-1.11 sets forth the project completion certification requirements. The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to capital investment, number of employees, and salaries. The eligible business shall also submit other documents as required, including but not limited to, a certification from a licensed engineer, evidence of a collaborative relationship, and floor or site plan.

N.J.A.C. 19:31:CC-1.12 sets forth the annual reporting requirements. This section sets forth the timing for when these reports must be submitted to the Authority, the submission requirements for these reports, and the penalties if the reports are incomplete or not timely submitted.

N.J.A.C. 19:31:CC-1.13 sets forth that the Director of the Division of Taxation shall allow the eligible business a tax credit upon receipt of the certificate of compliance, the amount of tax credit that may be applied against the tax liability otherwise due, how tax credits granted to a partnership shall be passed through, and the order of priority of the credits allowed.

N.J.A.C. 19:31:CC-1.14 sets forth the requirements for application for a tax credit transfer certificate. This subsection permits an eligible business to apply to the Authority and the Division of Taxation for a tax credit transfer certificate covering one or more years. Additionally, the tax credit transfer certificate may be sold or assigned, as specified in and subject to certain limitations.

N.J.A.C. 19:31:CC-1.15 sets forth the cap on total credits. The combined value of all credits approved by the Authority pursuant to this Program shall be subject to certain limitations.

N.J.A.C. 19:31:CC-1.16 sets forth the process and basis for any reduction, forfeiture, or recapture of tax credits under the Program. Reduction, forfeiture, or recapture may result if the eligible business does not remain in compliance with the eligibility requirements, fails to be in compliance with prevailing wage requirements, or fails to meet certain post-approval compliance requirements as specified.

N.J.A.C. 19:31:CC-1.17 sets forth the effect of sale or lease of the qualified business facility and relocation of the eligible business. If the qualified business facility is sold in whole or in part during the eligibility period, the new owner shall not acquire the capital investment of the seller. If the qualified business merges or consolidates with another entity, the resulting or transferee entity shall not be considered the new owner for the purposes of the Program. The seller shall forfeit all tax credits for the tax period in which the sale occurs and all subsequent tax periods.

N.J.A.C. 19:31:CC-1.18 sets forth the affirmative action and prevailing wage requirements. The affirmative action requirements of the Program apply to construction contracts valued more than $2,000 at the qualified business facility undertaken until two years after the first certificate of compliance is issued. The Authority's prevailing wage requirements for construction work and building services work are also applicable. The prevailing wage requirements are applicable during the commitment period for both construction work and building services work.

N.J.A.C. 19:31:CC-1.19 sets forth the appeal process for the Program.

N.J.A.C. 19:31:CC-1.20 sets forth the severability of any section, subsection, provision, clause, or portion of the Program rules if adjudged to be unconstitutional or invalid by a court of competent jurisdiction.

Social Impact

The Program will have a positive social impact throughout the state as it will attract new investment to New Jersey in the AI industry and related industries, creating new jobs and opportunities for students, researchers, entrepreneurs, and innovators. The Program's support for the growth of AI-related businesses could also lead to scientific breakthroughs and lifesaving discoveries having the potential to enrich the lives of New Jersey residents.

Economic Impact

The specially adopted and concurrently proposed new rules are intended to position New Jersey as a leader in the innovation economy by providing tax credits to eligible AI and AI-related businesses. This, in turn, will boost new, high-quality economic development in one of the fastest growing and transformational sectors. Furthermore, the Program will potentially have a high economic spill-over effect into other parts of the economy as the capital investment and the employment commitment required by the Program will create well-paying jobs, fueling commerce and economic growth on a broader scale throughout the State. The Program rules set fees that have been analyzed to ensure a source of necessary revenue for the Authority to cover the costs of administering the Program.

Federal Standards Statement

A Federal standards analysis is not required because the specially adopted and concurrently proposed new rules are not subject to any Federal requirements or standards. Accordingly, no further analysis is required.

Jobs Impact

The EDA anticipates that the specially adopted and concurrently proposed new rules will incentivize an indeterminate amount of increased job creation throughout New Jersey.

Agriculture Industry Impact

An agricultural industry analysis is not required because the proposed new rules are not related to the agricultural industry. Accordingly, no further analysis is required.

Regulatory Flexibility Statement

The specially adopted and concurrently proposed new rules are unlikely to impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Any requirements are discussed in the Summary above, and if applicable to small businesses, any costs will be minimal and fully offset by the amount of financial assistance received.

Housing Affordability Impact Analysis

The specially adopted and concurrently proposed new rules will not have an impact on the average costs associated with housing or on the affordability of housing. Accordingly, no further analysis is required.

Smart Growth Development Impact Analysis

The specially adopted and concurrently proposed new rules will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. Accordingly, no further analysis is required.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The specially adopted and concurrently proposed new rules will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State. Accordingly, no further analysis is required.

19:31CC-1.1 Applicability and Scope

The rules in this chapter are promulgated by the New Jersey Economic Development Authority to implement the provisions of the Next New Jersey Program Act, P.L. 2024, c. 49 (codified N.J.S.A. 34:1B-394 through 402) and shall apply to all Next New Jersey Program applications.

19:31CC-1.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Act" means the Next New Jersey Program Act, P.L. 2024, c. 49 (N.J.S.A. 34:1B-394 through 402).

[2]Affiliate[2] means an entity that directly or indirectly controls, is under common control with, or is controlled by an eligible business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the federal Internal Revenue Code (26 U.S.C. §1563) or the entity is an organization in a group of organizations under common control that is subject to the regulations applicable to organizations pursuant to subsection (b) or (c) of section 414 of the federal Internal Revenue Code (26 U.S.C. §414). An eligible business may establish by clear and convincing evidence, as determined by the authority, that control exists in situations involving lesser percentages of ownership than required by the above referenced federal statutes if the eligible business shall have control, at a minimum, of all aspects of compliance with this program. An affiliate of an eligible business may contribute towards the capital investment and new full-time job requirements and may satisfy the requirement for site control during construction and the eligibility period, but in no event shall the tax credit certificate be issued to any affiliate.

[2]AI data center[2] means a scalable facility specifically to handle the demanding computational needs of artificial intelligence applications, designed for tasks like machine learning training, deep learning algorithms, and complex data analysis utilizing purpose-built processing units, whose services are the storage, management, and processing of digital data; that is used to house: computer and network systems, including, but not limited to, associated components such as servers, network equipment and appliances, telecommunications, and data storage systems; systems for monitoring and managing infrastructure performance; Internet-related equipment and services; data communications connections; environmental controls; fire protection systems; and security systems and services specifically for artificial intelligence applications.

"Approval letter" means the letter sent by the Authority to the eligible business awarded tax credits pursuant to the program and countersigned by the eligible business pursuant to N.J.A.C. 19:31CC-1.9, which sets forth the conditions that must be met by the eligible business before the execution of a project agreement.

[2]Artificial intelligence[2] or [2]AI[2] means the development of software, the development of hardware, and the end-use application of technologies, or any one of the preceding, that are able to perform tasks normally requiring human intelligence, including, but not limited to, visual perception, speech recognition, decision-making, translation between languages, quantum computing, and generative artificial intelligence, which generates new content in response to user inputs of data.

"Authority" means the New Jersey Economic Development Authority established by N.J.S.A. 34:1B-4.

"Board" means the Board of members of the New Jersey Economic Development Authority, established pursuant to N.J.S.A. 34:1B-4.

[2]Building services[2] means any cleaning or routine building maintenance work, including but not limited to, sweeping, vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse or trash, window cleaning, securing, patrolling, or other work in connection with the care or securing of an existing building, including services typically provided by a door-attendant or concierge. "Building services" shall not include any skilled maintenance work, professional services, or other public work for which a contractor is required to pay the "prevailing wage" as defined in N.J.S.A. 34:11-56.26.

[2]Business[2] means an applicant proposing to own or lease premises in a qualified business facility that is: a corporation that is subject to the tax imposed pursuant to N.J.S.A. 54:10A-5, N.J.S.A. 54:18A-2 and -3, N.J.S.A. 17:32-15, or N.J.S.A. 17B:23-5, or is a partnership, S corporation, limited liability company, or non-profit corporation. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by or full-time employees of an affiliate. If the business or tenant is a cooperative or part of a cooperative, then the cooperative may qualify for credits by counting the full-time employees and capital investments of its member organizations, and the cooperative may distribute credits to its member organizations. If the business or tenant is a cooperative that leases to its member organizations, the lease shall be treated as a lease to an affiliate or affiliates.

[2]Capital investment[2] or “total capital investment” means expenses at the qualified business facility that a business or an affiliate of the business incurs, or is incurred on behalf of the business or affiliate by its landlord, which may be demonstrated through an executed letter of intent or lease, following its submission of a completed application to the authority pursuant to N.J.S.A. 34:1B-398 and N.J.A.C. 19:31CC-1.5, but prior to the project completion date, as shall be defined in the project agreement, for:

a. Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property, including security systems such as surveillance cameras, access control systems, and secure entry points to protect the physical infrastructure, site-related utilities, including, but not limited to, water, electric, sewer, and stormwater; and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems, or other environmental components required to attain the minimum environmental and sustainability standards, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source, including N.J.S.A. 52:27H-80 et seq., but does not include site acquisition;

b. Obtaining and installing furnishings and machinery, apparatus, equipment, or software bundled with hardware, including but not limited to material goods subject to bonus depreciation under sections 168 and 179 of the Federal Internal Revenue Code (26 U.S.C. §§ 168 and 179), for the operation of a business on real property or in a building, structure, facility, or improvement to real property; or any combination of the foregoing. Vehicles and heavy equipment not permanently located in the building, structure, facility, or improvement shall not constitute a capital investment. Capital investment shall include the value of a capital lease, as defined by generally accepted accounting practices (GAAP), of furnishings and machinery, apparatus, or equipment, based on the shorter of the useful life of the leased property or the commitment period. Capital investment shall exclude furnishings, machinery, apparatus, equipment, or software bundled with hardware that is not placed into operation before the eligible business submits the certification pursuant to N.J.A.C. 19:31CC-1.11;

c. Site-related connectivity and telecommunications installation costs, including, but not limited to, fiber optic cables; energy power generation, including energy storage components, distributed storage systems, redundant power supplies, backup generators and uninterruptible power supplies (UPS); and advanced cooling technologies, such as liquid cooling or HVAC systems, to manage the heat generated by high-performance computing equipment;

d. Associated soft costs and the acquisition and installation of software that is not bundled with hardware, which aggregate costs under this paragraph (d) shall not exceed 20 percent of capital investment.

“Collaborative relationship” means a contractual relationship over the term of the commitment period, which may be renewed annually, between an eligible business and a (1) New Jersey-based public or private research university or universities; (2) New Jersey-based technology startup company or companies; or (3) New Jersey-based incubator(s), accelerator(s), studio(s), or other similar entity or entities in which a majority of the member businesses of such entity or entities are New Jersey-based technology startup companies that benefit from the collaborative relationship. This collaborative relationship is evidenced by measures such as price concessions, artificial intelligence support services, or other measures related to artificial intelligence as determined to be appropriate by the Authority. The net cost value of any collaborative relationship shall be at least 10 percent of the total awarded amount. A collaborative relationship shall not include an agreement with trade groups, industry associations, venture funds, or similar entities.

[2]Commitment period[2] means a period that is no less than two times the eligibility period specified in the project agreement entered into pursuant to N.J.S.A. 34:1B-399.

"Complex of buildings" means buildings that are part of the same financing plan and operational plan. The buildings comprising a complex of buildings may be in non-contiguous geographical locations.

“Compliance period” means the portion of the commitment period starting immediately after the conclusion of the eligibility period through the conclusion of the commitment period.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

[2]Eligibility period[2] means the period in which an eligible business may claim a tax credit under the program, beginning with the tax period in which the authority accepts certification of the

eligible business that it has met the capital investment and employment requirements of the program pursuant to N.J.A.C. 19:31CC-1.11 and extending thereafter for a term of five years.

[2]Eligible business[2] means any business that satisfies the criteria set forth in N.J.S.A. 34:1B-397 and N.J.A.C. 19:31CC-1.3 at the time of application for tax credits under the program.

[2]Eligible position[2] or [2]full-time job[2] means a full-time position in a business in this State which a business has filled with a full-time employee who is paid no less than 120 percent of the median salary for the county in which the qualified business facility is located, or if the qualified business facility is a complex of buildings which spans multiple counties, the county with the highest median salary among the counties where the buildings comprising a complex of buildings are located, and for which the business provides employee health benefits under a group health plan as defined in N.J.S.A. 17B:27-54, a health benefits plan as defined in N.J.S.A. 17B:27A-17, or a policy or contract of health insurance covering more than one person issued pursuant to N.J.S.A. 17B:27-27, et seq; provided, however, the requirement that employee health benefits are to be provided shall be deemed to be satisfied if the benefits are provided by the business or pursuant to a collective bargaining agreement, no later than 90 days of employee start date, under a health benefits plan authorized pursuant to State or federal law. An eligible position shall not include an independent contractor or a consultant. To be eligible as an eligible position or full-time job, the employee must spend at least 80 percent of their work time in the State, or spend any other period of work time generally accepted by custom or practice as full-time employment in the State, as determined by the Authority in its sole discretion based on the characteristics of the employee's job and work time in the State. "Eligible position" shall not include a full-time position filled by a full-time employee who is otherwise in an eligible position but which full-time employee, prior to project application, was not provided, by the business, with employee health benefits under a health benefits plan authorized pursuant to State or Federal law.

[2]Full-time employee[2] means a person:

a. Who is employed by a business for consideration for at least 35 hours a week and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.A. 54A:1-1 et seq.; or

b. Who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, pursuant to N.J.S.A. 34:8-67 et seq., for at least 35 hours a week and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.A. 54A:1-1 et seq.;

c. Who is a partner of a business, who works for the partnership for at least 35 hours a week and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the "New Jersey Gross Income Tax Act," N.J.S.A. 54A:1-1 et seq.; or

d. Who is a resident of another state, and would be eligible pursuant to subparagraphs a., b., or c. above, but whose income is not subject to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1–1 et seq., due to a reciprocity agreement with the other state.

The Authority may determine a different number of hours a week or other standard of service generally accepted by custom or practice as full-time employment for subparagraphs a. through d. above.

A ^{2}full-time employee^{2} shall include, but shall not be limited to, an employee that has been hired by way of a labor union hiring hall or its equivalent, provided that the 35 hours of employment per week in the State shall constitute one "full-time employee," regardless of whether or not the hours of work were performed by one or more persons.

^{2}Full-time employee^{2} shall not include any person who works as an independent contractor or on a consulting basis for the business or a contract worker. “Full-time employee” shall not include any person who, at the time of project application, works in New Jersey for

consideration for at least 35 hours per week for the business, or who renders any other standard of service generally accepted by custom or practice as full-time employment, but who, prior to project application, works under an employee leasing agreement between the business and an employee leasing company that is not a professional employer organization.

^{2}Minimum environmental and sustainability standards^{2} means standards established by the authority in accordance with the green building manual prepared by the Commissioner of Community Affairs pursuant to N.J.S.A. 52:27D-130.6, regarding the use of renewable energy, energy-efficient technology, and non-renewable resources to reduce environmental degradation and encourage long-term cost reduction.

^{2}New full-time job^{2} means an eligible position created by a business, following approval of such business’s application by the Board, that did not previously exist in this State, and which eligible position supports artificial intelligence (AI) or activities related to AI development, implementation, or innovation. For the purposes of determining the number of new full-time jobs, the eligible positions of an affiliate shall be considered eligible positions of the business. For the purpose of calculating the number of new full-time jobs, a position shall not be considered a new full-time job unless it is in addition to the number of full-time jobs in the business's Statewide workforce in the last tax accounting or privilege period prior to the tax credit amount approval.

“New Jersey-based public or private research university” shall mean the institutions located in New Jersey and designated in the Carnegie Classification of Institutions of Higher Education as R1 and R2 Doctoral Universities, or designated by the State as an urban research university pursuant to N.J.S.A. 18A:64O-2.

^{2}Partnership^{2} means an entity classified as a partnership for federal income tax purposes.

^{2}Professional employer organization^{2} means an employee leasing company registered with the Department of Labor and Workforce Development pursuant to N.J.S.A. 34:8-67 et seq.

[2]Program[2] means the Next New Jersey Program established by N.J.S.A. 34:1B-396 and this subchapter.

[2]Project[2] means the capital investment at a qualified business facility and the employment commitment pursuant to the project agreement.

[2]Project agreement[2] means the contract executed between an eligible business and the authority pursuant to N.J.S.A. 34:1B-399, which sets forth the terms and conditions under which the eligible business may receive the tax credits authorized pursuant to the program.

[2]Qualified business facility[2] means any building, complex of buildings, or structural components of buildings, and all machinery and equipment located therein, in this State used in connection with the operation of an eligible business, which operations must support artificial intelligence (AI) or activities related to AI development, implementation, or innovation.

"Soft costs" means all costs associated with financing, design, engineering, legal, or real estate commissions, including, but not limited to, architect fees, permit fees, loan origination and closing costs, construction management, and freight and shipping delivery, but not including early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing, temporary signage, incentive consultant fees, Authority fees, loan interest payments, escrows, or other similar costs.

"Statewide workforce" means the total number of Statewide full-time employees in the workforce of the business and any affiliate of the business, if the affiliate contributes any capital investment or full-time employees. "Statewide workforce" shall not include full-time employees at any final point-of-sale retail facilities unless the project, as approved by the Board, includes full-time employees engaged in final point-of-sale retail.

[2]Technology startup company[2] means a for-profit business located in the State that has been in operation fewer than seven years and is developing or possesses a proprietary technology, including but not limited to artificial intelligence, or business method of a high technology or life science-related product, process, or service, which proprietary technology or business method the business intends to move to commercialization. The business shall be deemed to have begun operation on the date that the business first hired at least one employee in a full-time position. For purposes of this definition, a technology startup company is located in the State if at least 50 percent of the company's employees, whether full-time or part-time, have their primary office in New Jersey and spend at least 80 percent of their work time in New Jersey, or any other period of time generally accepted by custom or practice as full-time employment in New Jersey, as determined by the Authority.

"Total development cost" means any and all costs incurred for and in connection with the project by the eligible business or its landlord until the issuance of a temporary certificate of occupancy, or upon such other event evidencing project completion, as set forth in the project agreement.

19:31CC-1.3 Eligibility criteria

(a) A business eligible pursuant to this section may submit an application to the Authority in accordance with the provisions of N.J.S.A. 34:1B-397 and N.J.A.C. 19:31CC-1.5 on or after XX, the effective date of this subchapter, but prior to March 1, 2029.

(b) The Authority shall make the determination that an applicant has met the criteria for eligibility for a tax award and shall determine the amount of the award. In order for a business to be eligible for tax credits under the program, the chief executive officer of the business or an equivalent officer shall demonstrate to the Authority at the time of application that:

1. The business will make, acquire, or lease a capital investment at the qualified business facility equal to or greater than $100,000,000;

2. The business will create new full-time jobs in the State in an amount equal to or greater than 100 new full-time jobs;

3. The business or its division is primarily engaged in the artificial intelligence industry or the large-scale artificial intelligence data center industry. A business or its division shall be considered to be primarily engaged in an industry set forth herein if more than 50 percent of the business's or the division's employees, respectively, are engaged in AI-related activities or more than 50 percent of the business's or the division's revenue, respectively, is generated from AI-related activities, or both; provided, however, the use of AI applications in the furtherance of a business's or division's own operations shall not be considered in determining whether a business or division is primarily engaged in artificial intelligence or large-scale artificial intelligence data centers. AI-related activities include, but are not limited to: developing new AI algorithms and techniques, such as machine learning, natural language processing, and computer vision; creating AI-powered software and hardware products for various applications; medical AI modelling or programing; development of AI chatbots for customer service; AI development for vehicles; and collecting, storing, and managing the vast amount of data needed to train and use AI models;

4. The business will enter into a collaborative relationship;

5. The qualified business facility shall be in compliance with minimum environmental and sustainability standards;

6. For construction contracts valued in excess of $2,000, the project shall comply with the authority's affirmative action requirements at N.J.A.C. 19:30-3.1, et seq adopted pursuant to N.J.S.A. 34:1B-5.4 and N.J.A.C. 19:31CC-1.18(a);

7. Each worker employed to perform construction work in connection with a capital improvement at the qualified business facility shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25, et seq, and N.J.A.C. 19:31CC-1.18(b);

8. Each worker employed to perform building services work at the qualified business facility shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined

by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25, et seq, N.J.S.A. 34:11-56.58, et seq, and N.J.A.C. 19:31CC-1.18(c).

(c) Eligibility requirements shall be considered in the aggregate for a qualified business facility consisting of a complex of buildings.

(d) The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the Authority pursuant to (b) above are true under the penalty of perjury.

19:31CC-1.4 Restrictions

(a) A business shall not be awarded a tax credit pursuant to the program and shall not receive a certificate of compliance if the business received or receives a tax credit or other incentive award relating to the same capital investment and employees that qualify the business for a tax credit under the program, including, but not limited to, those under the “Emerge Program Act,” N.J.S.A. 34:1B-336, et seq., or N.J.S.A. 34:1B-209.4.

(b) A business with full-time employees that are the subject of an existing incentive award shall maintain 100 percent of the full-time employees subject of the existing incentive award before any full-time employee may be counted as an eligible position.

19:31CC-1.5 Application submission requirements

(a) Each application to the Authority made by a business shall include the following information in an application format prescribed by the Authority:

1. Information on the business and, if applicable, the division, including all affiliates contributing either full-time employees or capital investment, or both, to the project, which shall include the following:

i. The name of the business and, if applicable, the division;

ii. The contact information of the person identified as the primary contact for the business;

iii. The prospective future address of the business, if different;

iv. The type of the business;

v. Documentation demonstrating that more than 50 percent of employees of the business, or, if applicable, the division, are engaged in AI related activities, or that more than 50 percent of the applicant’s, or, if applicable, the division’s, revenue is generated from AI-related activities, or both;

vi. The principal products and services and North American Industry Classification System number;

vii. The New Jersey tax identification number;

viii. The Federal tax identification number;

ix. The total number of full-time employees in New Jersey on the date of the application and in the business's last tax period prior to the date of the application. If the application is approved in the business's subsequent tax period, the business must provide the total number of full-time employees in New Jersey in the tax period prior to credit amount approval;

x. The total list of the business's locations in New Jersey and the function performed at each location;

xi. A list of all locations in this State of the business and affiliates that will be contributing to the capital investment or full-time employees to the project;

xii. Evidence documenting formation status and membership in a cooperative agreement, if applicable;

xiii. A list of members of any cooperative that will be contributing capital investment or full-time employees to the project, if applicable;

xiv. A letter of intent evidencing a proposed collaborative relationship;

xv. The chief executive officer or equivalent officer of the business shall certify that the business applying for the program satisfies the criteria at N.J.A.C. 19:31CC-1.7(c)1 to be in substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury; that contractors or subcontractors that will perform work at the qualified business facility are registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., have not been debarred by Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury, and that they have reviewed the application information submitted and that the representations contained therein are accurate;

xvi. A completed legal questionnaire disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

xvii. Submission of a tax clearance certificate, pursuant to N.J.S.A. 54:50-39;

xviii. A list of all the development subsidies, as required by "The Development Subsidy Job Goals Accountability Act," N.J.S.A. 52:39-1, et seq., that the applicant is requesting or receiving, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received; and

xix. Any other necessary and relevant information as determined by the Authority for a specific application.

2. Project information, which shall include the following:

i. An overall description of the proposed project;

ii. A description of the capital investments planned by the business at the proposed qualified business facility;

iii. The estimated value of the capital investment and financial information demonstrating ability to complete the capital investment;

iv. A description of how the minimum environmental and sustainability standards are to be incorporated into the proposed project;

v. Identification of the site or sites of the proposed qualified business facility, including the block and lot of the site or sites as indicated upon the local tax map;

vi. A narrative description of the proposed qualified business facility, including a description of how the qualified business facility supports artificial intelligence (AI) or activities related to AI development, implementation, or innovation, and a floor plan or site plan identifying the uses and square feet and gross leasable area for each use and a description of how each use meets the requirements under the definition of qualified business facility;

vii. A project schedule that identifies the anticipated date of commencement and completion of construction, as well as the anticipated date of project completion;

viii. The terms of any lease agreements (including, but not limited to, information showing net leasable area by the business if a tenant and total net leasable area; or if the business is an owner, information showing net leasable area not leased to tenants, and total net leasable area) and/or details of the purchase or building of the proposed qualified business facility; as well as all lease agreements, ownership documents, or substantially similar documentation for the business's proposed in-State locations and all lease agreements, ownership documents, to the extent they exist;

ix. The total number of anticipated new full-time jobs in New Jersey, and the distribution of such totals identified by business entity if any such jobs and employees will be provided by affiliates; and

x. Any other necessary and relevant information as determined by the Authority for a specific application.

3. Employee information, which shall include the following:

i. A list of proposed new full-time jobs in the State, the anticipated salaries of the employees filling such new full-time jobs, and a description of how these proposed new full-time jobs support artificial intelligence (AI) or activities related to AI development, implementation, or innovation;

ii. The WR 30 of the business for the privilege period prior to application, if applicable; and

iii. Any other necessary and relevant information as determined by the Authority for a specific application.

(b) The business applying to the program shall submit an application fee as set forth at N.J.A.C. 19:31CC-1.6.

(c) The Authority may require the submission of additional information to complete the application or may require the resubmission of the entire application, if incomplete. In order to be complete, the application shall identify the proposed project site and demonstrate financial and organizational ability to undertake the proposed project through evidence of available capital sufficient to complete the project.

(d) If circumstances require a business to amend its application to the Authority, then the business, or chief executive officer or equivalent officer of the business, shall certify to the Authority that the information provided in its amended application is true pursuant to the penalty of perjury.

19:31CC-1.6 Fees

(a) A business applying for benefits under this program shall submit a one-time non-refundable application fee. The application fee shall be as follows:

1. For each project with 100 to 149 new full-time jobs, the fee to be charged at application shall be $ 10,000;

2. For each project with 150 to 199 new full-time jobs, the feel to be charged at application shall be $ 25,000;

3. For each project with 200 or more new full-time jobs, the fee to be charged at application shall be $ 50,000; and

(b) A business shall pay to the Authority the full amount of direct costs of due diligence, including, but not limited to, debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

(c) A non-refundable fee shall be charged prior to the approval of the tax credit by the Authority as follows, except that the fee shall be refunded if the Authority does not approve the tax credit:

1. For each project with 100 to 149 new full-time jobs, the fee shall be $ 75,000;

2. For each project with 150 to 199 new full-time jobs, the fee shall be $ 150,000;

3. For each project with 200 or more new full-time jobs, the fee shall be $ 330,000.

(d) A business shall pay to the Authority a non-refundable fee prior to the receipt of the tax credit certificate, as follows:

1. For each project with 100 to 149 new full-time jobs, the fee shall be $ 10,000;

2. For each project with 150 to 199 new full-time jobs, the fee shall be $ 100,000;

3. For each project with 200 or more new full-time jobs, the fee shall be $ 200,000.

(e) A business shall pay to the Authority an annual servicing fee, beginning with the tax accounting or privilege period in which the Authority accepts the certification that the business has met the capital investment, employment, and other eligibility requirements of the program for the respective project pursuant to N.J.A.C. 19:31CC-1.11, and for the duration of the commitment period. The annual servicing fee shall be paid to the Authority by the business at the time the business submits its annual report, as follows:

1. For each project with 100 to 149 new full-time jobs, the annual servicing fee shall be $ 20,000;

2. For each project with 150 to 199 new full-time jobs, the annual servicing fee shall be $ 40,000;

3. For each project with 200 or more new full-time jobs, the annual servicing fee shall be $ 120,000; and

(f) A business applying for a tax credit transfer certificate pursuant to N.J.A.C. 19:31CC-1.14 or permission to pledge a tax credit transfer certificate purchase contract as collateral shall pay to the Authority a fee, as follows:

1. For each project with 100 to 149 new full-time jobs, the fee shall be $ 10,000, and $ 10,000 for each additional request made annually;

2. For each project with 150 to 199 new full-time jobs, the fee shall be $ 20,000, and $ 20,000 for each additional request made annually;

3. For each project with 200 or more new full-time jobs, the fee shall be $ 30,000, and $ 30,000 for each additional request made annually.

(g) A business seeking to assign any or all of its right, title, and interest in and to a project agreement and the incentive award payable thereunder, shall pay to the Authority a fee, as follows:

1. For each project with 100 to 149 new full-time jobs, the fee shall be $37,500;

2. For each project with 150 to 199 new full-time jobs, the fee shall be $75,000;

3. For each project with 200 or more new full-time jobs, the fee shall be $165,000.

(h) A business shall pay, to the Authority, a non-refundable fee for each request for any administrative changes, additions, or modifications to the tax credit; and, a non-refundable fee shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval, as follows:

1. For each project with 100 to 149 full-time jobs, a non-refundable fee of $ 5,000 shall be paid for each request for any administrative change, addition, or modification to the tax credit; and a non-refundable fee of $ 15,000 shall be paid for any major change, addition, or modification to the tax credit, such as those requiring extensive staff time and Board approval;

2. For each project with 150 to 199 new full-time jobs, a non-refundable fee of $ 7,500 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of $ 25,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval; and

3. For each project with 200 or more new full-time jobs, a non-refundable fee of $ 10,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of $ 35,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval.

(i) A non-refundable fee shall be paid for the first six-month extension to the date by which the business shall submit the certification with respect to the capital investment, employment, and other eligibility requirements of the program for the respective project pursuant to N.J.A.C. 19:31CC-1.11; and a non-refundable fee shall be paid for each subsequent extension, as follows:

1. For each project with 100 to 149 new full-time jobs, the fee for the first six-month extension shall be $ 10,000, and $ 15,000 for each subsequent extension;

2. For each project with 150 to 199 new full-time jobs, the fee shall be $ 20,000 for the first six-month extension, and $ 30,000 for each subsequent extension;

3. For each project with 200 or more new full-time jobs, the fee shall be $ 30,000 for the first six-month extension, and $ 50,000 for each subsequent extension; and

(j) A business seeking to terminate an existing project agreement in order to participate in a project agreement authorized pursuant to the Next New Jersey program shall pay, to the Authority, a non-refundable fee as follows:

1. For each project with 100 to 149 new full-time jobs, the fee for a termination that does not require extensive staff time and Board approval shall be $ 5,000, and $ 15,000 for each termination that requires extensive staff time and Board approval;

2. For each project with 150 to 199 new full-time jobs, the fee for a termination that does not require extensive staff time and Board approval shall be $ 7,500, and $ 25,000 for each termination that requires extensive staff time and Board approval;

3. For each project with 200 or more new full-time jobs, the fee for a termination that does not require extensive staff time and Board approval shall be $ 10,000, and $ 35,000 for each termination that requires extensive staff time and Board approval.

19:31CC-1.7 Review of completed application

(a) A business seeking an approval of tax credits for a project shall submit a completed application for tax credits prior to March 1, 2029.

(b) The Authority shall conduct a review of each completed application commencing with the completed application bearing the earliest submission date and contingent on funding availability, which review shall determine whether the applicant:

1. Complies with the eligibility criteria;

2. Satisfies the submission requirements; and

3. Provides adequate information for the subject application.

(c) Before the Board may consider a completed application:

1. The Authority shall confirm with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury that the eligible business is in substantial good standing with the statutes, rules, and other enforceable standards of the respective department, or, if a compliance issue exists, the eligible business has entered into an agreement with the respective department that includes a practical corrective action plan, as applicable.

i. Substantial good standing shall be determined by each department and mean, at a minimum, that the eligible business:

(1) As to the Department of Labor and Workforce Development and the Department of Environmental Protection:

(A) Is in substantial compliance with all material statutes, rules, and other enforceable standards of the respective department that apply to the eligible business; and

(B) Has no material violations of those statutes, rules, or other enforceable standards that remain substantially unresolved through entry into a corrective action plan, or other agreement with the department, with respect thereto; and

(2) As to all other departments, has no unpaid liability in excess of any threshold dollar amount(s) that may be established by each respective department.

ii. If the Department of Labor and Workforce Development, the Department of Environmental Protection, or the Department of the Treasury promulgates or issues its own more stringent rule or standard defining the term "substantial good standing," the respective department shall use such rule or standard to determine whether a business is in substantial good standing.

2. The Authority may contract with an independent third party to perform a background check on the eligible business.

(d) Upon completion of the review of an application and receipt of a recommendation from Authority staff on the application, the Board shall determine whether or not to approve the application and the amount of tax credits to be awarded. The Authority shall promptly notify the applicant and the Director of the Division of Taxation of the determination. The Board's award of the credits will be subject to conditions subsequent pursuant to N.J.A.C. 19:31CC-1.9(b).

19:31CC-1.8 Determination of award amount

(a) The amount of the tax credit allowed under the program to an eligible business shall be the lesser of: (1) the product of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) $250,000,000.

(b) No more than the amount of tax credits equal to the total credit amount awarded under the program divided by the duration of the eligibility period in years may be taken in any tax period.
(c) The amount of the tax credit allowed annually be determined by recalculating the amount set forth in (a) upon receipt and acceptance of the annual report pursuant to N.J.A.C. 19:31CC-1.12(a).

19:31CC-1.9 Approval letter

(a) Following Board approval and prior to the Authority and an eligible business executing a project agreement, the Authority shall require an eligible business to execute and return an approval letter to the Authority.

(b) The approval letter shall contain conditions subsequent that shall include but not be limited to:

1. The requirement that the eligible business has entered into a collaborative relationship;
2. That the project complies with the Authority's prevailing wage requirements at N.J.S.A. 34:1B-5.1 and N.J.A.C. 19:31CC-1.18(b) and (c), and affirmative action requirements at N.J.A.C. 19:31CC-1.18(a);
3. That the project does not violate any environmental law requirements, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13, and the requirement that the minimum environmental and sustainability standards are incorporated into the proposed project;
4. The requirements necessary for the Authority to execute the project agreement; and
5. Documentation evidencing project financing and planning approvals, including the submittal of executed financing commitments, documents that evidence site control by the eligible business, a copy of the site plan approval, and a copy of all required permits and planning and zoning approvals.

(c) Absent extenuating circumstances or the Authority's determination, in its sole discretion, the Authority's approval of the tax credits shall expire if the eligible business does not submit the documentation required in subsection (b) above within a year after approval of the application.

(d) The approval letter shall provide an estimated date of completion and include a requirement for periodic progress reports.

(e) The chief executive officer of the eligible business, or an equivalent officer, shall sign the approval letter. The approval letter shall contain language that all factual representations made by the eligible business to the authority pursuant to this subsection are true under penalty of perjury.

19:31:CC-1.10 Project agreement and certifications

(a) Upon satisfaction of the conditions in the approval letter, the Authority shall enter into a project agreement with the eligible business. The Chief Executive Officer of the Authority shall negotiate the terms and conditions of the project agreement on behalf of the State. The awarding of tax credits shall be conditioned on the eligible business's compliance with the requirements of the agreement. The project agreement shall specify and include:

1. A detailed description of the proposed project that will result in job creation, and the number of new full-time jobs that are approved for tax credits;

2. Any personnel information that will enable the Authority to administer the program;

3. A requirement that the eligible business maintain the project at a location in New Jersey for the commitment period, and a provision to permit the Authority to recapture all or part of any tax credits awarded, at its discretion, if the eligible business does not maintain the project at a location in New Jersey for the commitment period;

4. A requirement that the eligible business maintain the number of new full-time jobs, or the salaries thereof, to which the eligible business certified at the commencement of the eligibility period pursuant to N.J.A.C. 19:31CC-1.11, and a provision to permit the Authority to proportionally reduce the tax credit award by recalculating the amount as set forth in N.J.A.C. 19:31CC-1.8(a) in any tax period in which the number of new full-time jobs, or the salaries thereof, is reduced below the new full-time jobs, or the salaries thereof, to which the eligible business certified at the commencement of the eligibility period;

5. A method for the eligible business to certify that it has met the capital investment and employment requirements of the program as set forth in N.J.S.A. 34:1B-397(b) and (c), and N.J.A.C. 19:31CC-1.3, and to report annually to the Authority the number of new full-time jobs, and the salaries thereof, for which the tax credits are to be allowed;

6. Representations that the eligible business is in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury, or has entered into an agreement with the departments that includes a practical corrective action plan, as set forth in N.J.A.C. 19:31CC-1.7(c)1, and that the project complies with all applicable laws, and specifically, that the project does not violate any environmental law, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13;

7. A provision acknowledging the Authority's right to confirm with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury that the eligible business is in substantial good standing, as defined

at N.J.A.C. 19:31CC-1.7, or has entered into an agreement with the respective department that includes a practical corrective action plan, as applicable, as set forth in N.J.A.C. 19:31CC-1.7(c)1.

8. A provision providing that if the eligible business is not in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, and/or the Department of the Treasury and has not entered into an agreement with the respective department(s), as set forth in N.J.A.C. 19:31CC-1.7(c)1, and has been given written notice thereof, including opportunity to be heard or to contest the determination, by the respective department, then the eligible business may forfeit the issuance of tax credits pending the resolution of the underlying violation(s) or other issues.

9. A provision acknowledging each contractor or subcontractor performing work at the qualified business facility is registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., has not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

10. A provision providing that if the eligible business fails to confirm that each contractor or subcontractor performing work at the qualified business facility is registered as required by the Public Works Contractor Registration Act, N.J.S.A. 34:11-56-48, et seq., has not been debarred by the Department of Labor and Workforce Development from engaging or bidding on Public Works Contracts in the State, and/or possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury, then the eligible business may forfeit the issuance of tax credits pending the resolution of the underlying violation(s) or other issues.

11. A provision permitting an audit of the payroll records of the eligible business and any other evidence and documentation supporting the certifications pursuant to N.J.A.C. 19:31CC-1.11, the annual reports pursuant to N.J.A.C. 19:31CC-1.12, and the addition of affiliates pursuant to N.J.A.C. 19:31CC-1.12(i) from time-to-time, as the Authority deems necessary;

12. A requirement for the eligible business to engage in on-site consultations prior to commencement of construction with the Division of Workplace Safety and Health in the Department of Health;

13. A provision permitting the Authority to amend the agreement;

14. A provision establishing the conditions under which the Authority, the eligible business, or both, may terminate the agreement;

15. An agreement by the eligible business that the statute of limitations for the collection and assessment of corporation business tax set forth at N.J.S.A. 54:10A-1, et seq and insurance premiums tax set forth at N.J.S.A. 54:18A-2 and A-3; N.J.S.A. 17:32-15; or N.J.S.A. 17B:23-5 will be extended to the period of the commitment period;

16. Indemnification and insurance requirements; and

17. Default and remedies, including, but not limited, to a default if an eligible business made a material misrepresentation on its application.

(b) Upon completion of the capital investment and employment requirements of the program, an eligible business shall submit to the Authority certifications evidencing that the eligible business has satisfied the conditions relating to the capital investment, employment requirements, and other eligibility requirements of the Act, this subchapter, and the project agreement with supporting evidence satisfactory to the Authority.

(c) Absent extenuating circumstances and the written approval of the Authority, the eligible business shall submit the certifications as described at N.J.A.C. 19:31CC-1.11 within three years following the date of approval of the application. The Authority may grant two six-month extensions of the deadline. However, the date of certification shall not occur later than four years following the date of approval of the application. The Authority may grant one additional extension of no more than one year, taking the date of completion to five years past the date of approval of the application, but only if:

1. The Authority finds that:

i. The project is delayed due to unforeseeable acts related to the project beyond the eligible business's control and without its fault or negligence;

ii. The eligible business is using best efforts, with all due diligence, to proceed with the completion of the project and the submission of the certification; and

iii. The eligible business has made, and continues to make, all reasonable efforts to prevent, avoid, mitigate, and overcome the delay; and

2. The eligible business provides timely notice to the Authority of the delay within 30 days after the eligible business has actual or constructive knowledge of the delay, and shall provide periodic reports, not less than every 30 days, of the status of the delay and the steps the eligible business is taking to mitigate or overcome the delay.

(d) In addition to the extensions in (c) above, if the Governor declares an emergency, then the Chief Executive Officer of the Authority shall have the discretion to grant an extension for the duration of the emergency and the Board of the Authority, upon recommendation of the Chief Executive Officer of the Authority, may grant two additional six-month extensions; provided, however, that:

1. The extensions are due to the economic disruption caused by the emergency;

2. The project is delayed due to unforeseeable acts related to the project beyond the eligible business's control and without its fault or negligence;

3. The eligible business is using best efforts, with all due diligence, to proceed with the completion of the project and the submission of the certification; and

4. The eligible business has made, and continues to make, all reasonable efforts to prevent, avoid, mitigate, and overcome the delay.

19:31:CC-1.11 Project completion certification

(a) The certifications required at N.J.A.C. 19:31CC-1.10(c) shall be in the following form:

1. The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to the capital investment. If the certified capital investment is less than the minimum eligibility requirement set forth at N.J.S.A. 34:1B-397(b) and N.J.A.C. 19:31CC-1.3(b)1, the business shall no longer be eligible for tax credits.

2. The eligible business shall submit a certification of a qualified independent certified public accountant, which may be made pursuant to an agreed upon procedures letter acceptable to the Authority, relating to employment and the salaries thereof. The number of new full-time jobs in the certification shall be utilized by the Authority in the calculation of tax credits. The number of new full-time jobs utilized by the Authority in the calculation of tax credits shall not be increased regardless of additional jobs in the State. In no event will the number of jobs exceed the number of jobs previously approved by the Board. If the certification indicates that the employment is less than the minimum eligibility requirement set forth at N.J.S.A. 34:1B-397(c) and N.J.A.C. 19:31CC-1.3, the business shall no longer be eligible for tax credits.

3. The Authority shall qualify certified public accountants and provide to the eligible business the list of qualified certified public accountants; provided, however, the eligible business may select a certified public accountant that is independent to the eligible business and not on the Authority's list of qualified certified public accountants for purposes of the capital investment certification, or the eligible business's chief financial officer may certify for purposes of the employment certification upon the Authority's prior approval, if the eligible business demonstrates an extenuating circumstance prohibiting the eligible business from retaining a qualified certified public accountant. Such circumstances include, but are not limited to, the unavailability of any of the qualified certified public accountants to timely complete the certification or none of the qualified certified public accountants are independent to the eligible business.

4. The eligible business shall submit a certification from a licensed engineer that the project has adhered in all material respects to the plan submitted by the business describing how the eligible business would satisfy the minimum environmental and sustainability standards.

5. The eligible business shall submit evidence of a collaborative relationship.

6. The eligible business shall submit a floor plan or site plan which identifies the uses and square feet and gross leasable area for each use and a description of how each use meets the requirements in the definition of qualified business facility.

7. The Authority may request additional information or certifications from the eligible business to determine eligibility and may seek information from the Department of Labor and Workforce Development to support the certifications.

(b) The chief executive officer of the business, or an equivalent officer, shall certify that all factual representations made by the business to the authority pursuant to this subsection are true under penalty of perjury.

(c) At, or before, the date of certifications, any modification to the project as approved by the Board, including, but not limited to, a reduction in the amount of the capital investment, new full-time jobs, or square foot of gross leasable area for each use meeting the requirements in the definition of qualified business facility, shall require review and approval by the Authority to determine that the project as modified does not undermine the basis for the tax credit award approved.

(e) The Authority may recalculate the tax credit award if the certifications demonstrate different assumptions or facts upon which the Authority relied to calculate the tax credit award at approval.

(f) In accordance with the project agreement, beginning upon the Authority's acceptance of the certification pursuant to (a) above, including, but not limited to, the receipt of temporary certificates of occupancy for any portion of the project sufficient to evidence project completion or upon any other event evidencing project completion as set forth in the project agreement, and determination that other required conditions have been met, within 90 days of the Authority's acceptance of the certifications and evidence satisfactory to the Authority, the Authority shall notify the eligible business and notify the Director. The business shall receive its tax credit certificate and shall be allowed a tax credit in an amount determined pursuant to N.J.A.C. 19:31CC-1.8, which will be based on the information submitted in the certifications pursuant to (a) above. The use of the tax credit certificate shall be subject to the receipt of an annual certificate of compliance issued by the Authority.

19:31:CC-1.12 Annual reports

(a) An eligible business that is awarded tax credits under the program shall submit, annually, no later than 120 days after the end of each tax period during the commitment period, commencing in the year in which the grant of tax credits is issued and for the remainder of the commitment period, a report that indicates that the eligible business continues to maintain the number of new full-time jobs and the salaries thereof specified in the project agreement, including, but not limited to:

1. A certification, made pursuant to an agreed upon procedures letter acceptable to the Authority, of a qualified independent certified public accountant, which shall be qualified by the Authority pursuant to N.J.A.C. 19:31CC-1.11(a)3, containing the following:

i. The number of full-time employees and new full-time jobs in the State;

ii. The list of affiliates that contributed to the full-time employees in the State;

iii. The number of full-time employees in the eligible business's Statewide workforce;

iv. The number of full-time employees in New Jersey in the last tax period prior to the credit amount approval of any affiliate that contributed to the full-time employees and was not listed in the application;

v. Upon request by the Authority, a copy of the eligible business's applicable New Jersey tax return showing business income and withholdings as a condition of its continuation in the program; and

vi. The quarterly wage report required pursuant to N.J.S.A. 43:21-14 as submitted to the Department of Labor and Workforce Development together with an annual payroll report showing:

(1) The new full-time jobs that were created in accordance with the project agreement;

(2) The new full-time jobs created during each subsequent year of the commitment period; and

(3) The salaries, as measured by the median salary, of the new full-time jobs created;

2. If applicable, information on any change or anticipated change in the membership of the cooperative membership comprising the eligible business that elect to claim all or a portion of the credit;

3. The eligible business shall confirm that each contractor or subcontractor performing work at the qualified business facility is registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., has not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury;

4. A certification from the eligible business and its counterparties that the collaborative relationship remains in effect and is not in default and that the eligible business is making the contribution(s) required pursuant to the collaborative relationship;

5. A floor plan or site plan which identifies the uses and square feet and gross leasable area for each use and a description of how each use meets the requirements in the definition of qualified business facility;

6. Evidence that the eligible business remains in compliance with the Authority’s prevailing wage and affirmative action requirements pursuant to N.J.A.C. 19:31CC-1.18(a); and

7. A certification indicating whether or not the eligible business is aware of any condition, event, or act that would cause the eligible business not to be in compliance with the approval, the Act, the project agreement, and this subchapter.

(b) An eligible business shall explain, in the certified report required pursuant to (a) above, the reason for any discrepancies between the annual payroll report submitted by the eligible business to the Authority and the quarterly wage report submitted to the Department of Labor and Workforce Development.

(c) The chief executive officer of the eligible business, or an equivalent officer, shall certify that the information provided pursuant to (a) above is true under the penalty of perjury. Claims, records, or statements submitted by an eligible business to the Authority in order to receive tax credits shall not be considered claims, records, or statements made in connection with State tax laws.

(d) In conducting its annual review, the Authority may require an eligible business to submit any information determined by the Authority to be necessary and relevant to its review.

(e) Upon receipt and review to the Authority's satisfaction of each certified report required pursuant to (a) above submitted during the eligibility period, the Authority shall provide to the eligible business and the Director a certificate of compliance indicating the amount of tax credits that the eligible business may apply against its tax liability. The Authority shall pro rate the tax credit for the first and last years of the eligibility period based on the number of full months the project was certified in the year the eligible business first certifies. No tax credit certificate will be valid without the certificate of compliance issued for the relevant tax privilege period.

(f) An eligible business shall forfeit the credit amount for any tax period for which the eligible business's documentation remains uncertified as of the date for certification indicated in the project agreement, although credit amounts for the remainder of the years of the eligibility period shall remain available to the eligible business.

(g) The failure of an eligible business to submit to the authority a copy of its annual payroll report or submit the quarterly wage report in accordance with the provisions of this section during the eligibility period absent extenuating circumstances and the written approval of the Authority shall result in the forfeiture of the award for that year.

(h) Full-time employment for an accounting or privilege period shall be determined as the average of the monthly full-time employment for the period.

(i) An eligible business may include an affiliate for any period, provided that the eligible business provides a valid tax clearance certificate for the affiliate and a verification of the nature of the affiliate relationship during the relevant period, and provided further that the affiliate provides acceptable responses to the Authority's legal disclosures inquiries in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2, as determined by the Authority. A formal modification of the Authority's approval of the project agreement or approval letter shall not be necessary to add or remove an affiliate after approval or execution of the project agreement or approval letter. Verification of the nature of the affiliate relationship pursuant to section 1563 of the federal Internal Revenue Code (26 U.S.C. §1563) or subsection (b) or (c) of section 414 of the federal Internal Revenue Code (26 U.S.C. §414) shall be demonstrated through a certification by an independent certified public accountant or an opinion of counsel.

(g) An eligible business may change its name filed with the Authority by providing a copy of the filed amendment to the certificate of incorporation or formation, as the case may be, of the eligible business and a valid tax clearance certificate with the eligible business's new name. A formal modification of the Authority's approval shall not be necessary to change an eligible business's name after approval or execution of the project agreement, provided that the eligible business's name change does not change its tax identification number. If the eligible business changes its tax identification number, a formal modification of the Authority's approval shall be necessary.

19:31:CC-1.13 Tax credit amount; application and allocation of the tax credit

(a) Upon receipt by the Director of the certificate of compliance, the Director shall allow the eligible business a tax credit. The eligible business may apply the credit allowed by the Director against the eligible business's tax liability for the tax period in which the Director allowed the tax credit or may carry forward the credit for use by the eligible business in any of the next ten successive tax periods, which credit shall expire thereafter.

(b) The amount of credit allowed may be applied against the tax liability otherwise due pursuant to N.J.S.A. 54:10A-5; N.J.S.A. 54:18A-2 and A-3; N.J.S.A. 17:32-15; or N.J.S.A. 17B:23-5.

(c) Credits granted to a partnership shall be passed through to the corporate partners, corporate members, or corporate owners, respectively, pro rata, or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method provided to the Director accompanied by any additional information as the Director may prescribe consistent with any rule, guidance, or other publication issued by the Division of Taxation.

(d) The Director shall prescribe the order of priority of the application of the credit allowed under this section and any other credits allowed by law against the tax imposed pursuant to N.J.S.A. 54:10A-5. The amount of a credit applied pursuant to this section against the tax imposed pursuant to N.J.S.A. 54:10A-5 for a privilege period, together with any other credits allowed by law, shall not reduce the tax liability to an amount less than the statutory minimum provided at N.J.S.A. 54:10A-5.

19:31:CC-1.14 Application for tax credit transfer certificate

(a) An eligible business may apply to the Director and the Chief Executive Officer of the Authority for a tax credit transfer certificate, within three years of the tax period in which the Director allows the eligible business a tax credit, in lieu of any amount of the tax credit against the eligible business's State tax liability. The tax credit transfer certificate, upon receipt thereof by the eligible business from the Director and the Chief Executive Officer of the Authority, may be sold or assigned, in an amount not less than $ 25,000, within three years of the tax period in which the eligible business receives the tax credit transfer certificate from the Director, to another person that may have a tax liability pursuant to section N.J.S.A. 54:10A-5; N.J.S.A. 54:18A-2 and A-3; N.J.S.A. 17:32-15; or N.J.S.A. 17B:23-5. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall apply the transferred credit against the same tax for which the eligible business was approved a tax credit under the program. The tax credit transfer certificate provided to the eligible business shall include a statement waiving the eligible business's right to claim the credit that the eligible business has elected to sell or assign.

(b) The eligible business shall not sell or assign a tax credit transfer certificate allowed pursuant to this section for consideration received by the eligible business of less than 85 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. The tax credit transfer certificate issued to the eligible business by the Director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to N.J.S.A. 34:1B-394, et seq, and any other terms and conditions that the Director may prescribe, including, but not limited to, any applicable statutes of limitations for claiming a refund or credit.

(c) The purchaser or assignee of a tax credit transfer certificate shall be subject to any limitations and conditions that apply to the use of the tax credits by the eligible business. A purchaser or assignee of a tax credit transfer certificate pursuant to this section shall not make any subsequent transfers, assignments, or sales of the tax credit transfer certificate. If an otherwise eligible business is assigned a project agreement pursuant to N.J.A.C. 19:31CC-1.17(b), the resulting transfer of the certificate shall not be considered a sale of the transfer certificate.

(d) The Authority shall publish on its Internet website the following information concerning each tax credit transfer certificate approved by the Authority and the Director pursuant to this section:

1. The name of the transferrer;

2. The name of the transferee;

3. The value of the tax credit transfer certificate;

4. The State tax against which the transferee may apply the tax credit; and

5. The consideration received by the transferrer.

19:31:CC-1.15 Cap on total credits

The combined value of all credits approved by the Authority pursuant to this program shall be subject to limitations set forth at N.J.S.A. 34:1B-362. The amount of available tax credit shall be posted at the beginning of each calendar year on the website of the Authority.

19:31:CC-1.16 Reduction, forfeiture, recapture of tax credits

(a) If the eligible business does not remain in compliance with any of the eligibility requirements set forth at N.J.S.A. 34:1B-397(a)(2), (3), (4), and (5) and N.J.A.C. 19:31CC-1.3(b)2, 3, 4, and 5, then:

1. If the noncompliance occurs during the eligibility period, the eligible business shall forfeit its credit amount for that tax period, and if in the next tax period the eligible business does not provide documentation satisfactory to the Authority demonstrating compliance, the eligible business shall forfeit the tax credit for each subsequent tax period.

2. For any forfeiture of more than one tax period during the eligibility period or any noncompliance during the compliance period, the Authority may recapture all, or part of, a tax credit awarded. A partial recapture may be calculated to recognize the period of time that the business was in compliance.

(b) If in any tax period during the commitment period an eligible business fails to timely submit its annual report as required by N.J.A.C. 19:31CC-1.12, the business shall forfeit the credit amount for that tax period, absent extenuating circumstances and the written approval of the Authority. Failure to timely submit the annual report for two consecutive years shall be an event of default of the project agreement.

(c) If, in any tax period, the number of new employees in eligible positions, or the salaries thereof, drops below 80 percent of the number of new employees in eligible positions specified in the project agreement or required as a condition of program eligibility pursuant to N.J.S.A. 34:1B-397(c) and N.J.A.C. 19:31CC-1.3(b)2, whichever is greater, then the eligible business shall forfeit its tax credit amount for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the number of new employees in eligible positions, or the salaries thereof, to 80 percent of the number specified in the project agreement or required as a condition of program eligibility pursuant to section N.J.S.A. 34:1B-397(c) and N.J.A.C. 19:31CC-1.3(b)2, whichever is greater, is reviewed and approved by the authority.

(d) If in any tax period an eligible business reduces the total number of full-time employees in its Statewide workforce by more than 20 percent from the number of full-time employees in its Statewide workforce in the last tax period prior to the credit amount approval under the program, then the eligible business shall forfeit its credit amount for that tax period and each subsequent tax period until the first tax period for which documentation demonstrating the restoration of the eligible business's Statewide workforce to the threshold levels required by this subsection has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the credit shall be allowed.

(e) As of the date the annual report required pursuant to N.J.A.C. 19:31CC-1.12:

1. If any worker employed to perform construction work or building services work at the project is paid less than the prevailing wage rate pursuant to N.J.S.A. 34:11-56.25, et seq, N.J.S.A. 34:11-56.58, et seq, and N.J.A.C. 19:31CC-1.18(b) or (c) during the relevant tax period, then the eligible business shall forfeit all credit for the tax period in which the prevailing wage is not paid and each subsequent tax period until the first period for which documentation demonstrating compliance has been reviewed and approved by the Authority, for which tax period and each subsequent period the full amount of the credit shall be allowed.
2. If the eligible business is not in compliance with the requirements set forth in N.J.A.C. 19:31CC-1.10(a)10, the Authority may suspend the tax credits for the relevant tax period, and if the suspension continues for two years, then, at the Authority’s sole option, the eligible business may forfeit the tax credits for those years.

(f) The Authority may recapture all, or part of, a tax credit awarded if an eligible business does not remain in compliance with any other the requirements of the program in the Act, this subchapter, and the project agreement for the duration of the commitment period. Failure of the eligible business to meet any program criteria shall constitute a default and shall result in the recapture of all or part of the tax credit awarded.

(g) If, at any time, the Authority determines that the eligible business made a material misrepresentation on the eligible business's application, project completion certification, annual report, or any related submissions, the eligible business shall forfeit, and the Authority may recapture any or all of the incentive award and all tax credits awarded under the program, which shall be in addition to any other remedies in the project agreement and any criminal or civil penalties to which the eligible business and the respective officer may be subject.

(h) If, based on new information, the Authority determines that a forfeiture or recapture should have been applicable pursuant to any of the provisions in this section, the Authority shall recapture the tax credits for the relevant tax period(s).

(i) Any recapture amount pursuant to this section may include interest on the recapture amount, at a rate equal to the statutory rate for tax deficiencies, plus any statutory penalties, and all costs incurred by the Authority and the Division of Taxation in the Department of the Treasury in connection with the pursuit of the recapture, including, but not limited to, counsel fees, court costs, and other costs of collection. The Authority shall confer with the Division of Taxation to determine the recapture amount.

(j) If all or part of a tax credit sold or assigned pursuant to N.J.S.A. 34:1B-401 and N.J.A.C. 19:31CC-1.14 is subject to recapture, then the Authority shall pursue recapture from the eligible business, and not from the purchaser or assignee of the tax credit transfer certificate.

(k) Any funds recaptured pursuant to this section, including penalties and interest, shall be deposited into the General Fund of the State.

19:31:CC-1.17 Effect of sale or lease of qualified facilities and relocation of qualified business facility

(a) Except for (b) below, if the qualified business facility is sold in whole or in part during the eligibility period, the new owner shall not acquire the capital investment of the seller, provided, however, that any tax credits of tenants shall remain unaffected. If the business merges or consolidates with another entity, the resulting or transferee entity shall not be considered the new owner. The seller shall forfeit all tax credits for the tax period in which the sale occurs and all subsequent tax periods.

(b) A business entity who has entered into a project agreement may, upon notice to and written consent of the Authority, assign, transfer, or sell all of its right, title, and interest in, and to, the project agreement and in the tax credits pursuant to the project agreement, and the right to receive the tax credits, along with the rights and remedies provided to the eligible business pursuant to the project agreement, provided that any sale, assignment, or transfer of the project agreement shall be to the purchaser, assignee, or transferee of the qualified business facility. To decide whether to consent, the Authority will consider the purchase price and terms of the assignment, transfer, or sale; the allocation of the purchase price to the tax credit in relation to the minimum required pursuant to N.J.A.C. 19:31CC-1.14(b); and the impact of the transaction to the eligibility criteria. Any assignment shall be an absolute assignment for all purposes, including the Federal bankruptcy code.

(c) The Authority shall publish, on its internet website, the following information concerning each assignment, transfer, or sale approved by the Authority pursuant to this section:

1. The name of the person or entity offering the assignment, transfer, or sale of a right, title, or interest in a project agreement;

2. The name of the person or entity receiving the assignment, transfer, or sale of a right, title, or interest in the project agreement;

3. The value of the right, title, or interest in the project agreement; and

4. The consideration received by the person or entity offering the assignment, transfer, or sale of the right, title, or interest in the project agreement.

(d) If an eligible business leases, or subleases, or otherwise reduces its real estate tenancy in whole or in part during the eligibility period, the new real estate tenant shall not acquire the tax credits of the eligible business, and the eligible business shall forfeit all tax credits for any tax period of its lease or sublease in which the eligible business, in continued occupation of a portion of the qualified business facility, fails to maintain the number of jobs required for the eligible business to earn tax credits for the tax period or fails to independently satisfy the minimum capital investment or sustainability requirements for the program as set forth at N.J.S.A. 34:1B-397. Provided, however, if the capital investment of the eligible business in the occupied portion of the qualified business facility is below the project minimum capital investment as set forth at N.J.S.A. 34:1B-397(b), the eligible business may include capital investment made by, or on behalf of, the new real estate tenant in the leased or subleased portion of the qualified business facility, so long as that capital investment is not the subject of an independent application under an incentive program with the Authority. Notwithstanding the foregoing, an eligible business may lease or sublease a portion of its qualified business facility to a new real estate tenant that is a quality child care facility and up to five percent for any other new real estate tenant without forfeiting any of the eligible business's credits, provided that the new real estate tenant's full-time employees and capital investment shall not be included in the eligible business's eligible full-time employees or capital investment.

19:31:CC-1.18 Affirmative action and prevailing wage requirements

(a) The Authority's affirmative action requirements at N.J.S.A. 34:1B-5.4 and N.J.A.C. 19:30-3 shall apply to construction contracts valued in excess of $2,000 at the qualified business facility undertaken in connection with financial assistance received under the program. The affirmative action requirements shall apply for two years after the Authority has issued the first certificate of compliance.

(b) The Authority's prevailing wage requirements at N.J.S.A. 34:1B–5.1, N.J.A.C. 19:30–4, and 19:31CC-1.3(b)7 shall apply to construction work performed at the qualified business facility undertaken in connection with financial assistance received under the program during the commitment period.

(c) The Authority's prevailing wage requirements at N.J.A.C. 19:30–4, and 19:31CC-1.3(b)8 shall apply to building services work for the duration of the commitment period.

19:31:CC-1.19 Appeals

(a) The Board's action shall be effective 10 business days after the Governor's receipt of the minutes, provided neither an early approval nor veto has been issued.

(b) A business may appeal the Authority's action by submitting in writing to the Authority, within 20 calendar days from the effective date of such action, an explanation of the grounds for such appeal. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(c) Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer of the Authority, or delegee, shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record, which includes but is not limited to the written appeal, any documentation provided in support of the appeal, and any written staff response to the appeal. The hearing officer may require an in-person hearing and has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. The Authority may consider new evidence or information.

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing the hearing officer's finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. After reviewing the report, the Chief Executive Officer of the Authority may also include a recommendation to the written report of the hearing officer. The business shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer of the Authority, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report. Any such comments will be incorporated into the final report presented to the Board.

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer of the Authority, if any, and any written comments and exceptions timely submitted by the business. Based on that review, the Board shall issue a final decision on the appeal.

4. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

19:31:CC-1.20 Severability

If any section, subsection, provision, clause, or portion of this subchapter is adjudged to be unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.

2021

Green Building Standards

GUIDANCE FOR POTENTIAL ASPIRE AND EMERGE INCENTIVE APPLICANTS

NJEDA

UPDATED: 2021

Table of Contents

Green Building Standards Guidance for Potential Aspire & Emerge Incentive Applicants (Updated 2021)

The below information is intended to be plain language guidance as to the process NJEDA uses to evaluate compliance with green building standards. For specific questions regarding this process or for more information on specific green building requirements for your project, please contact Rob Wisniewski – Sr. Construction Officer-Green Building, rwisniewski@njeda.com *or (609) 858-6768.*

Background

The enabling acts establishing the Aspire and Emerge Programs require any applicant seeking incentive grants for redevelopment projects under these programs to certify that the project was designed and built to green building standards.

Given the fact that Aspire and Emerge were expanded under the Economic Recovery Act of 2020 to allow for a greater degree of variation in the projects that are eligible for these incentives, EDA has established a flexible menu of options that applies the best practice principles of the NJ Green Buildings Manual to the applicant's specific type of project.

Potential applicants should understand going into the application process that these standards exist and, depending on the scope of the project, compliance with green building standards can impact overall project cost. **Therefore, it may be in the applicant's best interest to review this information with a design professional as early in the process as possible for guidance as to how the requirements will impact overall project cost and implementation.**

Identifying a Project Type

Given that green building standards differ depending on the scope of the project, during the application stage, the applicant will be asked to identify the specific project type (1 or 2, see below) that best applies to the scope of construction and which will drive capital investment costs. Please note that EDA staff will not recommend any project for EDA Board approval until a project type has been clearly identified on the program application.

The **project classification types** are as follows:

Type 1:

Construction consisting of 50% or more of the building's value and/or square footage

- ***New Construction***

- ***Reconstruction –*** Commonly referred to as a "gut rehab" this includes extensive work involving the interior of a building, floor or tenant space to the degree that the work area cannot be occupied while the work is in progress, and where a new certificate of occupancy is required before the work area can be reoccupied. This does not include projects comprised only of floor finish replacement, painting, wall-papering, or the replacement of equipment or furnishings.

Type 2:

Construction consisting of 50% or less of the building's value and/or square footage

- ***Renovation*** – Work that is generally restorative in nature and involves the use of different materials. Examples include: replacement of interior finish, trim, doors, or equipment. Renovation does not involve the reconfiguration of space. Renovation also includes the replacement of equipment or fixtures.

- ***Alteration*** – Work that involves a change in layout of interior space while other portions of the space remain without rearrangement. For example, the rearrangement of any space by the construction of walls or partitions, the addition or elimination of any door or window, the extension or rearrangement of any system, the installation of any equipment or fixtures, or any work which affects a primary structural component.

For projects scopes considered "equipment only," project teams must submit a letter signed by CEO (or equivalent) along with a project narrative and schedule of values clarifying the scope of work for the project to be reviewed for exemption from the green building standards stipulated above.

Basic Application of Standards

For all Type 1 Projects: *Table 1: Applicable Standards for Type 1 New Construction/Major Reconstruction Project - page 7*

For all Type 2 Projects: *Table 2: Minimum Required Standards for Type 2 Renovation/Alteration Project – page 11*

NJEDA will review for green building compliance at two (2) stages for every project; Pre-Development and Post-Construction.

<u>Submitting for a Pre-Development Review</u>

Upon Incentive application approval, EDA will require that a project's specific green building plan be submitted the sooner of six (6) months following application approval (when the first project update is due,) or upon the applicant's request for a grant agreement. **However, the plan must be submitted no later than the end of "Schematic Design" so green building elements can be incorporated into the design appropriately.** The plan is to be submitted via email to Rob Wisniewski at rwisniewski@njeda.com with the name of the project in the subject line. The email should include the following information:

- NJEDA P #:
- Classification as described above (i.e.: New Construction, Reconstruction, Renovation or Alteration):
- Pre-Development or Post-Construction Review:
- Technical Contact Info (Owner, Architect/Engineer):
- Project Location(s):

All green building plans should include the following components:

1. A letter from the Applicant (on letterhead) outlining the project size and scope, plus a commitment to their specific standards based on project classification.
2. A signed and sealed letter (please rub lead on the seal so it's visible when scanning) from a licensed design professional outlining the scope of work for the project including the following:
    a. Type of project (New Construction, Reconstruction, Renovation or Alteration as described above) with square footage of the project (and how the project relates to the overall building size – if applicable).
    b. Identify which approved path of green building compliance the applicant is proposing (i.e., LEED Silver or % better than ASHRAE 90.1).
3. Comprehensive construction budget
4. The compliance documentation identified in the chart(s) below.

The submission of this green building plan along with the backup documentation identified in the chart below will start the Pre-Development Review process.

During this Pre-Development Review, EDA will evaluate the project specific green building plan for compliance with the referenced standards applicable to that specific project type. EDA will then either approve the plan or advise applicants as to the most applicable plan amendments to satisfactorily meet the standards. Should an applicant request a "preliminary" Pre-Development approval, a letter would be required from the applicant (on letterhead) clearly identifying a commitment to an approved metric in which the project's performance shall be measured against. Once the required documentation demonstrating compliance with the identified metric (i.e., an energy model or COMcheck calculations) is available and ready for review, the applicant can submit for "final" Pre-Development Review. Once all submissions have been reviewed and approved, a project will receive an approved review letter clearly stating that project has met the pre-development green building requirements of the program.

Project design documents should not be finalized by the applicant until EDA has reviewed and approved the green building pre-development plan.

EDA's Green Building staff are available at this stage to review the green building pre-development plan. However, applicants are advised to channel questions and information through their design professional charged with planning and executing the plan.

Submitting for a Post-Construction Review for Final Certification

Once EDA approves the green building pre-development plan**, the applicant will be expected to execute the plan as approved**. To ensure the plan was executed as approved, EDA will minimally require a signed and sealed letter from the licensed design professional certifying that the as-built project meets the specifications of the approved plan and all green building measures identified are actually installed and/or implemented. Additional required documentation will be outlined in the approval letter based on predevelopment submission. Refer to the chart below for requirements for each measure.

Table 1: Applicable Standards for Type 1 New Construction/Major Reconstruction Projects

Category	Project Type	Standard	Acceptable Measure	Pre-Development Review in addition to Green Building Plan	Proof of Compliance for Post-Construction Review
Commercial	New Construction or Reconstruction	U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED)	Minimum Silver for all USGBC-LEED rating systems	LEED Scorecard identifying at least 50 points and proof of project registration from GBCI. If project will not be registered and pursue actual certification, the applicant should clearly identify this approach in the green building plan.	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan and final LEED scorecard **OR** final LEED scorecard and award certificate indicating a minimum of Silver level. Should the project not actually receive certification but complied with all of the prerequisites and implemented green building strategies equivalent to at least 50 points, the applicant should submit compliance documentation with such prerequisites and credits just as the team would have been uploaded to LEED.
Commercial	New Construction or Reconstruction	American Society of Heating, Refrigerating and Air-Conditioning Engineers	Whole Building Energy Simulation verifying 5% (commercial) or 15% (multi-family) above ASHRAE 90.1-2016	Signed and sealed energy model summary results clearly identifying efficiency percentage over the referenced standard.	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan

Category	Project Type	Standard	Acceptable Measure	Pre-Development Review in addition to Green Building Plan	Proof of Compliance for Post-Construction Review
Commercial	New Construction or Reconstruction	New Jersey Board of Public Utilities Pay for Performance	New Jersey BPU Pay for Performance. Minimum 5% above ASHRAE 90.1-2016	New Jersey Board of Public Utilities Pay for Performance Application and/or Energy Reduction Plan (ERP) from an approved Pay for Performance Provider. If project will not actually participate in the P4P Program, the applicant should clearly identify this approach in the green building plan along with P4P formatted ERP.	New Jersey Board of Public Utilities Pay for Performance Application. Should the project not actually submit for P4P, the applicant shall submit a signed/sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
Commercial	New Construction or Reconstruction	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)	Standard 189.1-2014	Energy model and Identification of Mandatory Provisions	Proof of compliance with the mandatory provisions. Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
Commercial	New Construction or Reconstruction	International Green Construction Code (IGCC) - 2015	Choose minimum of 15 electives from the Jurisdictional and/or Project Electives	Energy Model and Completed IGCC Table 302.1 and/or Table A103.2	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.

Category	Project Type	Standard	Acceptable Measure	Pre-Development Review in addition to Green Building Plan	Proof of Compliance for Post-Construction Review
Residential/ Mixed Use	New Construction/ Reconstruction	LEED, Home Energy Rating System (HERS), and/or EPA Energy Star	Development projects can pursue LEED ND (Silver) or choose an identified EPA Green Building Standards Guidance compliance path for individual buildings within a development project. Residential projects (single or multifamily) within a mixed- use project, HERS 75 or less. If more than 50 percent of the project is residential, than utilize Energy Star Homes or Energy Star Multifamily, otherwise utilize Energy Star Commercial score of 75 or better	LEED: Scorecard identifying at least 50 points and proof of project registration from GBCI. If project will not be registered and pursue actual certification, the applicant should clearly identify this approach in the green building plan. AND/OR HERS: Letter from RESNET provider confirming eligibility and engagement AND/OR EPA: Screen shot of Portfolio Manager with project's status	LEED: Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan and final LEED scorecard **OR** final LEED scorecard and award certificate indicating a minimum of Silver level. Should the project not actually submit for actual certification but complied with all prerequisites and implemented green building strategies equivalent to at least 50 points, the applicant should submit compliance documentation with such prerequisites and credits just as would have been uploaded to LEED Online. AND/OR HERS: Certificate AND/OR EPA: Energy Star Certificate

Category	Project Type	Standard	Acceptable Measure	Pre-Development Review in addition to Green Building Plan	Proof of Compliance for Post-Construction Review
Commercial/ Residential	New Construction or Reconstruction	International Living Future Institute	Net Zero Building Energy Certification	Proof of registration	Net Zero Building Energy Certification
Residential	New Construction or Reconstruction	NJ Housing and Mortgage Finance Authority (NJ-HMFA) and NJ Department of Community Affairs (NJ-DCA)	Residential projects that are utilizing affordable housing subsidies offered by NJ-HMFA and NJ-DCA are already required to conform to green building standards which meet the statutory requirement.	NJ Housing and Mortgage Finance Authority (NJ-HMFA) and NJ Department of Community Affairs (NJ-DCA) projects follow a separate and individual process outside of the green building standards review	HMFA final green building approval
Residential/Mixed Use	New Construction or Reconstruction	National Green Building Standard	National Green Building Standard	Proof of registration and NGBS Green Scoring Spreadsheet	NGBS Green certificate or the checklist
Residential/ Commercial	New Construction or Reconstruction	Passive House Institute US	Passive House Institute US Certification	Proof of registration	Passive House Institute US Certification

Guidance for Type 2 Projects

Table 2 below outlines the minimum green building requirements for all Type 2 projects considered an Alteration or Renovation, that are less than 50% of the building's value and/or square footage and fitting the project type criteria. These requirements are intended to give clear guidance to program participants, provide a consistent level of expectation throughout varying project types and reduce complications during the compliance review process. As noted in submission section, project teams must submit a construction budget & scope of work narrative outlining the minimum proposed standards and any additional green measures the project intends to pursue that address, but not limited to, the following areas of sustainability:

- Energy & Water Efficiency
- Indoor Air Quality Management
- Fundamental Commissioning
- Construction & Demolition Waste Management
- Occupancy Sensors
- Daylighting
- Innovative Measures

NOTES

1. Because of the variability in scope of work for each approved TYPE 2 project, not every category outlined below will/may be incorporated into every project. However, if the scope of work addresses one, any, or all categories listed in Table 2, project must adhere to the required measure.
2. LEED-CI Minimum Silver Certification will fulfill all prerequisites and requirements for TYPE 2 green building program approval

Table 2: Minimum Required Standards for Type 2 Renovation/Alteration Project

Category	Project Type	Standard	Acceptable Measure	Pre-Development Review in addition to Green Building Plan	Proof of Compliance for Post-Construction Review
Energy Efficiency	Newly installed lighting improvements including fixtures, ballasts and/or other electrical equipment	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)	Minimum 5 percent energy improvement over ASHRAE 90.1-2016	COM Check or energy model signed & sealed by project design professional	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
Energy Efficiency	Newly installed heating, ventilation, air conditioning & water heating equipment	American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)	Minimum 5 percent energy improvement over ASHRAE 90.1-2016	COM Check or energy model signed & sealed by project design professional	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
Energy Efficiency	Appliance	EPA Energy Star	Energy Star Labeled	Spec Sheet highlighting compliance	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.

Category	Project Type	Standard	Acceptable Measure	Pre-Development Submission	Proof of Compliance for Post Construction Review
Water Efficiency	Toilets	1.6 Gallons per flush	In aggregate, 20% better than baseline standard	LEED v4 Indoor Water Use Reduction Calculator	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
	Urinals	1.0 gpf			
	Public Lavatory Faucet	2.2. gpm@60psi			
	Kitchen Faucet	2.2 gpm@60psi			
Low Emitting Materials	Interior Wet Applied Paints	VOC Content Requirements for Wet Applied Products	Must meet the applicable VOC limits of the California Air Resources Board (CARB) 2007	Spec Sheets highlighting compliance	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
Low Emitting Materials	Interior Adhesives/ Sealants	VOC Content Requirements for Wet Applied Products	Must meet the applicable chemical content requirements of SCAQMD Rule 1168, July 1, 2005, Adhesive and Sealant Applications	Spec Sheet highlighting compliance	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.
Low Emitting Materials	Carpet Flooring	VOC Content requirements	CRI Green Label Plus	Spec Sheets highlighting compliance	Signed and sealed letter from the licensed design professional indicating construction is complete and in accordance with the approved green building plan.

Appendix C

Capital Investment

The Next NJ Program – AI, requires a business to meet a minimum capital investment of $100 million. Capital investment includes site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property, including security systems such as surveillance cameras, access control systems, and secure entry points to protect the physical infrastructure, site-related utilities, including, but not limited to, water, electric, sewer, and stormwater; and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems, or other environmental components required to attain the minimum environmental and sustainability standards, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source, including N.J.S.A. 52:27H-80 et seq., but does not include site acquisition.

Capital investment also includes obtaining and installing furnishings and machinery, apparatus, equipment, or software bundled with hardware, including but not limited to material goods subject to bonus depreciation under sections 168 and 179 of the Federal Internal Revenue Code (26 U.S.C. §§ 168 and 179), for the operation of a business on real property or in a building, structure, facility, or improvement to real property; or any combination of the foregoing. Vehicles and heavy equipment not permanently located in the building, structure, facility, or improvement shall not constitute a capital investment. Capital investment shall include the value of a capital lease, as defined by generally accepted accounting practices (GAAP), of furnishings and machinery, apparatus, or equipment, based on the shorter of the useful life of the leased property or the commitment period. Capital investment shall exclude furnishings, machinery, apparatus, equipment, or software bundled with hardware that is not placed into operation before the eligible business submits the certification pursuant to N.J.A.C. 19:31CC-1.11. Associated soft costs and the acquisition and installation of software that is not bundled with hardware, which aggregate costs shall not exceed 20 percent of capital investment. Moreover, expenses at the qualified business facility that a business or an affiliate of the business incurs or is incurred on behalf of the business or affiliate by its landlord, which may be demonstrated through an executed letter of intent or lease, following its submission of a completed application are eligible.

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Sun Pharmaceutical Industries, Inc. ("Sun Pharma" or the Applicant") - Emerge Tax Credit Program Application

REQUESTS

The Members of the Authority are asked to: -

- Approve the proposed Emerge New Jersey tax credit award, for $748,000 per year over seven years, in total $5,236,000, to induce Sun Pharma to site the project in New Jersey. The recommended tax credit award is subject to conditions after receiving and maintaining the award, including submission of certifications and evidence that the company has met the eligibility criteria. Staff is authorized to lower the award amount, and the term will be lowered to reflect the award amount that corresponds to the actual employment and capital investment in the project completion certification provided that neither the application information nor the project has materially changed and no analysis, such as the net positive economic benefit analysis must be re-evaluated; and
- Adopt the recommended finding by staff that the existing jobs in the application are at-risk of being located outside New Jersey but not qualified to be incentivized.

ABOUT THE EMERGE PROGRAM

The Emerge Program encourages economic development in the State's priority sectors by providing per-job tax credits for up to seven years (the "Eligibility Period"). To be eligible for Emerge Program support, a project must meet various eligibility criteria at application and at project certification, including locating in a qualified incentive area, creating a minimum number of new jobs, or retaining a significant number of at-risk jobs, and meeting minimum capital investment requirements. In addition, the project must comply with certain standards during a commitment period which is set at 1.5 times the Eligibility Period rounded up to the next whole year. Upon approval and demonstration of site control and financing, the business must execute a commitment agreement. Full description of the program and the current version of the program's rules can be found at https://www.njeda.com/emerge.

Projects must yield a minimum net positive benefit to the State. For most projects and most areas of the state, this minimum level is at least 400 percent of the awarded tax credit. However, projects in certain target areas or that meet certain requirements are subject to lower net positive benefit thresholds (300 or 200).

Projects must also demonstrate that the award of the tax credit is a "material factor" in applicant's decision to create and/or retain the number of new and retained full-time jobs in New Jersey as specified in the business's application. To qualify as a position eligible for a tax credit, the employee filling the position must spend at least 80 percent of the employee's work time in New Jersey. The business must also ensure that not less than 80 percent of the withholdings of new or retained full-time jobs are subject to the 'New Jersey Gross Income Tax Act'. The location of the project (the Qualified Business Facility ("QBF")) must be able to accommodate more than 50 percent of the incented new and retained jobs.

To be awarded Emerge tax credits, the applicant must be in good standing with the NJ Department of Labor and Workforce Development, NJ Department of Treasury, and the NJ Department of Environmental Protection (as determined by each Department). All projects that receive Emerge support must also meet minimum environmental standards, pay prevailing wages to construction workers and building service workers, and offer health benefits.

Applicants with projects that have a total project cost exceeding or equaling $10 million must also enter into a Community Benefits Agreement ("CBA") with NJEDA and the county or municipality in which the project is located unless the municipality certifies the approval letter or a redevelopment agreement for the QBF with provisions that meet or exceed the statutory standards for the CBA.

Upon completion of the project, the business must submit an independently prepared CPA cost and job certification and other documents evidencing completion of the approved project and satisfaction of the of the eligibility criteria. Once the tax credits are issued, the Emerge tax credits are certified for use annually and proportionally based on actual job numbers (that is, number of new and retained jobs) during that year and an applicant is subject to reduction, forfeiture and recapture based on various actions, such as job reduction, certain unapproved relocations, or QBF property dispositions, and failure to report annually.

APPLICANT
Sun Pharmaceutical Industries, Inc.

PROJECT LOCATION
750 College Road East,
Princeton, NJ 08540
Lot 13, Block 701
(Note: Lot 13, Block 701 falls within the area governed by Plainsboro Township's tax map, not Princeton. In addition, Plainsboro is in Middlesex County).

APPLICANT BACKGROUND
The Applicant is owned by Sun Pharmaceutical Industries Limited ("Sun Pharma Parent") with 3.65% and Sun Pharmaceutical Holdings USA Inc. with 96.35%, respectively. Sun Pharma Parent was founded by Dilip Shanghvi in Vapi, Gujarat, India in 1983 and went public in 1994 on the National Stock Exchange of India Limited under the trading symbols SUNPHARMA.

Sun Pharma Parent, headquartered in Mumbai, India, is principally engaged in manufacturing and selling pharmaceutical formulations and active pharmaceutical ingredients (APIs) in more than 100 countries across the globe. Based on its website, it is the largest pharmaceutical company in India and the fourth largest specialty generic pharmaceutical company in the world. The products cater to a vast range of therapeutic segments covering psychiatry, anti-infectives, neurology, cardiology, diabetology, gastroenterology, ophthalmology, nephrology, urology, dermatology, gynecology, respiratory, oncology, dental and nutritional. Its recent global revenue is $5.8 billion and has over 41,000 employees in 100 locations/offices worldwide. In the US, it has 9 locations/offices with 1,527 employees. On June 24, 2024, it was announced that Sun Pharma Parent acquired all remaining shares of Taro Pharmaceutical Industries Ltd. ("Taro Parent") with its subsidiary i.e. Taro Pharmaceutical Industries U.S.A., Inc. ("Taro USA"). For this memo, Taro USA will be referred as Taro USA, affiliate or contributing affiliate or subsidiary interchangeably. Taro USA's US headquarters is located at 3 Skyline Drive, Hawthorne, New York 10532.

Currently, the Applicant has its US headquarters at 2 Independence Way, Princeton, NJ 08540 and has 2 additional existing locations with 305 employees in total in New Jersey. It develops, licenses, manufactures, markets, and distributes generic, prescription and over-the-counter pharmaceuticals to the nation's largest wholesalers, distributors, warehousing and non-warehousing chain drugstores and managed care providers, throughout the United States and Puerto Rico.

PROJECT BACKGROUND

After the acquisition of the remaining shares, the Applicant is consolidating its workforce to establish a new U.S. headquarters. It is evaluating potential sites between Princeton, New Jersey, and Horsham, Pennsylvania, to accommodate its combined workforce. This includes 192 new jobs relocating from Hawthorne, New York, 28 newly created positions, and 230 at-risk jobs in New Jersey, totaling 450 corporate positions. Please note that the at-risk jobs will not be eligible for incentives.

The Applicant periodically assesses real estate options with changes in the marketplace and explores synergies that will benefit the company both from a financial and personnel standpoint. It owns a corporate office building in Hawthorne, New York and in the effort to consolidate space and reduce redundancies, it is exploring relocating these corporate jobs to either New Jersey or Pennsylvania. The Applicant has approximately 192 jobs located in New York with an average salary of $126,500. It also currently owns the existing facility in Princeton, New Jersey but at 55,000 square feet, the current site would not be able to house the current employees with the additional 192 employees that would be relocated out of Hawthorne as well as the 28 new jobs to be created locally. As a result, the Applicant is exploring a new site for their US headquarters either in Princeton, New Jersey or Horsham, Pennsylvania that would be able to provide the necessary space for the newly combined workforce.

Currently, the Applicant is considering purchasing an existing Class A office building between either the 100,000 square feet facility in Princeton, New Jersey, or an alternative existing office building of 109,700 square feet in Horsham, Pennsylvania. The project location in New Jersey is 750 College Road East, Princeton, NJ 08540, and the alternative location is 4 Walnut Grove Drive, Horsham, Pennsylvania 19044. In accordance with the Applicant's application, it possesses a strong demand for Class A office space to accommodate employee growth. To attract top-level talent, it is committed to upgrading its technological capabilities. Specifically, it requires modern infrastructure and new technology to house its executives and back-office staff. To remain competitive in its industry, it wants to draw in qualified employees by providing a collaborative work environment fueled by technological innovation. Thus, it anticipates spending a significant amount of capital to upgrade its facility and technology.

Under the project, the anticipated eligible capital investment for the project is $6,988,250, including, hard construction cost for renovations, repairs, or improvements, eligible project soft costs, furniture, fixtures and office equipment and one-time technology infrastructure costs. The project would retain 230 (i.e., 209 & 21) full-time corporate jobs with an average salary of $183,118 currently based in Princeton and Cranbury, respectively, New Jersey and create 220 new full time corporate jobs (i.e.,192 from Hawthorne and 28 new jobs to be created) with an average salary of $131,823. The new combined workforce at the project location would be totaling 450 full time employees. While the new jobs are eligible for a potential incentive award, the 230 at-risk jobs are ineligible to be incentivized as they fall below the minimum requirement of 500 retained at-risk jobs (this minimum level is set by the program's statute).

The Applicant will be contributing capital investment to the project while its affiliate, Taro USA, will be contributing 192 new full-time jobs at the QBF.

Based on an underwriting review of the Applicant's financial information, staff concluded that the Applicant and the proposed Emerge project are financially feasible.

Additional details on the project can be found in Appendix 1: Project Summary.

PREVIOUSLY AWARDED INCENTIVES

The NJEDA has not previously provided incentives for any of the proposed new jobs. The Applicant was approved for a Business Employment Incentive Program (BEIP) on September 9, 2008, but later withdrew on January 30, 2020, after failing to meet the required job thresholds for two consecutive years. However, the retained jobs under this Emerge project are not eligible for incentives, as the Applicant does not meet the minimum requirement of 500 retained jobs for its qualified incentive location.

TARGETED INDUSTRY

Based on the facts and information provided by the Applicant and to which the company CEO or equivalent officer has certified, staff concludes that Sun Pharmaceutical Industries, Inc. meets the "Targeted Industry" definition of the "Life Sciences." The Applicant is engaged in pharmaceutical and medicine manufacturing, specifically, producing a comprehensive, diverse, and highly complementary portfolio of generic and specialty medicines targeting a wide spectrum of chronic and acute treatments within the life sciences sector which is called out in the Board approved industry definition as noted below: -

> *"Life sciences industry includes, but is not limited to, the research, development, commercialization, manufacturing, and implementation of innovative treatments, diagnostic tools, healthcare related software, medical devices, services, and equipment that supports the study, protection and improvement of plant, animal, and human life. Examples of life science industry practices include specialization in biomedicine, biochemistry, pharmaceuticals, biophysics, neuroscience, cell biology, biotechnology, medical devices, nutraceuticals, health-technology, botany and advanced agricultural development, cosmeceuticals, and life systems technologies. This industry also includes firms that manufacture either finished or interim advanced technologies or components. Exclusions from this industry include direct provision of health care services in hospitals, outpatient facilities, dentist offices, nursing homes, or within a home setting."*

MATERIAL FACTOR

Staff concludes that, based upon the facts and information provided by the Applicant and to which the Applicant CEO or equivalent officer has certified, the award of Emerge tax credits is a material factor in the Applicant's decision to locate the project in New Jersey. The following includes the key considerations: -

- Prior to factoring in Horsham, Pennsylvania alternative site incentive offers, the move to that alternative site would result in annual cost saving of $3,601,178 for Horsham, Pennsylvania over Princeton, New Jersey. This is representative of an annual 4.9% costs difference. The largest item in the cost gap is derived from salary costs. The award of Emerge tax credits will bring the gap closer. The salary level of the relevant new jobs has been substantiated by the Bureau of Labor Statistics data.

- The presence of an incentive offers for the alternative site in Horsham is a significant consideration in the material factor analysis. The Applicant has provided evidence that it has a valid incentive offer through Department of Community & Economic Development in Pennsylvania for grants of $3,000,000 and funding of up to $100,000 in eligible training costs. The Emerge tax credit award amount outweighs this alternative offer amount and helps to close the cost difference between the two sites.

- The Applicant, as required in the application, listed the top two factors driving their decision and provide relative weighting as below: -

  Key Factors

Factor	Weight
Costs	80
Talent Pool	20
	Total: 100

  These weighted factors further substantiate the analysis described above. Based on the Applicant's application, the ongoing salary costs are the largest expenses in their budget in Princeton, New Jersey and is more than those in Horsham, Pennsylvania, thus ongoing salary costs as the most heavily weighted factor in their decision.

- Both locations offer access to a large talent pool in the life science industry. Middlesex and Montgomery Counties in New Jersey and Pennsylvania respectively have a life science industry cluster and access to many colleges and universities. In terms of access to talent pool, both sites are close given their proximity to one another.

- Additional supporting for material factor findings: -
  - On strategic front, both locations take approximately similar time to travel to their respective international airport, but Horsham may offer overall lower costs of living according to the US Census Bureau.
  - The alternative location's corporate net income tax rate is lower than New Jersey.

Staff recognizes that the Applicant's New Jersey real estate purchase transaction is more advanced in the negotiation with the seller than their Horsham site. The Applicant has the executed contract for sales of real estate with the Emerge statutorily required contingency language in it conditioning the purchase on the award of the Emerge tax credits while there is an unsigned non-binding letter of offer with Horsham. While the proposed New Jersey location is closer to its existing operations, the Applicant has indicated that they are prepared to move their operations to the Horsham, PA site. Staff further reviewed the availability of the alternative Horsham PA site. Staff independently determined that the site was in fact currently available and on the market using CoStar, a third-party commercial real estate source, as well as searched on Google. Staff also received verification via email from the Applicant that senior business leaders from the company have toured the Horsham PA location with their independent consultant and met with local real estate agent and economic development officials. Also, the parties to the non-binding letter of offer have had communications related to price and terms.

Based on NJEDA's Material Factor Risk Rating model, the likelihood of the company proceeding with the project without an incentive is classified as medium on the risk rating scale.

Overall, staff concludes that on a cost comparison basis, both states are viable options, and the New Jersey incentive will be a material factor in the Applicant's decision.

AWARD TAX CREDIT CALCULATION

Based on the project's characteristics, including number of new jobs, number of retained jobs, bonuses, and location, staff are recommending an award of $748,000 per year of tax credits. The Applicant has requested a 7-year Eligibility Period, corresponding with an 11-year commitment period. Over the course of the 7-year Eligibility Period, the total recommended award of tax credits for this project is $5,236,000.

The Emerge Program allows for project employees that will primarily spend their employment time at the QBF to be awarded the full base and bonus amounts, up to a per-job capped amount. For each new full-time job, the per job tax credit is $3,400 per year which is below the capped amount of $4,000 per year for projects in an Employment and Investment Corridor. A summary of the per job tax credit award calculation is included in the table below: -

Emerge Program - summary of the per job tax credit award calculation

	Location/Project Type	$	$
Annual Base Award Per Job	Employment and Investment Corridor		2,500
Applicable Bonuses:			
1.Target Industry		500	
2. Median Salary Bonus		400	
Total Applicable Bonuses		900	900
Total Annual Max Award (Base + Bonuses) per job			3,400
			$
New Jobs	220		748,000
Retained Jobs *	230		0
Total Estimated Award Per Year			748,000
Total Estimated Award for 7 Years	7		5,236,000

* The 230 at-risk jobs in this project are not being incented as they fall below the minimum requirement of 500 at-risk jobs.

NET BENEFIT

The Net Benefit to the State requirement for a non-Mega-Project/non-Small-Business Employment and Investment Corridor project is 400%. In evaluating the net benefit analysis for this project, staff used the NAICS code of 325400 including 325412 which represent, U.S. industry comprises establishments (except government establishments) primarily engaged in Pharmaceutical and Medicine Manufacturing.

As inputs to these calculations, staff used the total number of 220 new jobs and 230 at-risk jobs, for a total input of 450 jobs. The cumulative wages for new jobs and at-risk jobs were also a key input. The IMPLAN model also considers hard renovation construction costs for renovations, repairs, or improvements of $3,418,750 for this project.

Based on the Program's statute and regulations, the net positive economic benefits calculated for all projects must be evaluated by the Authority on a present value basis with the requested tax credit allocation amount discounted to present value at the same discount rate as the benefits. Using the discount rate approved by the Board, the present value of $5,236,000 total award amount results to $3,894,365. The present value of the $80,839,181,892 calculated net positive economic benefit is $53,518,892. This yields a 1374% net positive economic benefit coverage ratio, which is over the required statutory hurdle rate of 400% for this project. The Net Benefits Test ("NBT") summary is below: -

Emerge Program - Net Benefits Test ("NBT") Summary	
One-time benefit to State from construction	$184,000
Ongoing annual benefit to the State	$6,592,411
NPV of one-time and ongoing benefits *(11 years with 2.5% inflation and discounted at 8%)*	**$53,518,892**
Total Emerge Award	$5,236,000
Annual Emerge Award	$748,000
NPV of award *(7 years discounted at 8%)*	**$3,894,365**
Coverage ratio of award	**1374%**
Statutory minimum coverage ratio of award	400%
Excess coverage	974%

PROGRAM CAP AMOUNT

The Emerge Program is capped with New Jersey Aspire program at $1.1B per year with statue extended can be rolled over in subsequent years up to March 1, 2029. The Programs will have carryover balance of $2,068,783,425 for State Fiscal Year 2023.

APPLICABLE DEADLINES

The Applicant shall have 6 months after the date of Board approval to enter into a community benefits agreement with either Plainsboro Township in Middlesex County or, if requested by the Plainsboro Township mayor, Middlesex County. The executed community benefits agreement is a condition to entering into a commitment agreement.

Within the later of 12 months of the date of the Board's approval or 6 months after the date of execution of the approval letter, the Applicant will submit progress information indicating that the business has site plan approval (if applicable), committed financing (if applicable) for, and site control of the QBF.

Applicant shall have three years to complete the project and submit the certifications and evidence of project completion and satisfaction of program eligibility criteria.

CONDITIONS OF APPROVAL

Staff recommend that the award include the following conditions of approval: -

1. If in the project completion certifications, the number of new and at-risk full-time employees, median salary, or eligible capital investment to be included in the net benefit analysis is reduced by more than 10% from the amounts contained herein, the net benefit to the state will be recalculated under the current net benefit model and the size of the tax credits may be reduced accordingly.

The Members of the Authority are asked to: -

- Approve the proposed Emerge New Jersey tax credit award, for $748,000 per year over seven years, in total $5,236,000, to induce Sun Pharma to site the project in New Jersey. The recommended tax credit award is subject to conditions after receiving and maintaining the award, including submission of certifications and evidence that the company has met the eligibility criteria. Staff is authorized to lower the award amount, and the term will be lowered to reflect the award amount that corresponds to the actual employment and capital investment in the project completion certification provided that neither the application information nor the project has materially changed and no analysis, such as the net positive economic benefit analysis must be re-evaluated; and

- Adopt the recommended finding by staff that the existing jobs in the application are at-risk of being located outside New Jersey but not qualified to be incentivized.

SENIOR PRODUCT OFFICER: Sandy Chu
TEAM LEAD: Ivan Mendez
APPROVAL OFFICER: Mathew Abraham

ANALYSES INCLUDED:
Appendix: Project Summary

Tim Sullivan, CEO

Appendix: Project Summary

Basic Applicant Information	
Applicant	Sun Pharmaceutical Industries, Inc.
Application Date	Originally submitted Tue 5/7/2024 4:32 PM, 1st resubmission Wed 9/18/2024 4:56 PM, 2nd resubmission Wed 12/11/2024 9:48 AM, 3rd resubmission Wed 1/8/2025 11:57 AM, 4th resubmission Mon 1/27/2025 9:20 AM
Applicant Headquarters State	New Jersey
Total Global Locations for Applicant and Affiliates	101
Total NJ Locations for Applicant and Affiliates	5

Basic Project Information	
Targeted Industry	NAICS 325400 (incl. 32541) - Pharmaceutical and Medicine Manufacturing & NAICS 325412 - Pharmaceutical preparation
Mega-Project	No
Small Business	No
Eligibility Period (years)	7
Commitment Period (years)	11
Material Factor - Risk Assessment	19
Material Factor - Activities to date	1.8.2025

Existing NJ Jobs Summary		
Total Employees in New Jersey (including Retail jobs)		305
Total jobs at-risk jobs in NJ		230
Average at-risk job salary	$	183,118
Median at-risk job salary	$	152,052
Total annual salary at risk	$	42,117,108

New Jobs Summary		
Total New Jobs		220
Average New Job Salary	$	131,823
Median salary	$	105,000
Total New Job Salary	$	29,001,019

Median Salary including New Jobs and at-risk jobs salary	$	128,526

Project Location Summary		**NJ Location**	**Alternative Location**	**Difference**
Address		750 College Road East, Princeton, New Jersey 08540, Block 701, Lot 13	4 Walnut Grove Drive, Horsham, Pennsylvania 19044, Lot 4, Block 60.	
Town		Princeton	Horsham	
State		NJ Proposed	PA proposed	
Proposed ownership status		Signed Letter of Intent with contingency language	Draft unsigned Non-Binding Offer Letter	
Proposed project Real Estate Status		To be renovated	To be renovated	
Class		A	A	
Proposed lease term		NA	NA	
Sqft total		100,000	109,700	-9,700
Sqft leasable		0	0	0
Minimum Capital Investment	$	4,000,000		

Project Cost Comparison Summary		**NJ Location Cost**		**Alternative Location Cost**		**Cost Difference**
One-Time Project Cost estimate	$	26,283,250	$	23,929,650	$	2,353,600
Hard construction costs	$	3,418,750	$	8,186,500	$	(4,767,750)
Total Capital Investment	$	6,988,250	$	10,999,150	$	(4,010,900)
Annual Ongoing Project Cost estimate	$	73,873,369	$	70,272,191	$	3,601,178
Discounted Ongoing Project Cost Estimate over Commitment Period	$	675,398,875	$	642,474,540	$	32,924,335
Total Project Comparison Costs	**$**	**701,682,125**	**$**	**666,404,190**	$	35,277,935
Total Percentage Differential Between New Jersey and the Alternative Location						**5.03%**

Basic Award Size Information		
Incentive Area Type		Employment & Investment Corridor
Net Benefit Requirement		400%
Net Benefit Estimate		1374%
Maximum Award Size	$	5,236,000
Net Benefit Constrained Award Size	$	5,236,000
Inducement Constrained Award Size	$	5,236,000
Award size per new full-time job	$	3,400
Total Award Size	$	5,236,000

Total Jobs Summary	At QBF	In State	Total
Total New Jobs at QBF	220	-	220
Total At-Risk Jobs at QBF	230	-	230
Total Not-At-Risk Full-time Jobs retained	-	75	75
Total At-Risk Part-time Jobs	-	-	-
New Jersey project	450	-	450
Total Jobs Previously Incented Jobs	-	-	-
Total Eligible Incented Jobs	-	-	-

Anticipated Schedule	
Proposed Construction Start	4/1/2025
Proposed Construction End Date	7/31/2025
Proposed Start of Business Operatio	9/1/2025
Required Certification Date	7/1/2027

Application Review Status		
Completeness Review Done	Yes	
Cost Comparison Done	Yes	
Net Benefit Done	Yes	
Other Business Analysis Done	Yes	
Underwriting Done	Yes	
Sister Agency Review Done	Yes	
Board Memo Done	Yes	
LOI Done	Yes	

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: March 12, 2025

RE: Aspire Program- Product #316546
Avenel Housing LLC ("Applicant")

Request

Issuance of tax credits from the Aspire program ("the Program") for a residential project located in Woodbridge, New Jersey, Middlesex County up to 60% of the eligible project cost ("eligible costs"), not to exceed $17,377,106.

Aspire Program Background

The New Jersey Economic Recovery Act pf 2020 (the "Act"), N.J.S.A. 34:1B-322, et seq., provides that the "authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs." Aspire Program Rules incorporating a variety of programmatic changes resulting from recently enacted Legislation and responding to formerly submitted public comment were specially adopted by the Authority Board on November 16th, 2023, and took effect on December 5, 2023, upon submission to the Office of Administrative Law. In addition, legislative amendments to the Act (P.L 2025, c.2) became effective on January 23, 2025. This application is being considered based upon the Act (as most recently amended) and Rules.

The Program provides tax credits for ten years (the "Eligibility Period"). The amount of tax credits a real estate development project or "Redevelopment Project," receives is generally a percentage of the project's costs and is subject to a statutory cap determined by project location and other aspects of each project.

Project Description

The Project, known as Avenel Veterans, entails the new construction of a residential development located on a 1.25-acre vacant site at 1440-1450 Rahway Avenue in Avenel in Woodbridge Township, Middlesex County. The Project site is in the Cedar Meadows Redevelopment Plan Area.

The Project will entail 60,562 gross square feet of new development, consisting of 60 affordable residential units for seniors fifty-five and over with a preference for veterans and with rents ranging up to 60% of Area Median Income (AMI).

Avenue Housing LLC has been designated as Redeveloper of the Project by the Woodbridge Redevelopment Agency per the Redevelopment Agreement dated October 7, 2024.

The Project is part of the Redevelopment Plan entitled "Cedar Meadows Redevelopment Plan". The Redevelopment Plan also includes the newly completed project Greens at Avenel family rental development that consist of 101 units, including 25 units set aside for individuals with special needs. As discussed below, Pennrose LLC ("Pennrose") is the lead development entity for this project.

The Project received minor site plan approval effective October 16, 2024.

Project Ownership

On August 2, 2024, the Agreement to Enter into a Ground Lease was executed between the Applicant Avenel Housing LLC ("Lessee") and Woodbridge Township ("Township") for a fee in the amount of $500,000. The Ground Lease shall be for a 90-year term with an anticipated closing of December 31, 2025.

The Applicant, Avenel Housing LLC, is a sole-purpose entity owned by Avenel Housing Managing Member LLC, a pass-through entity controlled by Pennrose Holdings LLC, which is the 100% owner of the managing member. Pennrose Holdings LLC, an affiliate of Pennrose LLC (the lead development entity and guarantor), is owned by Richard K. Barnhart (22.5%), Mark H. Dambly (22.5%), Timothy I. Henkel (15%), and Hunt PR Holdings LLC (40%).

Lead Development Entity

Pennrose LLC develops and manages affordable housing, conventional, mixed-income, mixed-use and master planned communities. Founded in 1971 by John B. Rosenthal, Pennrose has completed more than 27,000 rental units, totaling $5 billion in development costs. The Pennrose portfolio also includes more than 350+ distinct developments in 19 states plus the District of Columbia and the U.S. Virgin Islands.

Pennrose has led several projects including: 1] Premier Residences, New Brunswick, New Jersey, mixed-income, mixed-use, residential; 2] Alexander Hamilton Phase III, Paterson, New Jersey, affordable, residential; 3] Cityview Senior, Newark, New Jersey, affordable, senior; 4] Garfield Court Phase I, Long Branch, New Jersey, mixed-income, family; 5] Easthampton Town Center, Mount Holly, New Jersey, affordable, family. 6] Sun Pointe, El Paso, Texas, residential, affordable development; 7] 36N Phase I (Tulsa), Tulsa, OK, mixed-income, residential, affordable, mixed-use, commercial; 8] FOP Senior, Philadelphia, PA, affordable, senior;

Key Staff from Pennrose involved in the Project include: Richard K. Barnhart- Executive Chairman of the Board; Mark H. Dambly- Chief Executive Officer; and Timothy I. Henkel- President.

Legal Review and Sister Agency Check
A Legal Review (debarment/disqualification review) was completed on the Applicant and Lead Development Entity, and relevant related entities by the Authority and all entities were cleared. All of the entities were also found to be in substantial good standing with the Departments of Labor and Workforce Development, Environmental Protection, and the Treasury.

Construction Timeline:
Construction is expected to commence in June 2025, and the Project will take 15 months to complete.

Architect
Design for the Project has been undertaken by Thriven Design (formerly known as Kitchen & Associates), providing full-service architecture, engineering, planning, interior design, and energy-related consulting services. Thriven provides service to public agencies, private developers, non-profit organizations, and local municipalities throughout the country for affordable multifamily and senior, asset preservation, commercial, and market rate developments.

The firm was founded in 1971 by Benjamin Kitchen.

Thriven Design has completed a wide range of work, including: 1) 650 Grove Street, Jersey City, residential; 2) 1425 Teaneck Senior Housing, Teaneck, residential; 3) South Ward Wellness Center, Newark, commercial; 4) Aspen Heights University City, Charlotte, North Carolina, student housing; 5) PhilPort Administration Building, Philadelphia, PA, commercial; and 6) Riverfront Village, Pennsauken, residential.

General Contractor
ARC Building Partners is the General Contractor for the project and was founded in 2017 by Frank L. Ciminelli, II along with a team of construction industry experts. Arc serves clients via partnerships in both New York and New Jersey with a focus on mixed-use development, including affordable and supportive housing, healthcare, arts, and culture. Arc helps clients transform empty lots, vacant buildings, and hazardous brownfields into buildings designed to serve their neighborhoods and residents.

Project Details
As noted previously, the Project, known as Avenel Veterans, entails the new construction of a residential development located on 1440-1450 Rahway Avenue in Avenel in Woodbridge Township, Middlesex County.

The Project consists of 60 units for seniors with a preference for veterans within a 3-story newly-constructed building. The ground level will include a management office, office space, packing room, and a community room. Apartment amenities include EnergyStar dishwasher and refrigerator, ceramic tile bathroom, window treatments, cable, and internet access. Tenant will have access to the adjacent Greens at Avenel Parking lot.

The unit mix includes 55 one-bedroom units (including one rent free supers' unit) averaging 727 square feet; and 5 two-bedroom units averaging 997 square feet with rents ranging up to 60% Area Median Income (AMI).

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Eligible Project Costs
Acquisition	$500,000	$0
Hard Construction Costs	$20,118,389	$20,118,389
Professional Services	$1,687,185	$1,687,185
Financing and Other Soft Costs	$6,344,089	$4,302,808
Developer Fee	$3,150,236	$2,861,961
Total	**$31,799,899**	**$28,961,843**

The total eligible project cost is the cost included in total development costs that is used for sizing the tax credit. The total eligible project cost excludes land acquisition, as well as various reserves to fund interest and operating expenses during lease-up.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
1st Mortgage	Permanent Loan	$2,255,000
NJHMFA State Funds	Soft Loan	$8,850,000
LIHTC Proceeds	Tax Credit Equity	$9,526,496
Aspire Bridge	Tax Credit Equity	$9,965,392
Deferred Developer Fee	Equity	$1,203,011
	Total	**$31,799,899**

Developer Contributed Equity

Based on the equity requirement of 20% of total development costs (all eligible and ineligible costs) for a residential project not in a Government Restricted Municipality, the required equity in this project is $6,359,980. Equity consists of the deferred developer fee in the amount of $1,203,011 and LIHTC proceeds in the amount of $9,526,496 which satisfies this program requirement.

Statutory Aspire Award Cap

This project is a residential project utilizing Low-Income Housing Tax Credits and thus is eligible for an Aspire tax credit equal to the lesser of 60 percent of the total project cost or $90 million. The total project cost is estimated to be $28,961,843. As such, the Project is eligible for an Aspire tax credit not to exceed $17,377,106 which is the lesser of $90 million and 60 percent of the total project cost.

Financing Gap Analysis

NJEDA staff has reviewed the application to determine if there is a shortfall in the Project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this Project.

Because the Project is receiving Low-Income Housing Tax Credits, NJHMFA's deferred fee model was used to measure the appropriate and reasonable rate of return. The total developer fee is $3,150,236 with $1,203,011 deferred. This conforms to the Agency's policy.

Aspire Tax Credit Sale Price

For residential projects consisting of newly constructed residential units and including a Low-Income Housing Tax Credit Allocation the consideration for the sale or assignment of the Aspire tax credits can be no less than 65 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 67 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a tax credit investor will make a series of equity contributions available as sources during the development of the Project and these sources are identified in the Uses table above as "Aspire Bridge". The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

Net Positive Benefit Analysis

The NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. However, exceptions to the requirement are capital investment for a residential project, a capital investment for a food delivery source, or a health care or health services center. The Project is a residential project and, therefore, the entire award and capital investment are not subject to the net positive economic benefit analysis.

Other Statutory Criteria

Affordability Controls

For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as required under the Rules. The Applicant has indicated an intent to comply with all such aspects of the Rules including requirements concerning the bedroom distributions, affordability averages, affirmative marketing, and the long-term deed restriction of residential units.

Scoring
The Applicant is required to achieve a minimum score to be eligible for an Aspire award. The Project was scored in the areas of Equitable Development, Smart Growth, Environmental Justice, and Climate Resilience. The Applicant has satisfactorily evidenced to staff that the Project is consistent with the policy objectives represented by this scoring criteria.

Community Benefits Agreement
For a Redevelopment Project whose total project cost equals or exceeds $10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the developer and will execute the community benefits agreement within the time required.

Labor Harmony Agreement
NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. This project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations
For any project awarded Aspire tax credits all workers employed to perform construction work or building services work at the Redevelopment Project shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

Substantial Good Standing/Subcontractor and Contractor Requirements
For the duration of the Eligibility Period, the Applicant must be in substantial good standing (or have entered into an agreement) with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury for any project awarded Aspire tax credits and that each contractor and subcontractor performing work at the Redevelopment Project: is registered as required by the Public Works Contractor Registration Act, has not been debarred, suspended, or disqualified by the Department of Labor and Workforce Development from engaging in or bidding

on Public Works Contracts in the State or been debarred, suspended, or disqualified by a federal agency from engaging in federally-funded construction projects or bidding on federal contracting opportunities, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

Availability of Emerge/Aspire Resources

At the time of this recommendation, there are $1,073,325,211 in unallocated tax credit resources available to Aspire projects located in the Northern-most counties in the State for the fiscal year.

Recommendation

Authority staff has reviewed the application for Avenel Housing, LLC and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available North Jersey award authority.

Issuance of the Aspire tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit;
2. Executed easement agreement between Cedar Meadows Housing Associates LLC and Avenel Housing LLC for the use of tenant parking.
3. Evidence of site control and site plan approval for the Project; and
4. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with recently enacted amendments to the New Jersey Aspire Program Act (P.L. 2025, c.2) within twelve months after approval.

The recommendation is approval of an award of up to 60% of the total project cost, not to exceed $17,377,106 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.

____

Tim Sullivan, CEO

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: March 12, 2025

RE: Aspire Program- Product # 00316907
New Brunswick 2, LLC ("Applicant")

Request

Issuance of tax credits from the Aspire program ("the Program") for a commercial project located in New Brunswick, New Jersey, Middlesex County of up to 80% of the eligible project cost ("eligible costs"), not to exceed $103,934,885.

Aspire Program Background

The New Jersey Economic Recovery Act of 2020 (the "Act"), N.J.S.A. 34:1B-322, et seq., provides that the "authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs." Aspire Program Rules ("Rules") incorporating a variety of programmatic changes resulting from enacted Legislation and responding to formerly submitted public comment were specially adopted by the Authority Board on November 16th, 2023 and took effect on December 5th, 2023 upon submission to the Office of Administrative Law. In addition, legislative amendments to the Act (P.L. 2025, c.2) became effective on January 23, 2025. This application is being considered based upon the Act (as most recently amended) and Rules.

The Program provides tax credits for ten years (the "Eligibility Period"). The amount of tax credits a real estate development project or "Redevelopment Project," receives is generally a percentage of the project's costs and is subject to a statutory cap determined by project location and other aspects of each project.

Project Description

The Project represents the second phase of the New Jersey Health + Life Science Exchange ("HELIX") and will be developed on a 0.9937-acre lot in downtown New Brunswick. Known as H-2, the Project involves the construction and development of a 369,749 square foot, 10-story building, meeting the minimum threshold of 25,000 square feet for a commercial project located in a government-restricted municipality. The Project will consist of a research and development facility comprised of laboratory environments, environmental chambers, software laboratories, high-bay research spaces, conference spaces, and office environments, and aims to provide high quality, high performing, and state of the art laboratory space to its master tenant, Nokia Bell Labs ("Nokia").

Nokia will serve as the master tenant and will lease the entire building for a 20-year term, commencing upon substantial completion as defined in the lease agreement. Nokia research models include identifying industry partners in adjacent industries including manufacturing, logistics, transportation, pharmaceutical, and agriculture that have unique technical challenges and use cases that can be solved by Bell Labs research innovations.

Project Ownership

The Applicant, New Brunswick 2, LLC, is a special purpose entity that, through its wholly owned Affiliate, New Brunswick 2 Urban Renewal Associates LLC, will be overseeing all design, approvals, agreements, financing, construction, and operations associated with the Project. New Brunswick 2 Urban Renewal Associates LLC is a single member entity that will serve as the subsidiary property owner & development entity. At financial closing New Brunswick 2 Urban Renewal Associates, LLC may be replaced by another potential affiliate, at which the developer will submit a request with a certification by an independent certified public accountant or an opinion of counsel that the entity satisfies the definition of Affiliate per the Rules.

New Brunswick 2, LLC is currently owned by SJP New Brunswick LLC (49%) and Downtown HUB Associates II LLC (51%), of which New Brunswick Development Corporation (DEVCO) is the sole member. At financial closing, ownership of New Brunswick 2 LLC will consist of SJP New Brunswick LLC (20%) North Haven Net REIT (NHNR) (80%), and Nokia of America Corporation as a special class member (0%). As a special class member, Nokia will not have an ownership interest but will have certain rights as to actions with regard to the project and will be the recipient of the proceeds obtained from the sale of the tax credits. SJP New Brunswick LLC is controlled by Steven J Pozycki (SJP) of SJP Properties and will be the operating partner member of the Applicant and in charge of day-to-day management. The NHNR member is a non-traded real estate investment trust (REIT) launched by Morgan Stanley.

The New Brunswick Parking Authority (NBPA) currently owns the property that will be the site of the Project. On May 24, 2022, NBPA executed a Purchase and Sale Agreement with Downtown HUB Associates II LLC. It is anticipated that New Brunswick 2 Urban Renewal Associates, LLC will receive an assignment of the Purchase and Sale Agreement from Downtown HUB Associates II LLC and will then acquire the property directly at financial closing.

Lead Development Entity

SJP Properties is a vertically integrated, privately held real estate company that specializes in the development, management, and operation of commercial, residential, industrial and mixed-use projects. Founded in 1981, SJP has since led the development of more than $1.3 billion and 30 million square feet in commercial and residential units within the Eastern United States.

Key staff from SJP involved in the Project include Steve Pozycki – founder, Chairman and CEO of SJP Properties – David Welch – Chief Financial Officer – Andrew Natale – Chief Operating Officer.

SJP Properties has been the lead developer for several projects including: l] Valley National Bank Headquarters – Morristown, NJ; 2] Panasonic North American Headquarters – Newark, NJ; 3) Prudential Investment Headquarters – Newark, NJ; 4] BetMGM – Jersey City, NJ; 5] Eleven Times Square – New York, NY; 6] Bayer AG Consumer Health Products – Morristown, NJ; 7] Jet.com – Hoboken, NJ; 8] Sanofi Headquarters – Morristown, NJ; and 9] M Lofts – Morristown, NJ.

Legal Review and Sister Agency Check:

A Legal Review (debarment/disqualification review) was completed on the Applicant and Lead Development Entity by the Authority and all entities were cleared. All of these entities were also found to be in substantial good standing with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury.

Architect

Design for the Project has been undertaken by HDR Architects and Engineers, P.C., a full-service design firm that specializes architecture, engineering, asset management, planning, consulting, program management, coastal engineering & restoration, and environmental and construction services. The firm was founded in Omaha, Nebraska, in 1917 by H.H. Henningson. The firm employees over 13,000 employees with more than 200 offices worldwide.

HDR has experience in a wide range of industries with a portfolio of completed projects including: John Glenn Columbus International Airport Midfield Terminal – Columbus, Ohio, Marion Street Pedestrian Bridge – Seattle, Washington, Big Sky Resort's Lone Peak Tram Power Line – Big Sky, Montana, Hawaiian Airlines Airport Operations Support Space – Honolulu, Hawaii, SK hynix America Headquarters Renovation – San Jose, California, UMC Health and Wellness Community Hospital – Lubbock, Texas, and Rush University Medical Center Main Street, Chicago, Illinois.

Construction Timeline:

Construction is expected to commence in April of 2025 and will take 27 months to complete.

Project Details

As noted previously, the 369,749 square foot project consists of five laboratory typologies within the facility that are categorized per Nokia's building design requirements based on infrastructural needs and use classifications that include:

1. Quantum computing & clean rooms
2. Data centers, software labs, & environmental chambers
3. Biology, chemistry, & 3D printing

4. Offices, conference rooms, breakrooms, storage, & a museum
5. Optics, robotics, drones, archives, machine shops, control room hardware, anechoic chambers

Laboratories are dispersed throughout Level 1 through Level 10. Exclusive laboratory environments, which have the distinction of specialized and/or sensitive laboratory functions, will have location and adjacency requirements depending on chemical use, environmental controls, and/or chemical classifications. The specific location of such laboratories and associated support spaces will be considered as more information and additional requirements are provided by the users to determine infrastructure needs, such as but not limited to equipment platforms, clearance heights, exterior connections, and/or spatial separation.

Nokia is incorporating a 3,500-sf technology showcase/museum into its main lobby and will have a 1,400-sf coffee shop along the Paseo, a 20,000 sq. ft. public outdoor space included in phase 1 of the Helix project that will serve as a public space connecting the Rutgers campus, the Robert Wood Johnson University Hospital District, the New Brunswick Train Station and the Government and Arts District in downtown New Brunswick.

To satisfy the program's Green Building Requirements, Nokia is pursuing LEED Gold certification. The building is currently being designed as a 100% electric building with no on-site carbon fuel sources or gas connectivity with the exception of back-up power generators. The entire installation will comply with the International Building Code 2021, the International Mechanical Code 2021, International Energy Conservation Code 2021, International Fire Code 2021, International Fuel Gas Code 2021, National Electrical Code 2020, NFPA, ASHRAE and other applicable governmental codes.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	**Total Development Costs**	**Project Costs**
Acquisition	$17,850,000	$17,850,000
Hard construction costs	$441,733,606	$441,733,606
Professional services	$38,507,800	$32,250,746
Financing and other soft costs	$17,005,929	$17,005,929
Developer Fee	$11,551,360	$0
Total	**$526,648,695**	**$508,840,281**

The eligible project cost is the cost included in total development costs that is used for sizing the tax credit. For a project located in a government-restricted municipality, eligible project cost excludes developer fee(s) as well as various pre-development costs incurred prior to application such as site-work, and certain soft costs.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
PNC Bank Construction Loan	Construction Loan	$160,000,000
Nokia Tenant Contribution	Equity	$180,022,454
Nokia Tenant Improvements	Equity	$136,626,241
Cash (as Landlord Capitalization)	Equity	$50,000,000
	Total	**$526,648,695**

Developer Contributed Equity

Based on the equity requirement of 10% of total development costs for a commercial project in a government-restricted municipality, the required equity in this Project equates to $52,664,869. Total equity consists of $366,648,695 and includes Nokia's equity contributions of $316,648,695 and developer contributed capital of $50,000,000, which satisfies this program requirement. The Nokia Tenant Contribution Equity reflects Nokia's obligation under the Lease and Development Management Agreement. The agreements outline Nokia's commitment to contribute equity for 1) the development of the base building and 2) the construction of tenant improvements and facilities for Nokia's intended use. The agreements also provide that the Aspire tax credit proceeds and any EDA Strategic Innovation Center ("SIC") investment in a new entity with Nokia that may be a tenant at the project site will offset Nokia's Tenant Contribution. Any such SIC investment is subject to the Board's decision at a later meeting.

Statutory Aspire Award Cap

The recent amendments to the Act added New Brunswick as a government-restricted municipality to Aspire. As a project in a municipality that was added as a government-restricted municipality in the most recent statutory amendments, the project is eligible for an Aspire tax credit equal to the lesser of 80 percent of the eligible project cost or $120 million. The eligible project cost is estimated to be $508,840,281. As such, subject to other applicable caps described below, the Project is eligible for an Aspire tax credit not to exceed $120,000,000, which is the lesser of $120 million and 80 percent of the eligible project cost.

Financing Gap Analysis

NJEDA staff and the Authority's consultant, Jones Lang LaSalle ("JLL") has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. JLL conducted an analysis of comparable research & development facilities, lab and office spaces and calculated a Hurdle Rate of 17% based on capital market pricing due to the unique nature of the Project. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 10 years. The investment analysis assumes that the Applicant will utilize a 36-month timeframe to build and stabilize the Project. It also assumes a 10-year cash flow with an exit through the sale of the Project in year 20.

Since the Project is a joint venture between SJP and the NHNR Member (Fee), and Nokia (Leasehold), Staff analyzed the Project's returns considering the equity investments from both parties. SJP is receiving 100% of the returns from the applicant tenant. As the tenant, Nokia is contributing capital to pay a significant portion of development costs and in turn will be provided benefits that include receiving the proceeds from the sale of the tax credits, a reduction on the tenant rent, building depreciation, and exclusive rights to purchase the building after the expiration of the lease. As a member of the partnership, Nokia will not receive any of the returns on its investment. The IRR calculation reflects the investments from both parties. Based on these factors, the Applicant's projected IRR calculations with and without the Aspire award are as follows:

IRR without Aspire tax credit	-1.41%
IRR with Aspire tax credit	1.13%

Without the benefit of the Aspire tax credit, the Equity IRR at an enterprise level is -1.41%, which is below the Hurdle Rate of 17%. JLL adjusted the Applicant's equity IRR due to key differences between JLL's and the Applicant's assumptions regarding rental income, development costs, and debt to equity ratio. JLL adjusted these assumptions to best reflect local market conditions for this type of project.

JLL Estimated IRR without Aspire tax credit	12.3%
JLL Estimated IRR with Aspire tax credit	16.1%

Even with these adjustments, JLL's report concluded that the Equity IRR with the Aspire tax credit award is below the Hurdle Rate and would not over-enrich the project. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. The Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate.

In the end of the seventh year of the eligibility period, the Authority shall evaluate the Applicant's actual reasonable and appropriate rate of return on investment and compare that actual reasonable and appropriate rate of return on investment to the Hurdle Rate at time of Board approval. If the actual rate of return on investment exceeds the Hurdle Rate at the time of Board approval by more than 15 percent, the Authority shall require the developer to pay 20 percent of the amount in excess of the Hurdle Rate.

Aspire Tax Credit Sale Price:

For projects that do not represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that the tax credits will be sold as they become available, with the proceeds retained as income on the project proforma. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

Net Positive Benefit Analysis:

As directed by the Aspire statute the NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. Exceptions to the requirement are capital investment for a residential project, a capital investment for a food delivery source, or a health care or health services center. The Project does not have any of the exempted uses and, therefore, the entire award and capital investment are subject to the net positive benefit analysis.

The Aspire Rules set the required net positive economic benefit to the State at 160 percent of the award of tax credits for projects, unless it is located in a government-restricted municipality, in which case it is 125 percent. N.J.A.C. 19:31V-1.6 (Financing gap and fiscal impact analysis). The Project is located in a government-restricted municipality and thus the award is subject to the 125 percent threshold. The Aspire statute directs the authority to discount the Aspire tax credit award issued over the 10-years from the perspective of net present value in the same fashion as which it discounts the estimated ongoing benefits to the State over the same time period. N.J.S.A. 34:1B-326.

Based upon the policy outlined in the Board Memo seeking initial approval of the Aspire Rules, staff employed Implan to model the expected net positive benefit related to the construction activities and ongoing employment at the Project.

Finally, the applicant has evidenced that a PILOT agreement will be entered into with the City of New Brunswick, indicating an increase in local property taxes resulting from the Project that are also included in the ongoing benefits to the State.

The results of this analysis are detailed in the following chart:

Total One-time Benefit	$23,003,111.10
Average Annual Ongoing Benefit	$9,691,523.60
Net Present Value of Benefits over 10 years	$87,187,010.67
NPV of Benefit as % of NPV of Aspire	125%
Net Present Value of Implied Max Aspire Award	$69,741,153.88
Aspire Award Based on Implied Max Aspire Award	$103,934,885

Based on the above analysis, the award is capped at $103,934,885, which represents approximately 21% of the eligible project cost.

<u>Other Statutory Criteria</u>

Affordability Controls:
For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as provided in the Rules. As a commercial project comprised solely of non-residential uses, this requirement is not applicable for this Project.

Scoring:
The Applicant is required to achieve a minimum score to be eligible for an Aspire award. The Project was scored in the areas of Equitable Development, Smart Growth, Environmental Justice, and Climate Resilience. The Applicant has satisfactorily evidenced to staff that the Project is consistent with the policy objectives represented by this scoring criteria.

Community Benefit Agreement:
For a Redevelopment Project whose total project cost equals or exceeds $10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the Applicant and will execute the community benefits agreement within the time required.

Labor Harmony Agreement:
NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

Prevailing Wage Obligations:
For any project awarded Aspire tax credits all workers employed to perform construction work or building services work at the Redevelopment Project shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

Substantial Good Standing/Subcontractor and Contractor Requirements:
For the duration of the Eligibility Period, the developer must be in substantial good standing (or have entered into an agreement) with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury for any project awarded Aspire tax credits and that each contractor and subcontractor performing work at the Redevelopment Project: is registered as required by the Public Works Contractor Registration Act, has not been debarred, suspended, or disqualified by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State or been debarred, suspended, or disqualified by a federal agency from engaging in federally- funded construction projects or bidding on federal contracting opportunities, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

Availability of Emerge/Aspire Resources
At the time of this recommendation, there are $1,073,325,211 in uncommitted tax credit resources available to Aspire projects located in the northern-most counties in the State for the fiscal year.

Recommendation
Authority staff has reviewed the application for New Brunswick 2, LLC and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available North Jersey award authority.

Issuance of the Aspire tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit;
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.
4. Execution of the operating agreement between the members in the applicant entity.

As a condition of approval, the Applicant will provide an executed amendment of the operating agreement that includes Nokia as special class member prior to execution of the award approval letter.

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with recently enacted legislation after approval.

The recommendation is approval of an award of up to 80% of the total project cost, not to exceed $103,934,885 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Ridley Lofts Urban Renewal Entity LLC
Ridley Lofts Rehabilitation Project
Historic Property Reinvestment Program
Recommendation of Award

Request

The Members are requested to approve a proposed Historic Property Reinvestment tax credit award to Ridley Lofts Urban Renewal Entity LLC (Applicant) for the Ridley Lofts Rehabilitation Project in Atlantic City. The recommended tax credit award is 60% of actual eligible costs with a maximum tax credit amount $10,019,226. The final award amount will be based on the Project's actual eligible costs.

The recommended tax credit award is subject to conditions subsequent to receiving and maintaining the award, including submission of certifications and evidence that the Applicant has met, and will continue to meet, the eligibility criteria. Staff is authorized to reduce the award amount to match the actual certified cost of rehabilitation (eligible costs) at the conclusion of the Project.

Historic Property Reinvestment Program Background

The Historic Property Reinvestment Program (HPRP) is a tax credit program designed to complement the Federal Historic Tax Credit Program to encourage and bolster smart growth investments focused on the rehabilitation of existing identified historic structures throughout New Jersey. The HPRP focuses on historic preservation as a component of community development, encouraging long-term private investment in the State while preserving properties that are of historic significance.

The HPRP is a competitive program, under which projects must apply within a defined application window, with all applications to be considered following the closure of the application period. The Authority has established scoring criteria for the evaluation of proposed rehabilitation projects. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100 maximum total score. Additionally, if on any given year the program is oversubscribed, then applications will be ranked based on score and awards will be based on ranking.

To be awarded tax credits under the HPRP, the applicant must be in good standing with the NJ Department of Labor and Workforce Development, NJ Department of Treasury, and the NJ Department of Environmental Protection (as determined by each Department). The HPRP rules also require that the rehabilitation project pay prevailing wages for construction work during the duration of the project and to building service workers for a period of 10 years following project completion for single phase project, or 10 years following the completion of the first phase for multiphase rehabilitation projects.

Projects under the HPRP are subject to an annual program cap of $50 million. Annual unused amounts may be included in the amounts available for approval in the subsequent year.

Project Information

Applicant
Ridley Lofts Urban Renewal Entity LLC

Ridley Lofts Urban Renewal Entity LLC is an affiliate of Odin Properties LLC (Odin) which was founded in Philadelphia in 2009 and is a full-service developer with primary investments in multifamily real estate. Odin completed projects include apartment renovation, ground-up construction, gut renovations, historic rehabilitations and finishes upgrades across 14 U.S. states. Odin's in-house services span the entire development process from acquisition and design to entitlements, construction management, lease-up, and continued property management post-delivery. They currently own and manage approximately 10,000 apartment units across the Midwest, Northeast, and Southeast, along with 250,000 SF of commercial space. Its Founder and Principals have developed over $1 billion of successful real estate projects internationally.

Co-Applicant
Odin Forward

The Co-Applicant is a nonprofit corporation and a charitable organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Co-Applicant incorporated in 2021 with the purpose to improve the lives of low-income individuals and families, specifically residing in inner cities through financial, health, wellness, job skills, and career path tools, education, and programing.

The application describes Odin Forward as a Co-Developer for the project that will assist in the syndication of the tax credits which will be used to fund a portion of the construction costs. Additionally, a Participation Agreement between the Applicant and Co-Applicant submitted as part of the application shows that Odin Forward will assist in providing services to the building's tenants and community residents upon construction completion. Services will include, but not be limited to the provision of health and medical services by third parties, providing information about social services and benefits from the city, state and federal government, and coordination of transportation needs to and from grocery stores, shops and health care providers.

Project Location
1307 Pacific Avenue, Atlantic City, New Jersey 08401

Project Name
Ridley Lofts Rehabilitation Project

Project Description
The project consists of the complete rehabilitation of a 5-story building located in the Orange Loop district of Atlantic city into 35 modern residential units. Amenities proposed as part of the project include fitness center, on-site management, secure package and mail room and a resident lounge. The early 20th century building was constructed in three separate phases (1908, 1912 and 1959) and originally operated as the Atlantic City YMCA. The building has a total of approximately 45,516 square feet of interior space and has been vacant for over 3 years.

Previously Awarded Incentives
The NJEDA has not previously provided incentives for this site, or any other project submitted by the Applicant (Ridley Lofts Urban Renewal Entity LLC), however an HPRP award in the not to exceed amount of $8,000,000 was approved in September of 2024 to Atlantic Lofts Urban Renewal Entity for a property location in Atlantic City. Both Atlantic Lofts Urban Renewal Entity and Ridley Lofts Urban Renewal Entity LLC are affiliates of Odin Properties LLC. The Atlantic Lofts project is currently in pre-closing and NJEDA expects to enter into a rehabilitation agreement later this year.

Selected Rehabilitation Period and Project Schedule
Documentation submitted as part of the HPRP application for the Ridley Lofts Rehabilitation Project indicate that the Project will be conducted in a single phase. Therefore, Applicant will have a selected rehabilitation period of up to twenty-four (24) months to complete the Project. Specifically, the schedule submitted with the application shows a Project duration of three hundred and six (306) workdays. Based on this schedule, if the Rehabilitation Agreement were executed in the first quarter of 2026, the projected project completion date would be during the second quarter of 2027.

Evaluation of the Application

Scoring Criteria
The HPRP application submitted for the Ridley Lofts Rehabilitation Project was reviewed and scored based on the program's preestablished scoring criteria. The criteria focuses on five (5) main themes: Historic Significance, Imminent Threat to Historic Resource, Project Concept and Team, Status of Site Control, and Impact on the Surrounding Neighborhood. To receive a tax credit award, a business entity's application must receive a minimum score of 50 out of 100.

As part of the Project Concept and Team review, the scoring committee scored the Applicant based on information submitted regarding the project team's demonstrated experience. Documentation reviewed included information on experience and qualification of the applicant entity as well as individual team members, professional resumes and prior projects completed of similar size and complexity. Based on the information reviewed, the Applicant demonstrated that the project team is comprised of individuals within the appropriate disciplines with suitable levels of experience to complete the proposed project scope and no concerns were identified.

The Ridley Lofts Rehabilitation Project application was reviewed and scored by a committee comprised of a multidisciplinary team of professionals with experience in the fields of historic preservation, construction, and project management. The three (3) members of the committee included NJEDA staff, as well as professional staff from DEP's Historic Preservation Office, and DCA's NJ Historic Trust.

Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 55.67 of out of a possible 100, therefore surpassing the required minimum score of 50.

The Fall 2024 HPRP Project Application Round was undersubscribed (total amount of tax credits requested by all applicants was less than the total amount of funding available for the round) therefore the project overall ranking against all other projects was not considered as a factor for this award recommendation.

Underwriting Review

Based on our financial review, Underwriting concludes that the Applicant has adequate and bona fide sources of funding to cover all project costs and there is a reasonable expectation these sources of funding will be available to complete the project. Additionally, the Applicant has provided documentation showing proposed terms for the sale of HPRP credits at a price of 91 cents on the dollar, which exceeds the Program minimum price requirements for the sale or transfer of HPRP credits. Since the project is located in a Government Restricted Municipality, there is no project financing gap requirement and therefore proof of equity is not required. Finally, our review of the third-party independent feasibility analysis was satisfactory.

Uses	Total Project Costs	Eligible Costs
Acquisition of Property	644,000.00	-
Property Improvements	13,440,800.00	12,408,660.00
Professional Services	1,281,000.00	1,261,000.00
Financing and Other Costs	2,610,000.00	2,309,050.00
Contingency	720,000.00	720,000.00
Development Fee	1,620,000.00	-
Total	**$20,315,800.00**	**$16,698,710.00**

Sources	Amount
Construction Loan	6,500,000.00
Bridge Loan	11,513,572.00
Owner's Equity	2,302,228.00
Total	**$20,315,800.00**

Secretary of the Interior's Standards for Rehabilitation Review

The DEP's Historic Preservation Office (HPO) is finalizing its review of the project for compliance with the Secretary of the Interior's Standards for Rehabilitation as part of a submission under the Federal Historic Preservation Tax Incentives program. This review will determine whether the proposed rehabilitation work meets the Standards and aligns with the property's historic character.

Once HPO completes its review, NJEDA's Historic Preservation Team will assess the documentation submitted under the federal program to ensure it aligns with the applicant's HPRP application and project. The team will also confirm concurrence with HPO's findings and compliance determination. This review, confirming the project's adherence to the Secretary of the Interior's Standards, must be completed before executing the Rehabilitation Agreement.

The Secretary of the Interior's Standards for Rehabilitation provide direction in making appropriate choices in planning the repairs, alterations, and additions that may be a part of a rehabilitation project. They are the standard most often used by historic preservation entities and organizations nationwide. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. They cover the treatment of all materials on the exterior and the interior of historic buildings along with related landscape features and the building's site and environment, and attached, adjacent, or related new construction. The Standards for Rehabilitation are a statutory requirement under the HPRP and a regulatory requirement for the Federal historic tax credit program.

Project Costs Review
Authority staff completed a detailed review of project cost breakdowns that included total project costs, and eligible project costs, which typically include soft costs incurred within a year from the application submission date and most permanent construction costs within the building or attached to the building's exterior. The evaluation consisted of a review of the project's construction cost estimate, drawings and specifications to determine general appropriateness of total project costs submitted for the purpose of assess project viability as well as a detailed review of all identified eligible costs to ensure adherence with the program's eligible costs definition. The review found that all costs seemed appropriate however it identified that kitchen and bathroom cabinets, which do not meet the Program's definition of eligible costs, had been included as eligible cost, therefore, a minor adjustment to the project's eligible cost was requested by the Authority and made by the Applicant. Ineligible construction costs under the Program include all costs associated with project site work, furniture, cabinetry not inherently part of the building structure or any improvement not permanently attached to the interior or exterior of the structure, as well as all costs associated with an increase in total building volume. Ineligible soft costs include early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing and advertising, temporary signage, incentive consultant fees, Authority fees, loan interest payments on permanent financing, escrows, reserves, pre-opening costs, commissions and fees to the developer, project management, or other similar costs. Adjustments made to the eligible costs did not have an impact on the project's overall cost. Authority staff has confirmed that only verified eligible costs are being used to calculate the applicant's maximum tax credit amount award.

Other Reviews
In addition to the review of scoring criteria items and underwriting review of financial documents, NJEDA staff conducted other reviews to confirm eligibility and compliance with program requirements including application completeness review, sister agency review and legal review in accordance with the Authority's debarment and qualification rules. The submitted proposed project schedule was also reviewed and NJEDA staff confirmed that the selected rehabilitation period of 24-month was a reasonable timeframe for the proposed work.

<u>Award Calculation</u>

The Ridley Lofts Rehabilitation Project includes the rehabilitation of a qualified property that is located within a government-restricted municipality; therefore, it qualifies to receive tax credits worth up to 60% of eligible project costs up to a project cap of $12 million. Once the Applicant successfully completes the Project, the Authority will issue a certificate of compliance allowing the Applicant to use the tax credit during the accounting or privilege period in which the project is completed. The project will be considered complete when the Applicant receives a temporary certificate of occupancy for the project, or upon any other event evidencing project completion that is set forth in the rehabilitation agreement.

With an understanding of the numerous unknowns inherent with rehabilitation work in historic structures, the program application process allows for an applicant's estimate for eligible construction costs to include a construction contingency. All cost estimates submitted, including construction contingency, are thoroughly reviewed, and validated by the Authority staff as part of the application review process.

The construction contingency associated with eligible construction costs is included in the total eligible costs for calculating the maximum tax credit award. However, this "eligible cost contingency" will only be applied to the final tax credit award if a modification request, meeting all applicable requirements under N.J.A.C. 19:31-26.7, is reviewed and approved by the Authority before any work modifications occur.

Based on validated project eligible costs of $16,698,710, the maximum award for the project will not exceed $10,019,226. The Applicant may utilize the tax credit in the accounting or privilege period in which the project is completed.

Conditions of Approval

Staff recommends an award contingent upon the Applicant satisfying certain conditions within one year of approval. These conditions include, but are not limited to:

1. Drawings and specifications showing modifications as needed to ensure substantial compliance with the Secretary of the Interior's Standards for Rehabilitation.

2. Copy of site plan approval from permitting entity authorizing the development of the Project, and a copy of all required planning and zoning approvals and permits, and any other required permits.

3. Copy of executed financing commitments for the Project. If the terms of the financial commitments are materially different from the projected terms provided in the application, the Authority may re-evaluate the project financing gap and reduce the size of the tax credit award accordingly.

4. A certification that no construction will commence at the Property prior to execution of the Rehabilitation Agreement unless it meets an exception contained in NJAC 19:31-26.3(a)(4).

Program Funding

The HPRP is capped at $50 Million per year with the option to roll-over unused founding in any given year to the following year. The first round of funding for the program ($50 Million) became available as part of the 2021 State Fiscal Year; therefore, to date, a total of $250 Million has become available for the program. After accounting for previously awarded credits, open applications still under review as well as the recommended award covered in this memorandum, a total of $101,878,089.96 remains available.

Recommendation

Authority staff has reviewed the application for Ridley Lofts Urban Renewal Entity LLC and finds that it satisfies the eligibility requirement of the Historic Property Reinvestment Program's statute and rules. It is recommended that the Members approve a Historic Property Reinvestment tax credit award to Ridley Lofts Urban Renewal Entity LLC for the Ridley Lofts Rehabilitation Project. The tax credit award is 60% of actual eligible costs with a maximum tax credit amount of $10,019,226. The final award amount will be based on the Project's actual eligible costs.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: March 12, 2025

RE: Approval of NJEDA is Developer and Landlord of MIHIC

Request

The Members are requested to:

> Approve entering a Memorandum of Understanding (MOU) to develop the Maternal Infant Health Innovation Center (MIHIC) and to lease the facility to the Material and Infant Health Authority (MIHIA).

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 New Jersey Economic Development Authority (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).

Site Selection

In March 2022, the Board approved the Authority to work with real estate advisory firm Jones Lang LaSalle ("JLL") to conduct site analysis and planning to inform the eventual location and footprint of the Center. JLL, working with EDA, evaluated more than 50 possible sites and identified 28 possible properties for the Center. Priority was given to properties that were centrally located, had easy access to public transportation, located near the targeted population and large enough for the construction of a 60,000 sq ft facility.

Following that analysis, EDA began reviewing the available parcels of land in that area and quickly identified the Battle Monument Site located at the Southwest corner of Pennington and Warren Street in Trenton, as the most attractive location for the Center as it best met the priorities set forth by the First Lady's Office. The Authority further validated this conclusion through community listening sessions conducted by the Watson Institute at Kean University in which community members voiced their support for the Center to be in this neighborhood. At EDA's December 2024 meeting the Members approved the purchase of the site for $2,573,685.

Development

The members are now being asked to approve the attached MOU between EDA and MIHIA whereby NJEDA would develop and lease the subject property to MIHIA for $1 per year. EDA would be the owner and developer of MIHIC and provide the following services:

Services:

- Secure all project financing
- Purchase property
- Comply with all the rules and regulations of project financing
- Procure project professionals
- Hold all contracts in EDA's name
- Manage project professionals
- Facilitate and manage all phases of the project from design, through construction and Certificate of Occupancy
- Design and construct MIHIA to the specifications of MIHIA within the project financial perimeters
- Ensure project secures all necessary approvals for occupancy
- Comply with all relevant building codes
- Report to MIHIA on a regular basis regarding the project development and schedule
- Meet with MIHIA board and their constituencies
- Master lease MIHIC to MIHIA (lease to be brought to Members for approval at future meeting)

Fee

NJEDA will receive a fee for its work based on its hourly billing rate paid through the project funding sources.

Recommendation

Based on the information provided in this memo and the attached exhibits it is recommended that the Members of the Authority:

1) Approve the Letter of Intent to Lease dated October 7, 2025
2) Delegated authority to the Chief Executive Officer to negotiate and execute a Lease between NJEDA and MIHIA with terms and conditions substantially similar to approved Letter of Intent dated October 7, 2025.
3) Authorize the Chief Executive Officer of EDA to enter the attached Memorandum of Understanding (MOU) to develop the Maternal Infant Health Innovation Center (MIHIC) and to lease the facility to the Maternal and Infant Health Authority (MIHIA).

Tim Sullivan, CEO

Attachments:

A. Project Budget
B. Letter of Intent to Lease
C. Memorandum of Understanding

Prepared by: Brian Keenan, Senior Project Officer

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**

October 7, 2024

VIA E-MAIL AND REGULAR MAIL
Lisa A. Asare
President and Chief Executive Officer
New Jersey Maternal and Infant Health Innovation Authority
225 East State Street
Trenton, NJ 08625
Lisa.Asare@njmihia.gov

RE: Letter of Intent to Lease
Maternal and Infant Health Innovation Center
Block 3902/Lot 1, Block 3901/Lot 48 and Block 3903/Lot1
Trenton, Mercer County, NJ ("Property")

Dear Ms. Asare,

The New Jersey Economic Development Authority ("NJEDA") is pleased to provide you with this Letter of Intent (LOI) for NJEDA to lease the Maternal and Infant Health Innovation Center that is planned to be constructed on Block 3902/Lot 1, Block 3901/Lot 48 and Block 3903/Lot 1, located at the corner of North Warren Street and Pennington Avenue in Trenton (the "Proposed Center") to the New Jersey Maternal and Infant Health Innovation Authority ("MIHIA" or "Tenant").

This LOI is for **discussion purposes only**. It is understood that neither this LOI, the submission of this LOI, nor your acceptance of its terms shall be construed in any manner as a legally binding agreement or obligation on the part of either NJEDA or MIHIA, nor is it to be construed as a memorandum of any agreement or understanding. Instead, it is understood that NJEDA and MIHIA will only be bound by a definitive written lease agreement ("Lease") which shall be executed by both parties after review and approval by their respective counsel.

The NJEDA looks forward to discussing this with you.

1. **Landlord:** NJEDA
   36 West State Street
   P.O. Box 990
   Trenton, NJ 08625

2. **Tenant:** MIHIA
   225 East State Street

	Trenton, NJ 08625
3. Permitted Use:	MIHIA Administrative Offices Sublet for the following uses: Social and Wrap-Around Services, Medical Office, Educational Programming, Innovation,, Maternal Data Center
4. Initial Lease Term:	Five (5) years from the Lease Commencement Date
5. Leased Premises:	NJEDA anticipates that the Proposed Center will be constructed on: • Block 3902, Lot 1 • Block 3901, Lot 48 • Block 3903, Lot 1 Containing approximately 2.63 acres. NJEDA anticipates that the Proposed Center will be approximately 40,000 to 60,000 rentable square feet which will constitute all of the Leased Premises.
6. Lease Commencement Date:	The Lease will be effective when fully executed by Landlord and Tenant ("Effective Date"). Upon receipt of a temporary certificate of occupancy or certificate of occupancy by Landlord for the Building shall be the Lease Commencement Date for the Lease. Upon receipt of a temporary certificate of occupancy or certificate of occupancy by Landlord for each Subtenant space shall be the Lease Commencement Date for each Subtenant.
7. Rent Commencement Date:	Lease Commencement Date for the Lease and each Sublease
8. Lease Extension and Purchase Option:	Tenant may exercise one (1) five (5) year lease extension option subject to the Landlord's written approval and provided Tenant is not in default under the Lease. To exercise such option, Tenant shall provide written notice twelve (12) months prior to the expiration of the Initial Lease Term. Tenant may exercise an option to purchase the Property by providing written notice twelve months prior to the expiration

of the Initial Lease Term as more specifically set forth in the Lease.

9. Subtenants:	Tenant is responsible for identifying, subleasing and monitoring compliance with the Lease and all subleases for all Subtenants. Subtenants must be approved in writing in advance by Landlord. Tenant is responsible for the billing and collection of Base Rent, utilities, taxes and/or Common Area Maintenance (CAM) of MIHIA and all subtenants and remittance to Landlord. Tenant is responsible for the relationship with the Subtenant including, but not limited to, the communication and administration of construction and property management issues between Landlord and Subtenant.
10. Base Rent:	For the Initial Lease Term, the Base Rent for MIHIA is $1. Base Rent for the Subtenants for each subtenant's portion of the Leased Premises is subject to the review and advance written approval of the Landlord.
11. Security Deposit:	No security deposit.
12. Utilities:	The Tenant and Subtenants shall pay their proportionate share of utility costs for their space (if not sub-metered) and the common areas, which include, but are not limited to, water, sewer, gas, electric, internet and phone service. Tenant is responsible for the billing and collection of payment for these costs from each Subtenant. Depending upon the receipt of the actual bill from the utility company, MIHIA will attempt to bill the utilities at least 1 month in arrears. For the avoidance of doubt, Landlord shall not be responsible for the payment of any utility costs whatsoever for the Proposed Center.
13. Real Estate Taxes	Tenant and subtenants shall pay real estate taxes or payment in lieu of taxes as required by N.J.S.A. 52:27I-30. As required, the Tenant shall pay a Payment in Lieu of Taxes ("PILOT") to the Landlord for the Leased Premises in accordance with the terms of the anticipated PILOT agreement with the City of Trenton. Tenant acknowledges the City of Trenton is a third-party beneficiary of the obligations of Tenant hereunder, and

the City of Trenton has the right to pursue a breach of contract action against Tenant in accordance with the anticipated terms of the PILOT agreement if a breach occurs. Likewise, the Landlord acknowledges that the Tenant is a third-party beneficiary of the rights of Landlord under the PILOT agreement. If the PILOT agreement is not secured or becomes invalid or unenforceable, Tenant shall pay, if applicable, and shall collect monthly from the Subtenant its proportionate share , if applicable all of the real estate taxes of the Proposed Center as allocated to each Subtenant.

14. Subletting; NJEDA's Form Sublease: Tenant has the right to sublet with Landlord advance approval all or a portion of the Leased Premises (but no right to assign) pursuant to the terms of NJEDA's Form Sublease that will be included with Tenant's lease agreement as an exhibit. Tenant is responsible for enforcement of the Sublease. No Subtenant will be permitted to assign its rights under its Sublease.

15. Landlord's Work: Landlord shall deliver the Leased Premises as a mutually agreed to between Landlord and Tenant in the Basis of Design, with input from Tenant and each Subtenant regarding the design of the Proposed Center, subject to Landlord's approval and in each case subject to Landlord's construction budget.

16. Tenant's Work: Tenant and each Subtenant are responsible for paying for any additional improvements and alterations beyond a warm vanilla shell which are necessary for their intended use of the Leased Premises, at Tenant's and each Subtenant's sole cost and expense and subject to Section 23 below. Landlord shall review and approve Tenant and each Subtenant's construction and improvement plans, such approval not to be unreasonably withheld, conditioned or delayed, but such plans must be within the cost of Landlord's budget unless Tenant has funds to pay for.

After completion of the warm vanilla shell, Tenant's and each Subtenant's contractors and subcontractors shall not be required by the Landlord to obtain any bonds provided that Tenant and each Subtenant covenants that all construction and improvements will be completed free and clear of all mechanics' liens. If mechanics' liens arise with respect to the construction of Tenant's or any Subtenant's improvements and said liens are not removed within thirty (30) days by Tenant or such Subtenant, Tenant or such Subtenant must agree to indemnify Landlord against any loss or expense. Lien waivers and evidence of insurance shall be required from Tenant's and any Subtenant's contractor and subcontractors. After completion of the warm vanilla shell, Tenant, Subtenants and their contractors, architects and agents will be given reasonable access to the Proposed Center to complete all construction work.

17. Tenant and Subtenant Permits, Licenses and Approvals:

Tenant and all Subtenants are responsible, at their sole cost and expense, for obtaining any governmental permits, licenses or approvals required for Tenant's or any Subtenant's intended use and/or operations of the Leased Premises. Landlord will reasonably cooperate as necessary in obtaining such permits, licenses or approvals, but without any cost to Landlord.

18. Landlord Responsibility; Common Area Maintenance (CAM)

Landlord is responsible for the maintenance and repairs of the Proposed Center's core and shell, common areas, parking lot and grounds (collectively, the "Common Area"). The CAM shall be charged monthly on a per square foot basis to Tenant and Tenant shall bill all Subtenants their proportionate share as additional rent.

CAM costs will be budgeted annually and charged monthly on a per square foot basis and reconciled annually. CAM includes but is not limited to:

- Property management fee
- Maintenance and other required contracts
- Salaries and benefits for maintenance and security personnel
- Common Area utilities budget at $10-$12 per square foot using 2024 utility rates.
- Cleaning and maintenance of Common Areas,
- Landscaping
- Snow and ice removal
- Garbage removal after trash placed in dumpster by Landlord, Tenant and Subtenants
- Costs to maintain and repair the Proposed Center building and building systems (e.g., electrical, heating

ventilating and air conditions, elevators, fire suppression and alarm systems)

- Capital reserves as determined by Landlord.

Tenant will be responsible for determining the amount each subtenant owes and billing and collecting CAM charges from Subtenants. Currently estimated to be between $10 and $12 per square foot.

19. Disposal of Waste/Hazardous and Biomedical Waste:

Tenant shall, at its sole cost and expense, contract with a reputable, private refuse removal company approved by Landlord in writing in advance for the removal and disposal of any solid waste (other than solid wastes lawfully discharged through the Municipality's sewer system or conventional waste haulers) generated or introduced by Tenant or Subtenants from the Premises, in accordance with all applicable laws, including environmental laws. Landlord's approval shall not be unreasonably withheld or delayed.

Tenant shall not dispose of any hazardous substances or biomedical waste through the sewer system, or the dumpster provided by Landlord.

Tenant shall store and dispose of all biomedical waste and hazardous substances used in Tenant or Subtenant's operations in accordance with all applicable laws until it is removed. Tenant shall not incinerate biomedical waste or hazardous substances at the Premises in accordance with environmental laws.

20. Signage

Tenant and each Subtenant shall have the right, at Tenant's or such Subtenant's sole cost and expense, to put signage in the lobby and suit signage, subject to the Landlord's advance written approval and compliance with local ordinances, state law and any other applicable law. Tenant or such Subtenant, at its sole cost and expense, shall remove all such signage at the end of the lease and sublease terms.

21. Conditions:

The terms and conditions contained in this LOI, and any other terms and conditions whether written or oral, expressed, or implied, are not binding on either party unless and until a lease

	agreement is fully executed and exchanged by the parties thereto and do not create any obligation by either party to continue negotiations or refrain from negotiating with other parties. The execution and delivery of a lease agreement shall be subject to approval of terms by Landlord's and Tenant's respective Boards of Members and legal counsel.
22. Holdover Rent:	CAM and PILOT.
23. Governing Law:	This LOI and the definitive lease agreement between the parties shall be governed by the laws of the State of New Jersey and any conflict shall be brought in New Jersey Courts in Mercer County.
24. Prevailing Wage:	All Tenant Improvements and alterations $2,000 or more shall be subject to the Landlord's advance written approval, and the Landlord's prevailing wage and affirmative action requirements.
25. Electronic Signatures:	Landlord's written policy allows documents to be signed electronically and hereby agrees to be bound by such electronic signatures. By signing below, you confirm that Tenant also agrees to be bound by electronic signatures.
26. Brokers	Not applicable
27. Financial Underwriting:	Not applicable

This LOI is subject to being accepted by MIHIA no later than 5:00 P.M. on <u>October 15</u>, 2024, and if not accepted by that date, this LOI shall be considered null and void.

Sincerely,

Juan Burgos
Vice President, Real Estate Development

cc: Brian Keenan, Sr. Project Officer
Mary Maples, Chief Strategic & Infrastructure Officer

ACCEPTED AND AGREED TO BY:

New Jersey Maternal and Infant Health Innovation Authority

By: Lisa Asare
Name: Lisa A. Asare
Title: President and Chief Executive Officer

MEMORANDUM OF UNDERSTANDING
BETWEEN
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY,
AND THE NEW JERSEY MATERNAL AND INFANT HEALTH INNOVATION AUTHORITY
FOR THE MATERNAL INFANT HEALTH INNOVATION CENTER

This **MEMORANDUM OF UNDERSTANDING** ("MOU"), made on this ________ [INSERT DAY] day of __________ [INSERT MONTH], 2025, and effective as of the date of the last signature of the Parties hereto (the "Effective Date"), is by and between the New Jersey Economic Development Authority ("NJEDA") and the New Jersey Maternal and Infant Health Innovation Authority ("MIHIA") (each a "Party", and collectively "the Parties").

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 the Treasury, which serves as the State's principal agency for driving economic growth; and

WHEREAS, MIHIA is an independent State authority established pursuant to N.J.S.A. 26:18-20, et seq., in but not of the Department of the Treasury, which serves as the State's principal agency to reduce maternal mortality, morbidity and racial and ethnic disparities in the State of New Jersey; and

WHEREAS, in 2019, Governor Phil Murphy and First Lady Tammy Snyder Murphy launched Nurture NJ, a statewide awareness campaign committed to both reducing maternal and infant mortality and morbidity and ensuring equitable care among women and children of all races and ethnicities because New Jersey is ranked 27th in the nation for maternal deaths and has one of the widest racial disparities for both maternal and infant mortality; and

WHEREAS, in January 2021, the First Lady released the Nurture NJ Strategic Plan with nine action areas, and dozens of recommendations to improve maternal and infant care, including a directive to NJEDA and the Departments of Health, Human Services, and Office of the Secretary of Higher Education to "establish a Center in the state capital that focuses on innovation and research in maternal and infant health through partnerships with the state's academic, funder, business, and faith communities"; and

WHEREAS, in April 2021, the NJEDA issued a Request for Information about its plans to establish a Center and received more than 50 responses. Respondents overwhelmingly emphasized that planning for the Center needed to be community-driven, with ample opportunity for Trenton community members and stakeholders to offer their perspectives on the Center's offerings, partnerships, and opportunities to leverage existing community assets in the City; and

WHEREAS, this first-of-its-kind Center will serve to advance workforce development, policy, and best practices focused on eliminating racial disparities in maternal and infant health outcomes that will benefit the City of Trenton, the State, and the entire country; and

WHEREAS, NJEDA has extensive real estate experience, which includes, but is not limited to: acquiring property, as well as designing, constructing and managing facilities; and

WHEREAS, Governor Murphy's 2022 Fiscal State Budget included a $2.9 million appropriation allocated to NJEDA for the planning and development of the Center; and

WHEREAS, in March 2022, the NJEDA engaged Jones Lang LaSalle ("JLL") to conduct an analysis of potential locations in the City of Trenton for the Center, now known as the Maternal and Infant Health Innovation Center ("MIHIC"). Working closely with JLL and NJEDA's community engagement partner, the Watson Institute for Urban Policy and Research at Kean University, NJEDA concluded that the properties owned by the Trenton School District Board of Education ("BOE") located at 323 North Warren Street, Trenton, NJ 08618, also known as Block 3902, Lot 1, Block 3901, Lot 48 and Block 3903, Lot 1 on the tax map of the City of Trenton, County of Mercer, State of New Jersey ("Battle Monument Site") are the best location for the MIHIC given the safe, accessible, and community-centered objectives of this project; and

WHEREAS, in March 2023, consistent with discussions between NJEDA and the BOE regarding NJEDA's interest in obtaining ownership of the Battle Monument Site, the BOE granted NJEDA a right of entry to perform site due diligence on the Battle Monument Site in March 2023, and that work remains ongoing; and

WHEREAS, the BOE and the New Jersey Schools Development Authority ("NJSDA") previously engaged in activities to assess, develop and maintain the Battle Monument Site for a potential future educational purpose that resulted in NJSDA spending Two Million Five Hundred Seventy-Three Thousand Six Hundred Eighty-Five Dollars and No/100 Cents ($2,573,685.00) towards that effort, which expenditure the Parties recognize as an equitable lien against the Battle Monument Site (the "Lien") to be reimbursed to the NJSDA as part of any disposition of the Battle Monument Site and, in addition, NJSDA and NJEDA will help BOE find an alternate location for educational purposes; and

WHEREAS, Governor Murphy's 2023 Fiscal State Budget included a $20 million American Rescue Plan – Coronavirus State Fiscal Recovery Fund ("CSFRF") appropriation to NJEDA for the construction of the MIHIC, and on May 30, 2024; NJEDA and the New Jersey Department of Community Affairs ("DCA") entered into an MOU for the $20 million in CSFRF funds to construct the MIHIC; and

WHEREAS, in November 2023, the United States Department of Treasury approved NJEDA's Capital Project Fund application for $26,250,000 in American Rescue Plan Coronavirus Capital Projects Fund ($25,000,000 for direct project costs and $1,500,000 for administrative costs) to construct the MIHIC, and on July 3, 2024, NJEDA and DCA entered into an MOU granting $26,250,000 to NJEDA to construct the MIHIC; and

WHEREAS, the 2024 Fiscal State Budget included an appropriation of $50 million to NJEDA for Strategic Innovation Centers ("SIC"), which included the MIHIC as an eligible project to receive a portion of the SIC funding in the amount of $20 million in CSFRF funds, and on

September 20, 2024, NJEDA and DCA entered into an MOU Amendment granting an additional $19,500,000 to construct the MIHIC; and

WHEREAS, the Fiscal State Budget included an appropriation $2.9 million state appropriation for community planning and preliminary feasibility analysis to develop the Center. From the $2.9 million, $1.964 million is available for the Center's design and construction; and

WHEREAS, in April 2024, the NJEDA Board approved the following anchor tenants for the MIHIC: Rutgers University as the lead Institution of Higher Education; Trenton Health Team as the lead Multi-Service Organization; and Capital Health as the lead Healthcare Clinical Service Provider to offer services at the MIHIC; and

WHEREAS, in May 2024, the NJEDA Board approved: (i) the MOU among the BOE, NJSDA and NJEDA which outlines the terms of the purchase and sale of the Battle Monument Site, subject to a fully executed purchase and sale agreement: NJEDA will pay a purchase price of $1, together with $2,573,685.00 to satisfy the Lien; and (ii) up to $3 million of SIC funds to pay for the acquisition and related cost for the Battle Monument Site; and

WHEREAS, in June 2024, the NJEDA Board approved the procurements of Ballinger as the architect and engineer and Torcon as the construction manager as the team to design and construct the MIHIC; and

WHEREAS, the Parties have determined that NJEDA's property acquisition, design, construction and ownership of the MIHIC is in the best interest of the Parties to support the challenges of maternal and infant health in the State of New Jersey; and

WHEREAS, the Parties agree that NJEDA will lease all or a portion of the MIHIC, not including the innovation space, to MIHIA; and

WHEREAS, MIHIA will operate the MIHIC according to the terms of the non-binding letter of intent ("LOI") attached to this MOU as Exhibit B and incorporated herein; and

NOW THEREFORE, the Parties hereto, intending to be legally bound, hereby 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 are entering into this MOU to document the mutual understanding of a comprehensive effort to develop, construct, finance and operate the MIHIC and the intention of the Parties to carry out their respective obligations under this MOU. **This MOU does not and shall not be construed to constitute an agreement of the Parties to undertake the development, construction, financing and operation of the MIHIC if the underlying economics are not feasible or viable to the terminating Party.**

3. NJEDA's Responsibilities. NJEDA will be responsible for the following activities:

a. Procurement. The MIHIC project shall be advertised, solicited and selected by NJEDA in accordance with NJEDA's applicable procurement requirements.

b. Predevelopment Activities. NJEDA will manage the consultants to complete the following predevelopment activities: obtaining an appraisal, title commitment, and survey, and obtaining required environmental studies and remediation plans to estimate the remediation cost to develop the MIHIC.

c. Property Acquisition. Subject to the Battle Monument Site being in acceptable environmental condition that can be remediated within the MIHIC's approved "Comprehensive Development Budget" (see Section 4 below) and the ability to obtain title insurance, the NJEDA Board will be asked to approve a purchase and sale agreement which would govern the acquisition of the Battle Monument Site for the development and construction the MIHIC.

d. Design and Construction of the MIHIC. In accordance with applicable State and federal requirements, NJEDA will procure and enter a contract with the architect/engineer and the construction manager to do the following:

   i. Basis of Design. The Basis of Design may include, but not be limited to, infrastructure assessment, site planning, conceptual design and schematics, and construction cost estimating. NJEDA, with input from MIHIA, will review and supplement the initial program, evaluate various site constraints and rehabilitation options, consider civil engineering and subsurface conditions, investigate environmental impacts, determine basis of structural/mechanical/architectural design, and formulate a conceptual rehabilitation plan. The Basis of Design shall be approved by NJEDA's Board.

   ii. Building Programming. NJEDA and its project professionals will work with MIHIA and its service providers, as well as other community stakeholders as determined by NJEDA and MIHIA, to gather information to determine each Tenant and subtenants' proposed use of the leased premises space, and programming needs (e.g., operational requirements, leases spaces use, employee and customer/visitor requirements, storage, and other program needs).

   iii. Schematic Design. NJEDA and its design professionals will prepare project floor plans, site plans, and building elevations with input from MIHIA.

   iv. Design Development. NJEDA and its project professionals will provide MIHIA with specific materials to be used on the project including floor coverings, doors, hardware, lighting fixtures, bathroom fixtures and countertops.

v. Construction Documents. NJEDA and its professionals will prepare the required plans and specifications needed to obtain the necessary permits and approvals to construct the MIHIC.

vi. Construction Budget. NJEDA and its professionals will prepare a construction budget that will be included the MIHIC's Comprehensive Development Budget.

e. Construction of the MIHIC. Subject to NJEDA's Board approval of the Comprehensive Development Budget, NJEDA, using the architect/engineer and the construction manager, will construct the MIHIC in accordance with applicable federal requirements as set forth in NJEDA's executed MOUs with NJDCA, including compliance with federal Title VI of the Civil Rights Act of 1964 and other non-discrimination laws.

4. Funding and Comprehensive Development Budget to Construct the MIHIC.

a. NJEDA will prepare a budget including all related cost regarding the planning, acquisition, design, and construction of the MIHIC (the "Comprehensive Development Budget") for review and approval by the NJEDA Board and confirmation from the MIHIA Board that the design satisfies the programming requirements.

b. NJEDA has secured the funding for the MIHIC as outlined in Exhibit A which is attached to this MOU and incorporated herein. In addition, the NJEDA Board will be requested to approve, if required, additional SIC funds to complete the construction of the MIHIC. Upon completion of the construction drawings and specifications and the preparation of the construction budget, the NJEDA Board will be asked to approve allocating the funding, as listed in Exhibit A, to construct the MIHIC.

c. Unless otherwise determined, NJEDA will be responsible for the ongoing mandatory financial and performance reporting required by the funding sources pursuant to NJEDA's MOUs and Amendments with NJDCA. MIHIA understands that its cooperation is needed to provide input for NJEDA's mandatory reporting compliance obligations, including monitoring and reporting of Title VI discrimination complaints by subtenants and project professionals. The Parties mutually agree on the process to report and address any Title VI complaints.

d. MIHIA understands that the MIHIC project funding is limited to the sources listed in Exhibit A. Any planning, development and/or construction costs for the MIHIC which exceed the sources listed in Exhibit A will be the responsibility of MIHIA or its subtenants, unless an alternative arrangement is agreed to in writing by the Parties.

NJEDA will provide MIHIA will a monthly report regarding expenditures against the budget.

e. NJEDA will provide an estimated project schedule, Exhibit C, neither NJEDA nor its contractors will be responsible for delays out of their control.

5. Ownership, Maintenance and Management of the MIHIC.

a. Ownership of the Completed MIHIC. NJEDA will own the completed MIHIC and Lease all or a portion of the MIHIC to MIHIA according to the terms of the LOI attached as Exhibit B which is attached to this MOU and incorporated herein.

b. Property Maintenance and Management. NJEDA will be responsible to perform the general maintenance and repair of the MIHIC as outlined in the LOI attached to this MOU as Exhibit B and billed to MIHIA as the Tenant and subtenants as Common Area Maintenance (CAM).

c. Annual Operating, Maintenance and Capital Plan Budget. NJEDA will prepare the annual operating, maintenance and capital plan budget. MIHIA and its subtenants will be responsible for paying for these costs according to the terms outlined in Exhibit B.

6. Master Lease and Subleases for the MIHIC. NJEDA will lease all or a portion of the MIHIC to MIHIA according to the terms included in Exhibit B. The Lease between NJEDA and MIHIA will permit MIHIA to sublease portions of the MIHIC to one or more third parties subject to the terms outlined in Exhibit B.

7. Anchor Tenants. NJEDA will transfer, and MIHIA will accept, the contracts for the anchor tenants identified above within 30 days of the execution of the MOU.

8. MIHIA Responsibilities. As Master Lessee, MIHIA will be responsible to operate the MIHIC consistent with the MIHIC's mission and intended use as outlined in N.J.S.A C.26:18-1to 26:18-16 (P.L.2019, c.75, §§1-12, 14-17 formerly C.26:6C-1 to 26:6C-16).

9. Design and Construction Responsibilities. During the design and construction phase of the MIHIC, MIHIA's responsibilities include but are not limited to:

a. Providing a primary contact during the design phase who will have the authority to answer questions, provide direction and communicate between the project professionals, MIHIA Board and staff, and subtenants.
b. Participating in project meetings.
c. Working closely with NJEDA and its project professionals to ensure the project design meets program needs.
d. Providing answers to questions and inquiries in a timely fashion to ensure the project is on time and in budget.

e. Coordinating and clarifying design specifications and requirements with subtenants.
f. Managing all communications with subtenants.
g. Participating in all meetings between subtenants, NJEDA and project professionals.
h. Ensuring the design requests from subtenants are reasonable and affordable.
i. Ensuring the project design and specifications do not exceed budget, attached hereto as Exhibit A. Securing the required licensing and approvals for operations or ensuring that subtenant have the necessary licenses and/or approvals to operate as may be required.
j. Leading community outreach for the MIHIC and attending all public meetings regarding the MIHIC. NJEDA and MIHIA will collaborate on the design of the community engagement strategy, When necessary MIHIA will coordinate and facilitate meetings with the public and constituents, which meeting will include the NJEDA.

10. NJEDA's Administrative Charges. NJEDA's administrative charges for providing the services included in this MOU shall be paid from the following sources of funds:

    a. 2022 Fiscal State Budget included a $2.9 million appropriation for the planning and development of the MIHIC.
    b. $3 million of Strategic Innovation Center funds to pay for acquisition and related costs to acquire the site for the Center.
    c. $19.5 million of American Rescue Plan State and Local Fiscal Recovery Fund
    d. $20 million of American Rescue Plan State and Local Fiscal Recovery Fund.
    e. Capital Project Fund for $25 million in American Rescue Plan Coronavirus Capital Projects Fund.

11. Designated 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:	**MIHIA:**
Juan Burgos Vice President, Real Estate Development New Jersey Economic Development Authority P.O. Box 990 36 West State Street Trenton, NJ 08625 Juan.Burgos@njeda.gov 609.858.6880 Stephen Martorana Director Real Estate Design and Construction	Lisa A. Asare President and CEO NJ Maternal and Infant Health Innovation Authority 225 East State Street Trenton, NJ 08625 Lisa.Asare@njmihia.gov 609.246.5131

New Jersey Economic Development Authority P.O. Box 990 36 West State Street Trenton, NJ 08625 Steve.Martoran@njeda.gov	

12. Good Faith. The Parties will act with reasonable diligence and in good faith for the purpose of satisfying the conditions set forth herein. Any approvals required to be given hereunder by any Party shall not be unreasonably withheld, conditioned or delayed.

13. Term and Extension.
    a. Termination. This MOU will be valid from the Effective Date until either: (i) the Parties mutually agree to terminate the construction of the MIHIC or (ii) the completion of construction and the Commencement Date of the Master Lease.

    b. Extension. The Parties may extend the MOU by mutual agreement. An extension of this MOU requires written consent signed by authorized representatives from both Parties.

14. Notices. All legal notices (not including day-to-day business communications) from one Party to the other regarding this MOU shall be sent to the designated contacts provided below. The Parties will notify each other in writing of any change in these contacts within ten (10) business days:

NJEDA:	**MIHIA:**
Tim Sullivan Chief Executive Officer 36 West State Street P.O. Box 990 Trenton, NJ 08625	Lisa A. Asare President and CEO NJ Maternal and Infant Health Innovation Authority 225 East State Street Trenton, NJ 08625 Lisa.Asare@njmihia.gov 609.246.5131

15. Assignment. This MOU may not be assigned by a Party without the prior written consent of the other Party.

16. Third-Party Beneficiaries. This MOU is intended for the sole benefit of the Parties and shall not be construed to create any third-party beneficiary.

17. Relationship of the Parties. The Parties to this MOU shall not be considered joint venturers or partners.

18. Dispute Resolution. In the event a dispute arises between the Parties concerning this MOU, the CEO of NJEDA and the Executive Director of MIHIA or their appointed representatives, shall meet to resolve such dispute.

19. Applicable Law. The Parties shall retain all the powers, obligations and immunities provided by the laws of New Jersey. Each Party shall be responsible for adhering to all applicable State and Federal laws, regulations, and its own Policies and Procedures in the performance of its obligations under this MOU. By signing this MOU, the signatories below certify that they possess the legal authority to perform the respective responsibilities outlined herein.

20. 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 or other publicity.

21. Counterparts. 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.

22. Electronic Signatures. The Parties agree that the execution of this MOU by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

23. Entire Agreement. This MOU reflects the entire understanding of the Parties, and it supersedes any prior understandings of the Parties. It 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.

24. Miscellaneous.

    a. 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.

    b. The Parties agree to strictly control the use and retention of any personal and confidential information provided by the other Party so that only personnel who have a need to know have access to such information. No further dissemination or use of such information is authorized without written permission of the Party from which such information originated, unless required by law.

[Signatures Follow]

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives.

NEW JERSEY MATERNAL INFANT HEALTH INNOVATION AUTHORITY

Attest:

Lisa A. Asare
President and Chief Executive Officer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Attest:

Tim Sullivan
Chief Executive Officer

Attachments

Exhibit A – Sources and Uses

Exhibit B – Letter of Intent

Exhibit C – Project Schedule

EXHIBIT A

SOURCES AND USES OF FUNDING

Maternal and Infant Health Innovation Center

***Development Budget Sources**

Source	Use	Amount
2022 Fiscal Year Budget: Center Planning Funds	Project Predevelopment Planning	$2,900,000
2023 Fiscal Year Budget	Design and Construction	$20,000,000
2024 Fiscal Year Budget	Design and Construction	$19,500,000
2024 US Treasury: Capital Project Fund	Design and Construction	$25,000,000
2024 Fiscal Year Budget: SIC Funding	Property Acquisition	$3,000,000
	Total Sources to Date	**$70,400,000**

***Excludes Administrative Fee**

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Economic Transformation Products
Delegated Authority Approvals, Declinations, & Other Actions Q4 2024
For Informational Purposes Only

Technology Innovation Products

Technology Innovation Products creates and manages products targeting emerging and early-stage technology companies to provide various type of investment and financial assistance.

Angel Investor Tax Credit Program

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax. When the program was originally approved, the amount of the tax credit was 10%. In 2019, Governor Murphy approved an increase to the amount of the tax credit from 10% to 20%, with a 5% bonus for investors in either NJ certified women- or minority-owned businesses, or businesses located in a state-designated Opportunity Zone or New Markets Tax Credit census tract. Starting with the 2021 program year, the Angel Tax Credit program cap was increased from $25 million to $35 million.

Angel Investor Tax Credit Program – Q4 2024 Review

In the fourth quarter of 2024, the Authority approved eighty-nine (89) ATC investor applications with twenty-three (23) emerging technology businesses benefiting from the ATC Program. Of the 23 different companies receiving investments, four (4) of these were new companies to the program. Investors in eight (8) companies qualified to receive an additional 5% bonus, which represents approximately 35% of companies for this quarter.

For the fourth quarter of 2024, there were eight (8) life science companies, twelve (12) technology companies and three (3) clean energy company with investors approved for the credit. Five (5) were state-certified Minority/Women Business Enterprises, and three (3) businesses based their operations in an Opportunity Zone or New Market Tax Credit census tract.

The average investment amount per application in the life sciences sector was $219,560.24, the average investment per application in the technology sector was $305,164.15 and there was an investment of $211,250.00 in a clean technology company.

In total, $4,889,673 in Angel Investor Tax Credits were awarded incentivizing $22,931,777 in private, equity investments in NJ emerging technology businesses.

Sector	Investment Amount	Tax Credit Amount	Applications	# of Companies	% of Total Invested	% of Total Applications
Life Sciences	$9,880,211	$2,006,040	45	8	43.1%	51.0%
Technology	$12,206,566	$2,684,633	40	12	53.2%	45.0%
Clean Technology	$845,000	$199,000	4	3	3.7%	4.0%
Total	**$22,931,777**	**$4,889,673**	**89**	**23**		

Investors for the following twenty-three (23) companies were awarded tax credits in the fourth quarter of 2024:

911inform Holdings Inc. based in Farmingdale is an emergency management software company that provides a platform to help emergency response teams better manage communication and connected building controls related to an emergency. The software also allows users to become compliant with specific Federal and State regulations requiring the exact location of a 911 call.

Acuitive Technologies, Inc., based in Allendale, pursues the development of novel biomaterial technologies to improve the repair and regeneration of musculoskeletal tissue.

AlphaROC, Inc., based in Newark, is a data science company developing AI and machine learning SaaS products for use in market research and data analysis. Their flagship product, OCCAM, employs natural language processing and neural network-based predictive models to interpret big data for customer insights and strategic decision making in various sectors **(investors qualify for a bonus as the business is located in a designated Opportunity Zone or New Markets Tax Credit census tract).**

Aspargo Laboratories, Inc., based in Englewood Cliffs, is a life sciences corporation that commercializes a therapeutic approach to addressing the clinical need for drugs that treat erectile dysfunction.

BeAble Education, Inc., based in Lakewood, publishes educational software that identifies and closes the literacy and opportunity gap through the proprietary BeAble IQEngine, using machine learning, automation, and data science to customize an individualized learning path for each child **(investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise).**

Couple.com, Inc. based in Basking Ridge is a tech company that focuses on improving the performance of online dating services using artificial intelligence. They are changing how people meet online with a smart AI learning-matchmaker that improves matches by understanding and adapting to user preferences. Their patented interactive video technology offers a unique way of hosting online speed dating events with real-time video interactions, themed chat rooms, virtual gifts, and AI-created summaries of dating events **(new company in Q4 2024)**.

Distinct Dermatology, Inc. based in Parsippany is an innovative pharmaceutical company specializing in niche areas within dermatology. They focus on distribution and delivery of proprietary medications through a telehealth platform and have applied for a patent for a treatment for fungal nail infections. By utilizing their telehealth technology, they offer accessible and affordable treatment to dermatology patients, enabling them to avoid long waits and other treatment delays.

Elucida Oncology, Inc., based in Monmouth Junction, is a biotechnology company focused on clinical research, development and subsequent commercialization of life-changing products based on the Target or Clear™ technology of the novel, ultra-small nanoparticle delivery platform. Elucida's work is centered around the detection and treatment of primary solid tumor and metastatic cancers in order to extend and enhance patients' lives.

Evergreen Theragnostics, Inc., based in Springfield, is a Contract Development and Manufacturing Organization (CDMO) servicing the radiopharmaceutical industry in developing early-stage molecules. Evergreen is also engaged in research and development of new diagnostic and therapeutic radiopharmaceutical products that it intends to market to US hospitals.

Halcyon Still Water LLC, based in Red Bank, has developed a platform that leverages unique technology to aggregate a taxpayer's complete financial landscape to prepare tax returns and provide tax expertise by crowdsourcing CPA services.

ImageProVision, Inc., based in Franklin Township, focuses on the automation of microscope image data analysis for the pharmaceutical industry **(investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise).**

Innovera Pharmaceuticals, Inc., based in Monroe Township, specializes in developing unique generic and branded products, including those with technical complexities and niche applications. They have expertise in overcoming development barriers such as patent challenges and establishing vertically integrated pharmaceutical companies. Innovera's generic program focuses on complex drug products with characteristics like technical and scientific complexities, niche applications, intricate manufacturing processes, challenging bio-equivalency or clinical studies, and state-of-the-art analytical testing and R&D facilities. Their dosage forms include topical products, transdermal products, injectables, and various oral dosage forms **(investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise).**

Lactiga US Inc. based in North Brunswick is a biotechnology company that focuses on innovative biologic therapies for immunodeficient patients, specializing in mucosal therapies using secretory polyclonal IgA antibodies derived from human milk **(new company in Q4 2024)**.

Neumentum, Inc. based in Summit is a neurology pharmaceutical company seeking to address the current opioid crisis through the development and commercialization of safe and effective non-opioid analgesics. These would provide chronic management of severe pain while curbing the risks of abuse and serious side effects seen with opioids. Neumentum currently has clinical trials in multiple phases for both oral and IV non-opioid pain medications, including one which, if approved, would be the first-ever NSAID administered by continuous infusion.

Nevakar, Inc., based in Bridgewater, is a specialty pharmaceutical company focused on developing innovative products in the injectable and ophthalmic space.

Optimeos Life Sciences, Inc. based in Princeton, is a biotechnology company founded in 2016 by two Princeton University faculty members to develop therapeutics using a Princeton-developed drug delivery technology. This novel targeted gene approach enables the delivery of biologics, peptides, and RNA to advance medical treatment and patient care **(new company in Q4 2024)**.

POM Partners, Inc., based in Newark, provides an emergency communications portal solution for the higher education, healthcare, and enterprise industries **(investors qualify for a bonus as the business operates in an Opportunity Zone or New Markets Tax Credit census tract).**

Princeton Nuenergy, Inc., based in Princeton, is an innovative clean-tech startup company (spun out from Princeton University in 2019) focused on the direct recycling of lithium-ion batteries from electric vehicles and consumer electronics. The Company has experience handling and recycling aged rechargeable EV batteries, namely those from Tesla vehicles **(investors qualify for a bonus as the business is a certified Minority Business Enterprise).**

RICOVR Healthcare, Inc., based in Princeton, is the creator of the XALIVA rapid diagnostics platform which provides high-quality, rapid diagnostic results using nanoparticle detection technology, allowing for fast, non-invasive specimen collection and analytics.

Roboburger Inc., based in Newark, combines advanced robotics and artificial intelligence, RoboBurger offers high-quality, freshly prepared burgers through vending machines. It uses cutting-edge computing, robotics, and AI to automate food preparation and service **(investors qualify for a bonus as the business is a certified Minority Business Enterprise)**.

Vaneltix Pharma, Inc., based in Bound Brook, biopharmaceutical company that is developing treatments for Urological disorders. Vaneltix qualifies as a life sciences company because we are developing products to treat disorders of the lower urinary tract, in particular bladder epithelial dysfunction. Vaneltix has one product in mid phase clinical development to alleviate symptoms associated with the disease Interstitial Cystitis that employs a topical anesthetic and along with a mucus component to help protect the bladder surface from irritation. This same product is also being investigated as a potential diagnostic of the disease. Vaneltix is also conducting research on the regeneration of bladder epithelial tissue in response to injury from disease or by chemical/mechanical means **(investors qualify for a bonus as the business operates in an Opportunity Zone or New Markets Tax Credit census tract)**.

vipHomeLink Holdings, Inc., based in Morristown, has developed a digital home management software solution in the form of an interactive mobile app. It employs AI, behavioral science, and data analytics to deliver curated content and relevant guidance to homeowners with the objectives of making homes safer, more valuable, and more energy efficient while tracking progress toward those goals. The app is marketed to insurance companies, home warranty companies, new home builders, and lenders. By providing tailored content, personalized reminders, and expert recommendations, vipHomeLink's goals are to improve safety and reduce the costs of home ownership for home buyers, while preventing expensive insurance claims and improving loss ratios and profitability for corporate partners **(new company in Q4 2024)**.

Xlink, LLC, based in Morris Plains, is a technology company that is researching, developing, testing, and building computer controlled automated machines and systems to be used in the warehouse, distribution, e-commerce, and retail industries.

Please find a detailed list of all ATC applications that were approved under delegated authority during the fourth quarter of 2024 under Exhibit A.

Angel Investor Tax Credit Program – 2024 Year End Review

Sector	Investment Amount	Tax Credit Amount	Applications	# of Companies	% of Total $ Invested	% of Total Applications
Life Sciences	$81,745,665	$13,769,631	290	21	69.2%	64%
Technology	$35,231,478	$7,843,507	158	22	29.8%	34.9%
Clean Technology	$1,145,000	$259,000	5	4	1%	1.1%
Total	**$118,122,143**	**$21,872,138**	**453**	**47**		

For applications approved in 2024, the majority were in the life sciences sector. Year over year, the percentage of program applications from companies in the life science sector increased from 59.4% in 2023 to 64.0% in 2024. There was a small increase in applications from companies in the technology sector from 34.0% in 2023 to 34.9% in 2024. The percentage of applications in the clean technology sector decreased from 6.5% in 2023 to 1.1% in 2024. Overall, there was a slight 5.6% decrease in approved applications of 480 in 2023 to 453 in 2024 but a slight 4.4% increase in total companies participating from 45 in 2023 to 47 in 2024 with 11 companies approved that were new to the program. Also, the total investment amount of submitted applications decreased 16.1% from $140,846,757 in 2023 to $118,122,143 in 2024. But, the total amount of Angel Investor Tax Credits awards increased 2.7% from $21,290,402 in 2023 to $21,872,138 in 2024.

The average investment amount per application in the life science sector was $281,881, while the average investment per application in the technology sector was $222,984. Lastly, the average investment amount per application in the clean technology sector was $229,000.

Of note, 24 applications approved in 2024 were for investments over $1,000,000 each, and the largest single investment was $12,500,000.

Please find a detailed list of all ATC applications that were approved under delegated authority during the full year of 2024 under Exhibit A.

Angel Investor Tax Credit Program Summary

Since the ATC Program inception in 2013 through Q4 of 2024, NJEDA has approved 3,648 applications and awarded $135,686,911 in Angel Investor Tax Credits incentivizing $1,110,115,962 in private sector investments in 174 NJ emerging technology businesses. Of note, date of application approval does not necessarily align to program year. Approvals in each quarter may be reflected in the awarded tax credit amounts for prior or current program years.

A summary of prior year tax credits and unallocated balances is provided in Exhibit B.

NJ Ignite Program

NJ Ignite offers grants to support the rent of early-stage technology and life science companies located in an NJ Ignite approved collaborative workspace. Grants vary in amount. The start-up must commit to work for a specified time at the collaborative space under established agreements in which the workspace will partner to forego an element of the rent to support the business.

As of January 7, 2021, the Governor signed into law the Economic Recovery Act of 2020 (ERA) which resulted in the creation of the NJ Ignite Statutory Program. To ensure continuous NJ Ignite program operations, specific changes were approved by the Board on May 12, 2021, so that the NJ Ignite Pilot Program conforms to the NJ Ignite Legislative Program as outlined in the ERA. These updates included moving the annual reporting deadline to the calendar year end from one year anniversary date, increasing the maximum benefit from $15,000 to $25,000, expanding the eligible industries to align with current NJEDA targeted industries, extending the earliest formation date from application date to seven years, and adding two more stackable bonuses for M/WBEs and foreign companies.

NJ Ignite Program – Q4 2024 Review

In the fourth quarter of 2024, no new Tenant or Workspace applications were received. There were no new Workspace approvals in Q4 2024.

NJ Ignite Program – 2024 Year End Review

From program inception in 2018 through Q4 of 2024, the Authority approved 25 co-working spaces of which 9 subsequently withdrew or went out of business. In addition, the Authority approved 19 Tenant applications, for a total approved amount of $166,260 of the $500,000 allocated to the Pilot program.

NJ Accelerate Program

Through NJ Accelerate, NJEDA seeks to provide early-stage businesses access to best-in-class Accelerator programs, enabling the tools and support to grow their businesses in the Garden State. The Authority began accepting applications to become an Approved Accelerator during the fourth quarter of 2020. The Program's initial pilot period expired on September 20, 2024. On September 11, 2024, the NJEDA Board approved a new two-year pilot period for NJ Accelerate. The Board authorized the continued utilization of NJ Accelerate's original funding allocation. In addition, delegated authority to the CEO was approved to use up to an additional $5,000,000 of funding from underutilized related Technology Innovation Products.

The Program provides up to $250,000 of direct loan funding via a convertible note to Approved Accelerator Graduates located in New Jersey. NJEDA's funding is in the form of a 10-year note, with a 3% fixed interest rate and no payments for seven years. NJEDA receives warrants in consideration for the financing; the amount of warrant coverage is 50% of NJEDA's note amount. Additionally, Approved Accelerator Graduates located in New Jersey can receive up to six months of free rent in NJ-based co-working spaces. Graduates certified as women- or minority-owned, can receive an additional 5% bonus to the direct loan amount, as well as one additional month of rent. Approved Accelerators may also receive sponsorship up to $20,000 to hold events in NJ to encourage their on-the-ground engagement in the State. Additionally, a sponsorship bonus of 5% is available for Approved Accelerators demonstrating meaningful written policies and practices for attracting and promoting companies owned by women and minority persons.

The main updates approved by the Board to improve Program effectiveness, include the following:

- Expanded eligibility to Accelerators with a physical space outside the US
- Expanded range of documentation to confirm company workers, beyond salaried employees
- Reduction of the dollar amount for Event Sponsorship Benefit (per event cap was changed to $2,000 from $25,000, and the total lifetime cap per Accelerator was updated to $20,000 from $100,000)
- Restructuring of the Event Sponsorship Benefit into a grant
- Restructuring of the Rent Benefit by creating NJ Accelerate approved spaces with the same criteria of the NJ Ignite program and awarding the rent grant directly to the company. In the previous iteration of the Pilot, NJ Accelerate was awarding benefits to approved NJ Ignite coworking spaces for eligible tenant companies.

NJ Accelerate Program – Q4 2024 Review

As of Q4 2024, one Accelerator Program application, for Plug and Play, was submitted and approved. One application submitted in Q2 2024 and not approved was withdrawn in the fourth quarter.

Additionally, one Accelerator Event Sponsorship request application was received in Q3 2024 and closed in Q4 2024.

Applicant Name	Disbursed Amount	Approval Date	Closing Date
Lair East Labs	$7,031.02	10/04/2024	12/5/2024

In terms of benefits for Approved Accelerator Graduates, in the fourth quarter of 2024, no new applications for the Matching Loan Benefit were received. Three applications were approved (of which two closed in Q4, and one closed in Q1 2025). An additional application submitted in Q3 2024 has been approved in Q1 2025 and is currently in closing. One application submitted in Q3 2024 was withdrawn.

Applicant Name	Approved Accelerator	Approved Amount	Disbursed Amount	Approval Date	Closing Date
KolateAI PharmaTech Inc	Entrepreneur Roundtable Accelerator	$157,500.00	$157,500.00	8/26/2024	10/17/2024
Vandrax Technologies, Inc.	HAX LLC	$250,000.00	$250,000.00	10/2/2024	11/26/2024
Detexian Inc.	Entrepreneur Roundtable Accelerator	$150,000.00	$150,000.00	10/21/2024	11/26/2024
Ascent Bio Inc.	Merck Digital Science Studio	$150,000.00	$150,000.00	12/16/2024	1/23/2025
Portable Diagnostic Systems Inc	HAX LLC	$150,000.00	TBD	01/24/2025	TBD
Total		**$857,500.00**	**$707,500.00**		

NJ Accelerate Program –2024 Year End Review

To date, NJEDA has received 23 loan benefit applications with 17 approved, of which four were subsequently withdrawn, 12 were closed, and one is currently in the Closing process. In addition, five applications were withdrawn prior to approval, and one application is being reviewed.

Applicant Name	Approved Accelerator	Approval Amount	Disbursed Amount	Approval Date	Closing Date
EnvoyatHome, Inc	University City Science Center	$50,000	$50,000	2/9/2022	9/20/2022
SciMar ONE, Inc.	Merck Digital Science Studio	$157,500	$157,500	11/30/2023	1/11/2024
Tandem Inc	HAX LLC	$250,000	$250,000	2/9/2024	3/28/2024
Celine Biotechnologies, Inc.	Merck Digital Science Studio	$150,000	$150,000	2/7/2024	3/25/2024
Magic Kids Platform Inc	Lair East Labs	$150,000	$150,000	3/28/2024	4/29/2024
IndicatorLab Inc	Lair East Labs	$150,000	$150,000	3/18/2024	5/21/2024
UCHU Biosensors, Inc.	HAX LLC	$180,000	$180,000	3/28/2024	8/5/2024
Firstly Edu Institute	Lair East Labs	$125,000	$125,000	6/19/2024	7/18/2024
KolateAI PharmaTech Inc	Entrepreneur Roundtable Accelerator	$157,500	$157,500	8/26/2024	10/17/2024
Vandrax Technologies, Inc.	HAX LLC	$250,000	$250,000	10/2/2024	11/26/2024
Detexian	Entrepreneur	$150,000	$150,000	10/21/2024	11/26/2024

Inc.	Roundtable Accelerator				
Ascent Bio Inc.	Merck Digital Science Studio	$150,000	$150,000	12/16/2024	1/23/2025
Total		**$1,920,000**	**$1,920,000**		

For the Rent Benefit, to date four applications were received, of which two closed, one is under review and one was withdrawn prior to approval.

Collaborative Workspace	Company Name	Accelerator	Disbursed Amount	Approval Date	Closing Date
Rutgers EcoComplex	Hit Nano	Cleantech Open Northeast	$18,843.00	3/5/2024	7/18/2024
Rutgers EcoComplex	Princeton NuEnergy Inc	Cleantech Open Northeast	$12,512.50	8/17/2022	7/18/2024
Total			**$31,355.50**		

For the Event Sponsorship Benefit, to date, five applications were received and disbursed.

Applicant Name	Disbursed Amount	Approval Date	Closing Date
Venture Well	$1,655.54	9/22/2023	07/18/2024
Venture Well	$3,480.43	9/22/2023	07/18/2024
Merck Digital Sciences Studio	$522.31	11/1/2023	07/02/2024
NECEC Institute Inc	$252.83	10/04/2024	07/18/2024
Lair East Labs	$7,031.02	10/04/2024	12/5/2024
Total	**$12,942.13**		

NJ Accelerate Program – List of Approved Accelerators

Accelerator Name	Accelerator Location
Morgan Stanley Inclusive Ventures Lab	New York City, NY
Cleantech Open Northeast	Boston, MA
VentureWell - Aspire Program	Hadley, MA
University City Science Center - Launch Lane (Inactive)	Philadelphia, PA
HAX LLC	Newark, NJ
XRC Ventures	Brooklyn, NY
Merck Digital Sciences Studio	Newark, NJ and Cambridge, MA
Lair East Labs	New York City, NY
LearnLaunch Fund + Accelerator	Boston, MA
Entrepreneurs Roundtable Accelerator	New York City, NY
MetaProp Accelerator	New York City, NY
Plug and Play	Hoboken, NJ and multiple global locations

Angel Match Program

The Angel Match Program was designed to disburse funding from the Small State Business Intuitive (SSBCI), a federal program administered by the US Department of Treasury. New Jersey's share of the $10 billion federal program is $255,197,631. SSBCI is designed to cause and result in lending and investment of private capital into small businesses. On September 14, 2022, the NJEDA Board approved the Angel Match Program, the first of six programs launched in NJ under SSBCI. The total Angel Match Program allocation is $20,197,631. The Authority launched the Program's application on March 13, 2023.

The Angel Match Program provides funding to approved companies in the form of a convertible promissory note. Each note will be from $100,000 up to $500,000. The funding amount is determined by matching the NJEDA's funds with investments provided to the company by outside investors on a 1 to 1 basis. The matching investments must be in the form of preferred equity with a defined price per share. The NJEDA's note will be unsecured and have no payments for the first seven years. The note will have a 3% fixed interest rate and a 10-year maturity. NJEDA receives warrants in consideration for the financing; the amount of warrant coverage is 50% of NJEDA's note amount.

Angel Match Program – Q4 2024 Review

In the fourth quarter of 2024, market interest in the Program continued. The NJEDA received one new application to the Program in Q4. During Q4, NJEDA closed and disbursed funds to three applicants, as outlined below. Two applications for the Angel Match Program were approved in the fourth quarter. One closed in Q1 2025 and another one is in process of closing. One application was withdrawn in the fourth quarter.

Applicant Name	Approved Amount	Disbursed Amount	Match Investment	Approval Date	Closing Date
Truefort, Inc	$500,000	$500,000	$1,300,000	09/04/2024	10/30/2024
Tipxy, LLC	$500,000	$500,000	$500,000	06/26/2024	11/08/2024
Logie, Inc	$500,000	$500,000	$500,000	09/30/2024	12/18/2024
OceanTailer Inc.	$500,000	$500,000	$501,645	10/21/2025	01/21/2025
Boxcar, Inc	$500,000	In process	In process	11/18/2024	In process
Total	**$2,500,000**	**$2,000,000**	**$2,801,645**		

Truefort, Inc., based in Weehawken, develops cybersecurity software products used by enterprises globally to protect their critical business applications on site and in the cloud. TrueFort provides a last line of defense against insider and/or advanced persistent threats for core business applications. The Company uses advanced analytics and machine learning to monitor over 100 end-to-end interdependencies, baseline application behavior and detect malicious activity in real time.

Tipxy, LLC, based in Hackensack, is an online platform connecting smaller wineries and distilleries (manufacturers) directly with customers searching for niche craft beverages. The Company has two technology components that were developed in house and differentiate Tipxy from its competitors.

Logie, Inc., based in Union City, is a technology company that uses AI to reverse engineer the success of past product campaigns, to reach more people. Logie works with brands and creators around the world to help drive sales and awareness. The technology allows brands to automate their content campaigns with advanced tools.

OceanTailer Inc., based in Fairfield, is a technology platform for manufacturers of homeware products to integrate and sell to retailers and business customers. Their mission is to bridge the gap between B2B and B2C shopping experience by removing concerns such as product availability, long delivery times, and complicated logistics.

Boxcar, Inc., based in Chatham, is a transportation technology company. Through the Boxcar mobile app, commuters can reserve a seat on a luxury motor coach, find parking spots, and book on-demand parking as well as other services provided by third parties.

Angel Match Program – 2024 Year End Review

Since Angel Match Program's launch in 2023, discussions with various groups including the wider NJ startup and investor community are ongoing. The Program has also been featured in many public presentations and has received significant interest from companies with the potential to leverage the Program. Of note, companies are approved for up to $500,000, allowing flexibility to close with additional investors towards the maximum cap per company.

To date, the Program has received 13 applications, of which 10 were approved, two were withdrawn, and one is under review as of Q4 2024. Of the 10 approved, nine applications closed, and one is in the closing process. The approved and subsequently closed applications accounted for a total of $4,500,000 in approvals, with $4,112,500 in funds closed by NJEDA. The approval of the applicants spurred their closing of external investments in the amount of $5,749,123. A list of applications that have closed can be found below.

Applicant Name	Approved Amount	Disbursed Amount	Match Investment	Approval Date	Closing Date
TLA Innovation, Inc.	$500,000	$500,000	$537,000	06/06/2023	09/28/2023
vipHomeLink Holdings, Inc.	$500,000	$462,500	$462,500	08/18/2023	10/12/2023
AlphaROC, Inc.	$500,000	$500,000	$784,979	09/15/2023	12/08/2023
Princeton Identity Holding Company, Inc.	$500,000	$500,000	$1,012,999	12/22/2023	2/9/2024
Pocstock, Inc.	$500,000	$150,000	$150,000	06/18/2024	09/17/2024
Tipxy, LLC	$500,000	$500,000	$500,000	06/26/2024	11/08/2024
Logie, Inc	$500,000	$500,000	$500,000	09/30/2024	12/18/2024
Truefort, Inc	$500,000	$500,000	$1,300,000	09/04/2024	10/30/2024
OceanTailer Inc.	$500,000	$500,000	$501,645	10/21/2024	01/21/2025
TOTAL	**$4,500,000**	**$4,112,500**	**$5,749,123**		

NJ Entrepreneur Support Program (NJESP)

On March 26, 2020, the NJEDA Board approved the NJ Entrepreneur Support Program (NJESP) to help New Jersey entrepreneurial businesses with limited funding navigate COVID-19 related cashflow constraints, by providing financial support to their existing investors. Through NJESP, investors in NJ entrepreneurial businesses (operating in Innovation Economy sectors) could receive a guarantee (up to 80%, not to exceed $200,000 per company) for new, qualified bridge loans/convertible notes. The guarantee matures in one year, having an expiration date one year from the underlying note's issue date. If certain financial conditions are met by the company within this one-year term, the note investor could submit a claim to the NJEDA for payment of the guarantee. If the investor converts the note to equity, the Authority will be provided with a warrant for 20% of the guarantee amount, under the same pricing as the investor's conversion pricing on the Authority's standard warrant form. The total program budget was $5 million.

Entering into 2023, the effects stemming from the pandemic continued to impact the financial system presenting challenges to the startup-focused banking system, similar to the issues identified by NJEDA at the start of the COVID-19 pandemic. In particular, on March 8, 2023, this financial crisis made headlines after the collapse of regional banks focusing on emerging startups. As a result of these conditions, the investor market became reluctant to extend financial support to startup businesses. In response, the NJEDA decided to provide additional support by reopening the NJ Entrepreneur Support Program in March of 2023. In April of 2023, the NJEDA Board approved program updates to better suit NJESP to the current market. These updates include allowing new company investors to participate, increasing the total guarantee amount per company to $400,000 ($500,000 in total loans), raising the company's maximum number of total employees to fewer than 225 total employees, removing the trailing twelve-month revenue requirement, and updating the eligible company industries to the NJEDA's list of established "targeted industries".

NJ Entrepreneur Support Program – Q4 2024 Review

Following the Program's launch in 2023, announcements were made through various communication channels including all media platforms utilized by the Authority and external outlets such as NJBIZ, Insider NJ, New Jersey Business Magazine, shared by elected officials and more. In Q4 2024, Staff continued to receive inbound interest from companies. Multiple companies have the potential to leverage the Program.

In the fourth quarter of 2024, the Authority received three applications and closed on four applications that were submitted in previous quarters. Details on the companies and investors can be found below.

Investor	Company	Amount of Guarantee	Amount of Note/Loan	Approval Date	Closing Date	Guarantee Maturity Date
Stephen Bauer	ZSX Medical LLC	$8,000	$10,000	09/19/2024	10/05/2024	06/10/2025
Farmers Life Insurance	TLA Innovation,	$80,000	$100,000	10/17/2024	12/13/2024	09/13/2025

Company	Inc.					
Farmers Life Insurance Company	TLA Innovation, Inc.	$140,000	$175,000	10/17/2024	12/17/2024	10/11/2025
Gerald Owens	4.0 Analytics, Inc.	$80,000	$100,000	11/08/2024	12/09/2024	03/09/2026
Total		**$308,000**	**$385,000**			

ZSX Medical LLC, based in Morristown, is a clinical-stage medical device company that is developing Zip-stitch®, a surgical closure platform designed for closing internal surgical incisions in laparoscopic hysterectomy. Zip-stitch consists of a series of attachable clips and a reusable stainless-steel applicator. Zip-stitch clips employ FDA-approved bio-absorbable polymer materials that provide mechanical support and minimize inflammatory response during healing before being safely absorbed into the body. ZSX is currently overseeing an FDA-approved clinical trial that is evaluating the safety and effectiveness of Zip-stitch at five hospitals throughout the United States.

TLA Innovation Inc., based in Paramus, provide platforms that offer an "authorization clearing house", designed to offer a means of knowing exactly who the user is, that the user is a human being, and the user has the potential to participate in the specific activity, such as logging in, initiating a transaction, or receiving the transaction, independent of the identity management solution employed by the organization or individual.

4.0 Analytics, Inc., based in Newark, provides wireless Software-as-a-Service (SaaS) solutions that monitor the health of vehicle engine and emission systems while offering remote emissions compliance testing and advanced diagnostic solutions.

NJ Entrepreneur Support Program – 2024 Year End Review

Since the Program's re-launch in 2023, 28 applications have been received to date. Of these, three applications are currently under review, and 10 applications were withdrawn. To date, Staff has approved 16 applications for a total of $684,000 in guarantees. The approval of the applicants incentivized $855,000 in external investments for the companies. A list of approved applications can be found under Exhibit C.

Venture Products

Venture Products focuses on engagement with angel and venture capital investors to deliver products that catalyze investment that create and sustain job growth in businesses within each of the key sectors.

New Jersey Innovation Fellows

The New Jersey Innovation Fellows program, approved by the Authority's Board in November

2022, was established following the legislature's finding that "one of the most difficult challenges for upstart entrepreneurs is forgoing employment to launch their business" and that "for diverse entrepreneurs, this challenge is often exacerbated" and directed the NJEDA "to invest in diverse talent critical to New Jersey having a vibrant ecosystem" through the New Jersey Innovation Fellows program (N.J.S.A. 34: 1B-371).

The program supports first-time entrepreneurs, with "income replacement" grants. This resource creates an opportunity to pursue unique startup business ventures with the security of initial income-replacement funding in the two-year ideation and formation period of their business. Per program policy and in accordance with the legislation, approved teams will be qualified to receive $200,000 as a base award, and up to $200,000 in bonuses. Teams may access an additional $50,000 award on top of the $200,000 base award if one Entrepreneur verifies residency in a designated Opportunity Zone in New Jersey.

New Jersey Innovation Fellows – Q4 2024 Review

The Authority published the Notice of Funding Availability (NOFA) for the NJIF Program on April 29, 2024, for the second round of the Program. After approval of the NJIF Cohort II, the Program has approximately $7.9M in allocation remaining as of Q4 2024.

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)

Summary of Recommended NJIF Cohort II Grantees

Application due diligence was finalized in Q4 2024 with approvals set to be presented at the February board meeting. The approval represents an award amount of $2.95 million funding.

	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	$200,000	$400,000	23.0
3.	Business Advisor	Princeton	Information & High Technology	$150,000	$350,000	22.5
4.	Sevillian Laboratories	Burlington City	Life Sciences	$200,000	$400,000	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	$200,000	$400,000	17.5

As of Q4 2024, the following appeal is under review:

Appeals Under Review as of Q4 2024 - NJ Innovation Fellows		
Applicant ID	**Business Name/Proposed Business Name**	**Entrepreneurs**
NJIF-00272	Stack Wallet, Inc.	David Talarico, Robert Blau, Karen Talarico
Declination Reason: Application does not demonstrate the requirement that a minimum of 50% of the team be first-time entrepreneurs.		

New Jersey Innovation Fellows – 2024 Year End Review

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.

NJIF AI Cohort Update

On Thursday, December 19, 2024, the Members approved the utilization of a $2M appropriation from the FY 2025 Appropriations Act (“Appropriations Act”) to create an artificial intelligence (“AI”) dedicated cohort within the NJIF Program. The Program is set to encourage nascent AI entrepreneurs to drive AI utilization and innovation across industries and integrate the businesses into the broader innovation ecosystem. As legislatively required by P.L.2024, ch.22, in consultation with Princeton University, NJIF will leverage the university's research capabilities, technical expertise, and industry connections to facilitate the mandated mentorship program. The collaboration reflects the Program's commitment to not only provide resources, but also ensure that these resources are accessible.

New Jersey Innovation Evergreen Fund

The New Jersey Innovation Evergreen Act ("Act") (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 et seq.). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 et seq.), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund ("NIEF", or "Evergreen Fund") and the New Jersey Innovation Evergreen Program, which supports the private sector's investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State's innovation ecosystem and create the conditions necessary for entrepreneurs to succeed.

The Act authorizes the NJEDA to sell up to $300 million of Corporation Business Tax (CBT) credits through a series of competitive auctions, proceeds of which are to be deposited in the Evergreen Fund to be used for Program investments. The Board approved the sale of $50 million in tax credits through the inaugural Program auction in December 2022. Based on the outcome of the inaugural auction, participants were approved to purchase the $50 million of tax credits for an aggregate amount of $41.1 million. The proceeds of the auction are added to the $5 million of Program funds received through a FY2023 State budget appropriation to fund initial Evergreen Fund investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a Qualified Venture Firm. Venture firms may apply for designations on a rolling basis, and applications are reviewed in order of submission. Applications for Qualified Venture Firms opened on December 16, 2022, and the Authority has approved 14 Qualified Venture Firms to-date.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Each request for a Qualified Investment may be as much as the Program investment limit of $5 million, or up to $6.25 million for businesses that meet any of the following criteria: i) certified by the State as a "minority business" or "women's business" pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university. The terms of each eligible Qualified Investment will be presented to the Board of the Authority, along with the recommendation for approval of each Qualified Investment. As of July 26, 2024, the Board of the Authority has approved three initial Evergreen Fund Qualified

Investments, of which one initial Qualified Investment transaction has been closed and funded.

New Jersey Innovation Evergreen Fund - Qualified Venture Firms Q4 2024 Review

In the fourth Quarter of 2024, NJIEF has approved three Qualified Venture Firms ("QVF") by Staff under delegated authority, as shown below.

Applicant Name	Approval Date
Eckuity LLC ("Eckuity Capital")	10/29/24
GiantLeap Management Company LLC ("GiantLeap Capital")	10/29/24
Data Point Management Company LLC ("Data Point Capital")	10/29/24

Eckuity LLC is a stage-agnostic, healthcare-focused venture capital firm established in 2021 and headquartered in New York City. The firm specializes in identifying and investing in disruptive healthcare innovations with a clear path to commercialization and exit, targeting investments across life sciences, medical devices, diagnostics, and digital health. Eckuity's approach is quantitative and DPI-focused, with an emphasis on creating multiple exit opportunities within a 5-year investment horizon. The firm launched its first $150 million fund in 2022 and has made 10 investments to date, with plans to raise a $350 million Fund II in 2025. The management team is led by Managing Partners Vishal Jain and Youssef Sebban, who have substantial experience in healthcare venture capital and investment.

GiantLeap Management Company LLC is a growth equity venture capital firm founded in 2022 and headquartered in New York City, focusing on investing in later-stage B2B businesses with mission-critical technologies. The firm launched its first fund in 2022 and currently manages over $23 million, with a target fund size of $100 million. GiantLeap Capital's portfolio includes investments in sectors like data infrastructure, analytics, enterprise services, and advanced engineering. GiantLeap Capital's investment strategy combines a flexible capital approach with structured equity, focusing on high-potential companies in critical industries. The firm's managing partners, Himanshu Sekhar and Samir Parikh, bring extensive experience in entrepreneurship, investment banking, and private equity.

Data Point Management Company LLC is an early-stage venture capital firm founded in 2011 and headquartered in Boston, Massachusetts. The firm specializes in Series A investments across technology sectors, particularly internet-based companies, including both consumer and enterprise-focused software. With over $140 million in assets under management, Data Point Capital is actively investing from its third fund. Data Point Capital's portfolio includes investments in B2B and B2C businesses, particularly in e-commerce, marketplaces, cybersecurity, and artificial intelligence. The firm's managing partners, Scott Savitz, Mike Majors, and Geoff Oblak, bring deep expertise in both venture capital and operational leadership. Scott Savitz, a founder of Shoebuy.com, co-founded Data Point Capital to support other entrepreneurs, while Mike Majors and Geoff Oblak contribute substantial experience from their work in investment banking, consulting, and venture investing.

New Jersey Innovation Evergreen Fund - 2024 Year End Review

Since its inception in 2022, the New Jersey Innovation Evergreen Fund has onboarded 18 Qualified Venture Firms (QVF) onto the platform. In addition, three Qualified Investments (QI) have been approved, with two follow-on investments, leaving the Evergreen Fund with $33,434,631 in unallocated capital at the close of 2024. To date, the program has received 36 QVF applications and eight QI applications, with an increasing number of opportunities continuing to flow through the pipeline.

Clean Energy Products

Clean Energy Products supports businesses and organizations across a wide range of technology areas including energy efficiency, solar, battery storage, offshore wind, zero emission vehicles, hydrogen, geothermal, and others with products aimed to reduce greenhouse gas and pollutant emissions.

New Jersey Zero-emission Incentive Program (NJ ZIP)

Launched in April 2021, the Phase 1 NJ ZIP pilot established a first-come, first-serve voucher-style program to reduce the upfront cost to purchase zero-emission vehicles for eligible applicants, with a focus on the adoption and use of zero-emission medium-duty vehicles in the four pilot communities of greater Newark, greater New Brunswick, greater Camden, and the Greater Shore Area.

New Jersey Zero-emission Incentive Program Phase 2 – Q4 2024 Review

In July 2022, the Board approved a second phase of the NJ ZIP pilot, with a voucher pool of $45 million. While the overarching structure of the pilot remained unchanged, the second phase of this pilot included two major eligibility changes from the first phase – to expand eligibility to include heavy-duty vehicle classes to Purchaser Applicants statewide – and provide updated support structures for pilot participants, including the development of a technical assistance mechanism.

NJ ZIP Phase 2 implemented a phased launch approach for Vendor and Purchaser applications. First, a zero-emission vehicle Vendor must apply to become an approved Vendor. Vendors applied for Phase 2, from October 18, 2022, through November 22, 2022, and the Program received 32 Vendor applications that were reviewed and approved on a rolling basis. In Q4 2024, no new vendor applications were reviewed or approved.

Applications for Purchasers opened April 18, 2023, and closed on July 13, 2023, and were fully subscribed with $13,500,000 in applications on a waitlist.

Since its launch through the fourth quarter of 2024, NJ ZIP Phase 2 has approved a total of 143 applications, amounting to $52,882,600 in vouchers, facilitating the addition of 417 new zero-emission vehicles to New Jersey's roads. Of note, 36 applications were withdrawn post-approval, amounting to net award of $38,633,250 in vouchers for 107 applications. In Q4 2024, the Program approved 10 applications for a total of $1,379,300 in vouchers. These vouchers will support adoption of 16 new, zero-emission vehicles operating in the State of New Jersey.

New Jersey Zero-emission Incentive Program Phase 2 – Q4 2024 Approvals

Please find a detailed list of all Purchaser applications that were approved for NJ ZIP Phase 2 under delegated authority during the fourth quarter of 2024, in Exhibit D.

New Jersey Zero-emission Incentive Program (NJ ZIP) – 2024 Year End Review

Please find a detailed list of Phase 2 Purchaser applications that were approved, and disbursed NJ ZIP Phase 1 & 2 vouchers under delegated authority in 2024, under Exhibit D.

Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program

In July 2022, the Board approved the first phase Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program (“Program”). The Relief and Jobs Program is a one-time grant initiative to help commuter and transit bus companies offset COVID-19 revenue losses and retain or create jobs. Funded by the American Rescue Plan Act of 2021, New Jersey allocated $25 million to the program. Grants include a flat $500,000 to cover overhead costs and additional funds based on total vehicle revenue miles, capped at unmet need. The application period opened in March 2022 resulted in 13 awarded grants, with all approvals and disbursements completed by Q4 2022.

Commuter and Transit Bus Private Carrier Relief and Jobs Program Phase 2

On November 16, 2023, the NJEDA Board approved funding for Phase 2 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program. An amendment to the award calculator was approved on February 7, 2024. Similar to Phase 1, Phase 2 provides one-time grants to eligible commuter and transit bus companies in New Jersey to address ongoing revenue losses due to reduced ridership from remote work post-pandemic.

Supporting the private carrier industry aids community well-being, maintains essential transportation services, and fosters economic resilience. These grants address financial challenges, support job retention and creation, and benefit New Jersey residents reliant on commuter bus services. To receive funding, applicants must meet the eligibility criteria. Funds are allocated based on a predefined formula, primarily on the proportional share of vehicle revenue miles (VRM) in New Jersey for 2022. The maximum award will not exceed the applicant’s unmet need, defined as 2022 revenue losses minus other relief funds received.

Phase 2 includes milestone-based disbursements; half of the funds are provided after the grant agreement is completed, and the rest is dependent on NJ Transit’s 2024 review of peak vehicle needs. If NJ Transit finds fewer vehicle requirements or reduced service, the remaining funds will be forfeited and redistributed.

Phase 2 of the program opened Tuesday, March 5th, 2024. The deadline to apply was Thursday, March 28th, 2024.

Commuter and Transit Bus Private Carrier Relief and Jobs Program Phase 2 – Q4 2024 Review

In Q2 2024, the Program received a total of 10 applications. Out of these, two were declined over Q2 and Q3. The two declined applications were subsequently re-reviewed, and the declinations were rescinded in the third quarter. All 10 applications were approved and grant funds disbursed under delegated authority in Q4.

Applicant Name	Disbursed Amount
Academy Lines, L.L.C.	$2,608,524
Hudson Transit Lines, Inc	$3,778,729
Community Transit Lines Inc	$341,219
Lakeland Bus Lines Inc.	$883,087
Olympia Trails Bus Company, Inc.	$247,433
Port Imperial Ferry Corp.	$245,268
Broadway Bus Owners Corp	$87,771
Trans-Bridge Inc	$1,216,307
Rockland Coaches, Inc	$845,865
Suburban Transit Corporation	$1,145,796
Total	**$11,400,000**

Commuter and Transit Bus Private Carrier Relief and Jobs Program Phase 2 – 2024 Year End Review

Program funds were fully disbursed in Q4 (please see table above). This concludes the Program.

New Jersey Clean Energy Loans (NJ CELs)

The New Jersey Clean Energy Loans (NJ CELs) program was designed to disburse funding from the State Small Business Credit Initiative (SSBCI), a federal program administered by the US Department of Treasury. New Jersey's share of the SSBCI program is $255,197,631. SSBCI is designed to cause and result in lending and investment of private capital into small businesses. On November 16, 2022, the NJEDA Board approved the creation of the Clean Energy Business Financing Program ("New Jersey Clean Energy Loans" or "NJ CELs"), one of six programs in NJ under SSBCI. The total NJ CELs allocation is $80,000,000.

Following the initial NJEDA Board approval in November 2022 for the Program's creation, an amendment was approved by the NJEDA Board on February 8, 2023, to broaden the eligibility criteria for private lenders, in order to facilitate the deployment of SSBCI funds within the required timeline for NJ CELs. The Authority launched the NJ CELs application on April 19, 2023. On March 7, 2024, another amendment was approved by the NJEDA Board pertaining to transaction size, collateral, reporting requirements, delegated authority, and loan forgiveness.

NJ CELs is a co-lending program that offers loans to eligible small businesses seeking to finance eligible clean energy projects, or the expansion of eligible clean energy businesses. NJEDA loans must be matched at least 1:1 with a loan from a private lender. NJEDA loans under NJ CELs can range between $250,000 and $10,000,000, with terms between one and 25 years, and an interest rate that is 3-5% below the private lender's interest rate. Applicants who are Minority-, Women-, or Veteran-owned businesses and/or are located in an Overburdened Community in NJ are eligible for special terms. Applicants must meet the eligibility criteria and score a minimum of 50 points out of 100 points in order to receive financing. Complete applications are reviewed on a rolling basis to verify basic eligibility criteria and evaluated based on the standardized scoring criteria. NJEDA also conducts an underwriting of all applications. All loans must meet a minimum Global Debt Service Coverage Ratio (GDSCR) of 1.00x. Since the Program's inception, strategic efforts have been undertaken to market NJ CELs extensively, both to prospective borrowers and prospective co-lenders. NJ CELs has been featured in numerous newsletters and presentations, including being showcased by U.S. Treasury at an SSBCI regional convening to highlight how states are using SSBCI funds to support clean energy goals.

New Jersey Clean Energy Loans (NJ CELs) – Q4 2024 Review

In Q4 2024, there was a concerted effort to market the NJ CELs program to both targeted and broad audiences, including through cross-pollination across internal NJEDA teams and targeted outreach to key industry groups and stakeholders.

In the fourth quarter of 2024, there were no new application submissions for NJ CELs. The total number of NJ CELs applications received to date remains at 14, unchanged from Q3 2024. One application, submitted in Q2 2024, is currently under review. Of the total applications received, eleven were withdrawn prior to this quarter.

As of Q4 2024, NJ CELs has two closed loans, both of which were approved in Q1 2024 and closed in Q2 2024. Details on the approved companies can be found below.

NJ CELs					
	Applicant Name	**PROD #**	**Loan Amount**	**Approval Date**	**Closing Date**
1	Amergy Solar Inc.	PROD-00312715	$500,000	01/12/2024	05/22/2024
2	Solar Landscape LLC	PROD-00314195	$10,000,000	03/07/2024	06/26/2024
	NJ CELs TOTAL		**$10,500,000**		

Amergy Solar Inc. is a NJ-certified minority-owned business located in an overburdened community; and Solar Landscape LLC is also located in an overburdened community. Both of these applicants will be counted towards SSBCI's Socially and Economically Disadvantaged Individuals ("SEDI") target for deployment of funds.

New Jersey Clean Energy Loans (NJ CELs) – 2024 Year End Review

In 2024, NJ CELs received 11 applications, bringing the program total to 14 applications. Of the 11 applications submitted this year, 9 were withdrawn, one was approved and closed, and one is still under internal review. One application, submitted in Q3 2023, was approved in Q1 2024 and closed in Q2 2024, bringing the Program's total approved and closed applications to two, representing $10,500,000 in outgoing loans.

The NJ CELs team significantly increased its outreach for the program to expand its exposure and pipeline. This was achieved through close coordination with the internal Marketing & Communications team, identifying extensive lists of potential applicants via NJDEP, NJBPU, and NJ Biz resources, and conducting exhaustive outreach. Additionally, cross-pollination with the NJEDA's Business Banking team allowed for several opportunities to speak with NJEDA Premier Lenders about NJ CELs and other Clean Energy team products.

NJ Cool

The NJ Cool program is a $15 million pilot program launched by NJEDA to provide financial assistance to commercial, industrial, and institutional building owners and tenants undertaking retrofit construction projects that reduce operating greenhouse gas emissions from existing buildings in Newark, Edison, and Atlantic City.

The NJEDA will provide grant awards ranging from $50,000 to $1 million to reimburse applicants at a 50% rate for eligible hard construction costs from projects that upgrade building heating and cooling systems to less polluting alternatives, as well as implement other energy efficiency measures or on-site renewables. This pilot is funded by the Regional Greenhouse Gas Initiative (RGGI) proceeds allocated to NJEDA and will accelerate the adoption of more environmentally friendly building systems, technologies, and construction practices within New Jersey.

The program was approved by the NJEDA Board at the November 2023 board meeting, with applications opening on April 22, 2024. The program was originally only eligible for existing commercial buildings within the three pilot communities, but expanded eligibility per Board approval in October 2024 to also include existing industrial and institutional buildings within these municipalities.

The pilot will be limited to the three pilot communities until at least April 22, 2025. After that date, the Board has approved delegated authority for staff to expand the program's eligible geography to include these original three municipalities plus all Overburdened Communities (OBCs) and formally designated Adjacent Communities recognized under New Jersey Environmental Justice Law.

NJ Cool – Q4 2024 Review

In Q4 2024, the first four NJ Cool applications were approved, see table below:

NJ Cool Application Approvals as of Q4 2024			
PROD #	**Applicant Entity**	**Grant Award**	**Approval Date**
PROD-00316993	Edison 27 Investors LLC	$1,000,000	11/03/2024
PROD-00317009	Samarpan at Edison LLC	$135,220	12/01/2024

PROD-00317538	153 Halsey Newark LLC (Condo #2)	$1,000,000	12/11/2024
PROD-00317537	153 Halsey Newark LLC (Condo #3)	$1,000,000	12/11/2024
	Total	**$3,135,220**	

NJ Cool – 2024 Year End Review

In addition to the four approvals highlighted above, a fifth application was submitted in Q4 and was under review by NJEDA Staff. Thus far, the program has received applications from a mix of smaller and larger projects located in office buildings and smaller retail spaces.

Throughout 2024, the NJ Cool team conducted significant outreach for the program to promote its awareness following application launch. This included presenting at a mix of in-person and virtual events, networking at other industry conferences, issuing social media posts and press releases, and sending targeted emails to relevant stakeholders (contractors, community/industry groups, real estate owners, and municipal government officials). In addition, the team held 1-on-1 meetings with several interested applicants to outline the program requirements and discuss potential projects. In addition to the applications received thus far, other applicants have expressed interest in submitting projects to the program.

As the 1-year anniversary of application launch nears, a decision will be made on expanding program eligibility to include other eligible geographies.

Manufacturing, Incentives & Tax Credits (MIT)

Manufacturing, Incentives & Tax Credits manages a suite of products designed to support the growth of the State's economy with a focus on strategic sectors.

New Jersey Film and Digital Media Tax Credit Program

Originally created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, 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 Film Tax Credit Program, applicants are eligible for a tax credit equal to 35% of qualified film production expenses, or 30% of qualified film production expenses incurred for services performed and tangible personal property purchased for at a sound stage or other 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New, York. Under the Digital Media Tax Credit Program, applicants are eligible for 30% of qualified digital media production expenses and 35% for qualified digital media production expenses purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County.

On April 13, 2022, the Board approved the delegations of authority for the New Jersey Film and Digital Media Tax Credit Program. Film Tax Credit applications seeking $10 million or less, and

Digital Media Tax Credit applications seeking $3 million or less in tax credits can be approved under the updated delegations of authority.

New Jersey Film and Digital Media Tax Credit Program – Q4 2024 Review

In the fourth quarter of 2024, there were seven film tax credit applications approved under delegated authority for a total of $8,307,356.

Film Tax Credit – Q4 2024 Approvals				
	Applicant Name	**PROD #**	**Award Amount**	**Approval Date**
1	AYNIB THE FILM, Inc	PROD- 00311363	$440,433	10/11/2024
2	Mesquite Productions, Inc	PROD-00315711	$962,979	10/22/2024
3	Flavor Unit Entertainment, Inc	PROD-00314448	$387,999	11/04/2024
4	QOTD, Inc	PROD-00315703	$825,154	11/07/2024
5	Apple Studios LLC	PROD-00316440	$807,612	11/22/2024
6	Eugene the Marine, Inc	PROD-00316104	$629,170	12/11/2024
7	ITTF LLC	PROD-00317117	$4,254,009	12/13/2024
	FILM TOTAL		**$8,307,356**	

In Q4 2024, there were three digital media applications approved under delegated authority for a total of $4,046,738.

Digital Media Tax Credit – Q4 2024 Approvals				
	Applicant Name	**PROD #**	**Award Amount**	**Approval Date**
1	HUDSON POST, LLC	PROD-00313996	$1,645,366	12/11/2024
2	Melen LLC	PROD-00314958	$1,444,316	12/18/2024
3	Melen LLC	PROD-00314959	$957,056	12/18/2024
	DIGITAL MEDIA TOTAL		**$4,046,738**	

New Jersey Film and Digital Media Tax Credit Program – 2024 Year End Review

For calendar year 2024, there were 35 total film project approvals for $156,415,218; this included 31 delegated approvals for $58,946,710.

For calendar year 2024, there were 12 total digital media project approvals for $95,050,346; this included 6 delegated approvals for $22,251,984.

New Jersey Manufacturing Voucher Program (NJ MVP)

On October 12, 2022, the NJEDA Board approved the New Jersey Manufacturing Voucher Program (NJ MVP). The New Jersey Manufacturing Voucher Program will provide equipment grants sized at 30% – 50% of the cost of the eligible equipment (including installation) up to a maximum award amount of $250,000. The Program will target the State's manufacturers within targeted industries that will purchase equipment that integrate advanced or innovative technologies, processes, and materials to improve the manufacturing of products. The Program will offer bonuses focused on certified women, minority, veteran owned businesses (W/M/V/BE), opportunity zones, purchasing manufacturing equipment in New Jersey as well as bonuses for companies that have a collective bargaining agreement in place. NJ MVP is also committed to supporting small businesses by awarding manufacturers with under 100 Full Time Equivalent employees (FTE), higher award percentages. In addition, applications will be accepted on a rolling basis and remain open until all funds are committed.

On March 8, 2023, the Board approved to increase the available funding from $20,000,000 to $33,750,00 less $1 million for administrative expenses available to support New Jersey manufacturers' access to manufacturing equipment needed to become more efficient, productive, and profitable.

New Jersey Manufacturing Voucher Program Phase 1 (NJ MVP) – Q4 2024 Review

The NJ MVP application launched on March 8, 2023, and the Authority received 267 applications as of May 1, 2023, totaling $37,625,049.28. Applications received beyond the available funding ($33.75M) that were placed on a waitlist, were reviewed, processed, and if needed, are eligible to be funded with the utilization of up to $4,000,000 of the $20,000,000 from funds from the Fiscal Year 2024 (FY2024) budget to capitalize NJ MVP, New Jersey Manufacturing Voucher Program Phase 2.

Below is a list of all NJ MVP Phase 1 applications that were approved, declined, or disbursed under delegated authority during the fourth quarter of 2024.

NJMVP Phase 1 - Q4 2024 Approvals		
Applicant Name	**Amount**	**Approval Date**
Dana Poly Corp	$ 250,000.00	10/2/2024
Total	**$ 250,000.00**	

NJMVP Phase 1 - Q4 2024 Declinations		
Applicant Name	**Amount**	**Declination Date**
Ducklin Art LLC	$ 46,400.00	10/3/2024
Angel's Bakery USA LLC	$ 250,000.00	10/9/2024
Total	**$ 296,400.00**	

NJMVP Phase 1 - Q4 2024 Disbursements		
Applicant Name	**Amount**	**Disbursement Date**
TABATCHNICK FINE FOODS, INC	$62,356.00	10/1/2024
Migali Industries, Inc.	$250,000.00	10/1/2024
Selco Manufacturing Corp.	$87,738.71	10/4/2024
SunRay Scientific Inc.	$79,992.40	10/4/2024
** Coriell Institute for Medical Research	$183,855.00	10/18/2024
Kristy's Kuts, INC.	$127,784.70	10/18/2024
NWL, Inc.	$211,736.48	10/18/2024

Devonheir, Inc	$51,157.75	10/28/2024
Bumble Bee Foods LLC	$250,000.00	11/6/2024
PRECISION ELECTRONIC GLASS, INC.	$250,000.00	11/6/2024
Davion Inc.	$250,000.00	11/20/2024
Colonna Brothers Inc.	$82,950.00	12/9/2024
TRUCCO, INC.	$102,760.00	12/12/2024
Worthington Biochemical Corp.	$40,551.36	12/20/2024
Falstrom Company	$59,199.70	12/20/2024
Total	**$2,090,082.10**	

New Jersey Manufacturing Voucher Program Phase 1 (NJ MVP) – 2024 Year End Review

Below is a list of all NJ MVP Phase 1 applications that were approved, withdrawn, declined, terminated, or disbursed; under delegated authority during 2024. Please see Exhibit E for a list of disbursements under NJ MVP Phase 1 during 2024.

NJMVP Phase 1 - 2024 Year End Approvals		
Applicant Name	**Amount**	**Approval Date**
Jessie Creek Winery, LLC	$25,495.50	1/22/2024
Allen Flavors, Inc.	$81,300.00	1/23/2024
GENSCRIPT USA INCORPORATED	$246,345.05	1/23/2024
Bioactive Services LLC	$250,000.00	7/16/2024
OFS Laboratories, LLC	$159,917.40	7/30/2024
Dana Poly Corp	$250,000.00	10/2/2024
Total	**$1,013,057.95**	

NJMVP Phase 1 - 2024 Year End Withdrawals		
Applicant Name	**Amount**	**Withdrawal Date**
MEL Chemicals, Inc.	$63,332.10	1/30/2024
Kontos Foods, Inc. and related entities	$17,887.80	2/16/2024
Alcoholic Ices LLC	$47,372.50	4/8/2024
Pharm Ops Inc.	$250,000.00	4/22/2024
Jerseypac LLC	$145,880.00	5/21/2024
Tomasello Winery	$9,479.53	7/30/2024
IJA Acquisition LLC	$250,000.00	8/22/2024
Total	**$783,951.93**	

NJMVP Phase 1 - 2024 Year End Declinations		
Applicant Name	**Amount**	**Declination Date**
United States Mineral Company	$250,000.00	4/23/2024

Veranova, L.P.	$250,000.00	5/7/2024
Elegant Album LLC	$36,750.00	6/19/2024
Vintage Apparel Inc.	$71,044.66	9/20/2024
J & J SNACK FOODS CORP	$250,000.00	9/25/2024
Andrew Grossman Upholstery	$82,250.00	9/25/2024
Ducklin Art LLC	$46,400.00	10/3/2024
Angel's Bakery USA LLC	$250,000.00	10/9/2024
Total	**$1,236,444.66**	

NJMVP Phase 1 - 2024 Year End Terminations		
Applicant Name	**Amount**	**Termination Date**
Griffys Organics LLC	$ 13,024.14	5/22/2024
Total	**$ 13,024.14**	

New Jersey Manufacturing Voucher Program Phase 2 (NJ MVP)

On June 30, 2023, Governor Phil Murphy allocated $20 million from the Fiscal Year 2024 budget to continue to boost the New Jersey Economic Development Authority's (NJEDA) New Jersey Manufacturing Voucher Program (MVP).

The New Jersey Manufacturing Voucher Program (NJ MVP) Phase 2 will provide a reimbursement of equipment costs sized at 30% – 50% of the cost of the eligible equipment (including installation) up to a maximum award amount of $250,000. The Program will target the State's priority sectors and manufacturers that will purchase equipment that integrate advanced or innovative technologies, processes, and materials to improve the manufacturing of products. The Program will also offer bonuses for eligible applicants that are New Jersey certified women, minority, or veteran owned businesses (W/M/V/BE), that are located in opportunity zone eligible census tracks, that are purchasing manufacturing equipment manufactured or assembled in New Jersey, have a collective bargaining agreement in place, and for manufacturers with fifty (50) or less FTEs. NJ MVP is also committed to supporting small businesses by awarding manufacturers with 100 or less Full Time Equivalent (FTE) employees higher award percentages. Companies with 100 FTEs or less are capped at 50% of the award. Companies with employees over 100 FTE are capped at 40% of the award. The maximum award amount is $250,000.

New Jersey Manufacturing Voucher Program Phase 2 (NJ MVP) – Q4 2024 Review

The NJ MVP Phase 2 application launched on February 12, 2024, and the Authority received 142 applications totaling $24,437,271.47. Applications received beyond the available funding were placed on a waitlist and will be reviewed and processed as funding becomes available.

Below is a list of all NJ MVP Phase 2 applications that were approved, withdrawn, declined, terminated, or disbursed; under delegated authority during the fourth quarter of 2024.

NJMVP Phase 2 - Q4 2024 Approvals		
Applicant Name	**Amount**	**Approval Date**
S&P MACHINE COMPANY, INC.	$ 24,872.40	10/3/2024
Fundamental Elevator Solutions LLC	$ 250,000.00	10/8/2024
ROSE BRAND WIPERS, INC.	$ 135,730.00	10/8/2024
SOUTH JERSEY PAINT AND GLASS CO.	$ 238,000.00	10/15/2024
QUANTUM FULFILLMENT SERVICES LLC	$ 151,800.00	10/18/2024
Cellular Tracking Technologies LLC	$ 116,812.00	10/22/2024
PROBIO INC.	$ 250,000.00	10/23/2024
Lacas Coffee Company, LLC	$ 69,554.10	11/7/2024
Trane U.S. Inc.	$ 250,000.00	11/15/2024
Route66 International Inc	$ 250,000.00	11/22/2024
Union Beverage Packers LLC	$ 250,000.00	12/26/2024
Total	**$ 1,986,768.50**	

NJMVP Phase 2 - Q4 2024 Withdrawals		
Applicant Name	**Amount**	**Withdrawal Date**
Wheelabrator Gloucester Company, L.P.	$ 250,000.00	10/22/2024
SEALY MATTRESS CO. OF N.J. INC.	$ 250,000.00	11/12/2024
Total	**$ 500,000.00**	

NJMVP Phase 2 - Q4 2024 Declinations		
Applicant Name	**Amount**	**Declination Date**
Consalo Family Farms	$ 150,000.00	10/7/2024
Total	**$ 150,000.00**	

NJMVP Phase 2 - Q4 2024 Terminations		
Applicant Name	**Amount**	**Termination Date**
Importers Service Corporation	$ 250,000.00	12/17/2024
Total	**$ 250,000.00**	

NJMVP Phase 2 - Q4 2024 Disbursements		
Applicant Name	**Amount**	**Disbursement Date**
Technick Products, Inc.	$ 68,951.92	10/4/2024
Dun-Rite Sand and Gravel Company	$ 40,367.20	10/22/2024
VAN NESS PLASTIC MOLDING CO.	$ 237,600.00	10/28/2024
PROXIMATE CONCEPTS, LLC	$ 30,529.20	10/28/2024
PR Snoke Precision, Inc.	$ 151,092.90	11/13/2024

Mercer Rubber Company	$ 241,752.00	11/19/2024
Archer Day, Inc.	$ 238,504.80	11/20/2024
I.S. PARTS INTERNATIONAL, INC.	$ 139,522.80	11/27/2024
Marotta Controls, Inc.	$ 234,210.00	12/4/2024
SWITLIK PARACHUTE COMPANY, INC.	$ 107,043.94	12/5/2024
NB Bookbinding, Inc.	$ 35,927.50	12/10/2024
Robert A. Main & Sons Manufacturing Limited Liability Company	$ 67,645.50	12/11/2024
S&P MACHINE COMPANY, INC.	$ 14,744.68	12/11/2024
Total	**$ 1,607,892.44**	

New Jersey Manufacturing Voucher Program Phase 2 (NJ MVP) – 2024 Year End Review

Please see Exhibit F for a list of all NJ MVP Phase 2 applications that were approved or disbursed in 2024.

Tim Sullivan, CEO

<u>Technology Innovation Products</u>

Angel Investor Tax Credit Prepared by:
Clark Smith

NJ Ignite Prepared by:
Sara Caddedu

NJ Accelerate Prepared by:
Sara Caddedu

Angel Match Program Prepared by:
Monika Athwal

NJ Entrepreneur Support Program Prepared by:
Monika Athwal

<u>Venture Products</u>

NJ Innovation Fellows Prepared by:
Michelle Martinez

New Jersey Innovation Evergreen Fund Prepared by:
Deven Patel

<u>Clean Energy Products</u>

New Jersey Zero-emission Incentive Program Prepared by:
Lina Rivetti

Commuter and Transit Bus Private Carrier Relief and Jobs Program Prepared by:
John Wisniewski

New Jersey Clean Energy Loans Prepared by:
Sebastian Gunbeyi

NJ Cool Prepared By:
Sean Sonnemann

<u>Manufacturing, Incentives & Tax Credits (MIT)</u>

New Jersey Film and Digital Media Tax Credit Program Prepared by:
Matthew Sestrich

New Jersey Manufacturing Voucher Program Prepared by:
Ivan Mendez
Gene Palermo

Memo Prepared by:
Fariha Sheikh

EXHIBIT A

Q4 2024 Delegated Approvals - Angel Investor Tax Credit

Product	Applicant	Employees in NJ	Company	Investment	Tax Credit
PROD-00315023	Ivan Wanat Martin		911inform Holdings Inc.	$200,000	$40,000
	1	NJ: 44 Total: 53	911inform Holdings Inc.	$200,000	$40,000
PROD-00315126	Stephen P. Banco, MD		Acuitive Technologies, Inc.	$50,000	$10,000
PROD-00315586	Scott N Olsen and Donna M Olsen JTWROS		Acuitive Technologies, Inc.	$100,000	$20,000
PROD-00315438	Tracy and Brendan Francis Kelly		Acuitive Technologies, Inc.	$75,000	$15,000
PROD-00315542	Millennium Trust Co FBO Steven Silverman Trad IRA XXXX36131		Acuitive Technologies, Inc.	$100,000	$20,000
PROD-00315224	Tecarter Holdings, II		Acuitive Technologies, Inc.	$200,000	$40,000
PROD-00315340	JHT52, LLC		Acuitive Technologies, Inc.	$125,000	$25,000
PROD-00315225	Neil Chesen		Acuitive Technologies, Inc.	$50,000	$10,000
PROD-00315523	George E. Gray		Acuitive Technologies, Inc.	$125,000	$25,000
PROD-00315793	Steven Mark Glassman		Acuitive Technologies, Inc.	$100,000	$20,000
PROD-00315200	Millennium Trust Co FBO Steven Silverman Roth IRA XXXX61426		Acuitive Technologies, Inc.	$100,000	$20,000
PROD-00315211	Craig O`Neill MD		Acuitive Technologies, Inc.	$115,000	$23,000
PROD-00315109	Medical Device Investment Consulting, LLC		Acuitive Technologies, Inc.	$100,000	$20,000
	12	NJ: 24 Total: 25	Acuitive Technologies, Inc.	$1,240,000	$248,000
PROD-00314775	DAVID JEFFREY PENNEY		AlphaROC, Inc.	$49,999	$12,500
PROD-00314177	Shankar Iyer		AlphaROC, Inc.	$49,999	$12,500
	2	NJ: 10 Total: 11	AlphaROC, Inc.	$99,998	$25,000
PROD-00312170	Kevin Richard Smith		Aspargo Laboratories, Inc.	$10,000	$2,000
PROD-00311805	David M. Brashear and Janet M. Brashear		Aspargo Laboratories, Inc.	$50,025	$10,005
PROD-00310384	Vincent Orlando		Aspargo Laboratories, Inc.	$15,000	$3,000
PROD-00308749	Dina Gatto Colbert		Aspargo Laboratories, Inc.	$34,800	$6,960
PROD-00314947	ANGELO PINO		Aspargo Laboratories, Inc.	$250,000	$50,000
	5	NJ: 4 Total: 4	Aspargo Laboratories, Inc.	$359,825	$71,965

PROD-00308743	WM Group Holdings, LLC			Beable Education, Inc.	$233,333	$58,333
	1	NJ: 38	Total: 44	Beable Education, Inc.	$233,333	$58,333
PROD-00315712	Daniel Tran			Couple.com, Inc.	$15,000	$3,000
	1	NJ: 5	Total: 6	Couple.com, Inc.	$15,000	$3,000
PROD-00314771	Jeffrey Manfred Strauss			Distinct Dermatology, Inc.	$225,000	$45,000
	1	NJ: 5	Total: 5	Distinct Dermatology, Inc.	$225,000	$45,000
PROD-00312067	William Norman Strawbridge			Elucida Oncology, Inc.	$11,400	$2,280
PROD-00313299	GOLDEN INVESTMENT CO. LP			Elucida Oncology, Inc.	$100,000	$20,000
PROD-00313068	Gideon E Bollag			Elucida Oncology, Inc.	$25,000	$5,000
PROD-00313011	Nickitas Michael Panayotou			Elucida Oncology, Inc.	$200,000	$40,000
	4	NJ: 18	Total: 23	Elucida Oncology, Inc.	$336,400	$67,280
PROD-00310923	Asi Veshler			Evergreen Theragnostics, Inc.	$99,970	$19,994
PROD-00310918	Arkadi Yakirevitch			Evergreen Theragnostics, Inc.	$99,996	$19,999
PROD-00310914	PER IL FUTURO DELLA FAMIGLIA DI LUCA SS			Evergreen Theragnostics, Inc.	$186,334	$37,267
PROD-00310919	OFEK Design A.A Ltd			Evergreen Theragnostics, Inc.	$200,000	$40,000
PROD-00315689	HNF S.p.A.			Evergreen Theragnostics, Inc.	$399,957	$79,991
PROD-00315856	Benjamin Michael Masterson			Evergreen Theragnostics, Inc.	$70,000	$14,000
PROD-00315693	Arkadi Yakirevitch			Evergreen Theragnostics, Inc.	$29,962	$5,992
PROD-00315841	Rami Pais			Evergreen Theragnostics, Inc.	$99,994	$19,999
PROD-00310925	Michael Reitermann			Evergreen Theragnostics, Inc.	$71,666	$14,333
PROD-00315692	Tomer Yeyni			Evergreen Theragnostics, Inc.	$201,600	$40,320
PROD-00315696	Menachem Manny Yeyni and Dorit K Yeyni Revocable Trus			Evergreen Theragnostics, Inc.	$201,600	$40,320
PROD-00315699	Giorgio Boggero			Evergreen Theragnostics, Inc.	$9,990	$1,998
PROD-00315836	Alex Kelloff			Evergreen Theragnostics, Inc.	$60,032	$12,006
PROD-00316242	Dal 1802 Educazione Cultura Salute Ambiente Tecnologia S.r.l			Evergreen Theragnostics, Inc.	$1,549,844	$309,969
PROD-00315690	Gerard Ber			Evergreen Theragnostics, Inc.	$499,990	$99,998
PROD-00315837	Luca Spingardi			Evergreen Theragnostics, Inc.	$49,997	$9,999

PROD-00315688	Ariel Sacerdoti		Evergreen Theragnostics, Inc.	$49,997	$9,999
PROD-00315694	Paolo Luca Spingardi		Evergreen Theragnostics, Inc.	$199,998	$40,000
PROD-00315855	Ofer Amar		Evergreen Theragnostics, Inc.	$799,994	$159,999
PROD-00316193	Roman Geis		Evergreen Theragnostics, Inc.	$124,992	$24,998
PROD-00315846	Michael Reitermann		Evergreen Theragnostics, Inc.	$139,350	$27,870
PROD-00315665	Nabil Nazer		Evergreen Theragnostics, Inc.	$99,994	$19,999
PROD-00315697	Cecilia Valmarana		Evergreen Theragnostics, Inc.	$49,997	$9,999
PROD-00315848	Franceso Boari		Evergreen Theragnostics, Inc.	$303,732	$60,746
	24	NJ: 60 Total: 66	Evergreen Theragnostics, Inc.	$5,598,986	$1,119,795
PROD-00315508	Thomas J. Sanzone Revocable Trus		Halcyon Still Water, LLC	$247,576	$49,515
PROD-00312166	Halcyon Soft LLC		Halcyon Still Water, LLC	$49,500	$9,900
PROD-00312264	Shahid Panjwani		Halcyon Still Water, LLC	$75,000	$15,000
PROD-00315465	Thomas G. Miglis Revocable Trus		Halcyon Still Water, LLC	$247,576	$49,515
PROD-00315862	Mark Beaudoin		Halcyon Still Water, LLC	$1,000,000	$200,000
	5	NJ: 12 Total: 14	Halcyon Still Water, LLC	$1,619,652	$323,930
PROD-00313390	IM-0306 Fund I, a series of Save Ventures, LP		Image ProVision	$170,000	$42,500
	1	NJ: 1 Total: 1	Image ProVision	$170,000	$42,500
PROD-00315247	Srikanth Aitharaju		Innovera Pharmaceuticals, LLC	$600,000	$150,000
	1	NJ: 4 Total: 4	Innovera Pharmaceuticals, LLC	$600,000	$150,000
PROD-00315683	Patrick Nelligan		LACTIGA US INC.	$25,000	$5,000
PROD-00315682	Louis Ambio		LACTIGA US INC.	$20,000	$4,000
	2	NJ: 1 Total: 1	LACTIGA US INC.	$45,000	$9,000
PROD-00312070	Hudson Koi Trust		Neumentum, Inc.	$95,000	$19,000
	1	NJ: 2 Total: 2	Neumentum, Inc.	$95,000	$19,000
PROD-00315463	Devendra Patel		Nevakar, Inc.	$1,000,000	$200,000
PROD-00315446	THE JAIKUMAR FAMILY TRUST		Nevakar, Inc.	$350,000	$70,000
PROD-00314328	LJM Family Holdings, LP		Nevakar, Inc.	$300,000	$60,000
PROD-00315455	Anjali Mody		Nevakar, Inc.	$100,000	$20,000

PROD-00315509	HK Capital Group			Nevakar, Inc.	$100,000	$20,000
PROD-00314123	Devendra Patel			Nevakar, Inc.	$500,000	$100,000
PROD-00312505	Anupama Sharma Irrevocable Trus			Nevakar, Inc.	$250,000	$50,000
	7	NJ: 2	Total: 2	Nevakar, Inc.	$2,600,000	$520,000
PROD-00313654	James Gunton			Optimeos Life Sciences, Inc	$25,000	$5,000
	1	NJ: 27	Total: 34	Optimeos Life Sciences, Inc	$25,000	$5,000
PROD-00313710	Cayuga Venture Fund V, LP			POM Partners, Inc.	$250,000	$62,500
PROD-00313992	Opalka Family Investment Partners, LP			POM Partners, Inc.	$200,000	$50,000
PROD-00314522	The Mitchell Benson Support Trust			POM Partners, Inc.	$50,000	$12,500
	3	NJ: 6	Total: 8	POM Partners, Inc.	$500,000	$125,000
PROD-00313854	Esson Energy Group Limited			Princeton NuEnergy Inc.	$580,000	$145,000
PROD-00314014	Aidan C Sagar and Sebastian C Sagar LLC			Princeton NuEnergy Inc.	$499,995	$124,999
PROD-00315117	Traxys Lithium Investments Limited			Princeton NuEnergy Inc.	$1,329,990	$332,498
PROD-00315791	SMH Company Limited			Princeton NuEnergy Inc.	$1,999,954	$499,989
	4	NJ: 19	Total: 24	Princeton NuEnergy Inc.	$4,409,939	$1,102,486
PROD-00315342	Isaac and Barbara Edery			RICOVR Healthcare, Inc.	$40,000	$8,000
PROD-00315351	Brett William Felmey			RICOVR Healthcare, Inc.	$25,000	$5,000
	2	NJ: 5	Total: 6	RICOVR Healthcare, Inc.	$65,000	$13,000
PROD-00315261	Andrew Siegel			Roboburger Inc.	$600,000	$150,000
	1	NJ: 6	Total: 6	Roboburger Inc.	$600,000	$150,000
PROD-00311813	HYLORIS PHARMACEUTICALS SA			Vaneltix Pharma, Inc.	$1,178,034	$100,015
PROD-00314329	Daniel Vickery			Vaneltix Pharma, Inc.	$50,000	$12,500
PROD-00314003	Christopher P Meenan			Vaneltix Pharma, Inc.	$15,000	$3,750
PROD-00314002	Carlo J DiFonzo			Vaneltix Pharma, Inc.	$99,980	$24,995
PROD-00314769	HYLORIS PHARMACEUTICALS SA			Vaneltix Pharma, Inc.	$1,999,950	$499,988
	1	NJ: 2	Total: 2	Vaneltix Pharma, Inc.	$3,342,964	$641,248
PROD-00314784	Mario Passalacqua			vipHomeLink Holdings, Inc.	$100,000	$20,000

PROD-00314786	David W. Alberts		vipHomeLink Holdings, Inc.	$50,000	$10,000
	2	NJ: 6 Total: 8	vipHomeLink Holdings, Inc.	$150,000	$30,000
PROD-00312284	GRAFIT LLC		Xlink, LLC	$100,800	$20,160
PROD-00314905	Charles Wanamaker		Xlink, LLC	$49,680	$9,936
PROD-00315186	Keith Allan Mayo, Maureen Claire Mayo		Xlink, LLC	$250,200	$50,040
	3	NJ: 3 Total: 3	Xlink, LLC	$400,680	$80,136
Grand Total	**89**			**$22,931,777.00**	**$4,889,673.00**

EXHIBIT B

Q4 2024 Program Summary - Angel Investor Tax Credit

Program Year	# of Withdrawn/Declined Applications	# of Approved Applications	# of Approved Companies	Annual Tax Credit Allocation	Approved Tax Credits	Allocated Amount Remaining	Program Open/Closed
2013	0	28	5	$25,000,000.00	$1,407,315	$23,592,684.80	Closed
2014	7 withdrawn/5 declined	174	20	$25,000,000.00	$5,363,927	$19,636,073.00	Closed
2015	3 withdrawn/32 declined	212	27	$25,000,000.00	$5,008,169	$19,991,830.75	Closed
2016	12 declined	247	31	$25,000,000.00	$8,357,418	$16,642,582.00	Closed
2017	3 declined	256	39	$25,000,000.00	$11,177,610	$13,822,390.00	Closed
2018	14 withdrawn	244	45	$25,000,000.00	$10,650,387	$14,349,613.00	Closed
2019	7 withdrawn/4 declined	161	32	$25,000,000.00	$3,310,934	$21,689,066.00	Closed
2020	17 withdrawn/1 declined	667	52	$25,000,000.00	$22,324,094	$2,675,906.00	Closed
2021	24 withdrawn/3 declined	613	61	$35,000,000.00	$21,782,624	$13,217,376.00	Closed
2022	35 withdrawn/5 declined	496	34	$35,000,000.00	$19,837,718	$15,162,282.00	Closed
2023	16 withdrawn	439	34	$35,000,000.00	$19,608,449	$15,391,551.00	Open
2024	5 withdrawn	104	21	$35,000,000.00	$6,114,838	$28,885,162.00	Open

EXHIBIT C

Approvals as of Q4 2024 - New Jersey Entrepreneur Support Program

Investor	**Company**	**Amount of Guarantee**	**Amount of Note/Loan**	**Approval Date**	**Closing Date**	**Guarantee Maturity Date**
Daniel Lewis	TLA Innovation, Inc.	$92,000	$115,000	11/03/2023	02/05/2024	08/07/2024
John Maher and Angela Maher	ZSX Medical, LLC	$40,000	$50,000	03/12/2024	04/12/2024	02/25/2025
David S Cohen	ZSX Medical, LLC	$40,000	$50,000	03/13/2024	04/12/2024	03/11/2025
Madeline Colangelo	Bantr Collective Incorporated	$80,000	$100,000	04/12/2024	05/08/2024	11/23/2024
Jonathan Panter	Bantr Collective Incorporated	$20,000	$25,000	04/13/2024	05/06/2024	03/08/2025
Raymond Trevisan	Bantr Collective Incorporated	$8,000	$10,000	09/05/2024	09/16/2024	06/16/2025
Kenneth Lawrence Colangelo Jr	Bantr Collective Incorporated	$8,000	$10,000	09/05/2024	09/19/2024	06/10/2025
Vincent Colangelo	Bantr Collective Incorporated	$8,000	$10,000	09/05/2024	09/22/2024	05/13/2025
Madeline Colangelo	Bantr Collective Incorporated	$20,000	$25,000	09/05/2024	09/19/2024	04/16/2025
Peter Gerard DeMaria	Bantr Collective Incorporated	$10,000	$12,500	09/04/2024	09/16/2024	06/24/2025
Toni Petrozelli DeMaria	Bantr Collective Incorporated	$10,000	$12,500	09/04/2024	09/17/2024	06/24/2025
Stephen Bauer	ZSX Medical LLC	$8,000	$10,000	09/19/2024	10/05/2024	06/10/2025
Farmers Life Insurance Company	TLA Innovation, Inc.	$80,000	$100,000	10/17/2024	12/13/2024	09/13/2025
Farmers Life Insurance Company	TLA Innovation, Inc.	$140,000	$175,000	10/17/2024	12/17/2024	10/11/2025
Gerald Owens	4.0 Analytics, Inc.	$80,000	$100,000	11/08/2024	12/09/2024	03/09/2026
TOTAL		**$644,000**	**$805,000**			

<u>EXHIBIT D</u>

Q4 2024 Purchaser Approvals - New Jersey Zero-emission Incentive Program Phase 2

Name of the Applicant	Vendor	Purchaser Location	SBE	MBE	WBE	VOB	Driving in EJ community ?	# of Vehicles Intended to be purchased	Approved Voucher Amount	Approval Date
PARDO MASONRY & CONCRETE LLC	H.K. Truck Services Inc.	Newark	Yes	Yes	No	No	Yes	1	$ 90,350	10/6/2024
AREAGA SOLUTIONS LLC	Envirotech Vehicles Inc	BERGEN COUNTY	Yes	Yes	No	No	Yes	1	$ 90,350	10/15/2024
Trinity Property Preservation	Envirotech Vehicles Inc	East Orange	Yes	Yes	Yes	No	Yes	2	$ 130,000	11/14/2024
J and Z Creative Solutions LLC	GreenPower Motor Company, Inc.	New Brunswick	No	No	No	No	Yes	2	$ 185,900	11/25/2024
Puebla Wholesale LLC	Envirotech Vehicles Inc	Passaic	Yes	Yes	Yes	No	Yes	3	$ 263,250	12/1/2024
MARTINEZCOMPANY LLC	H.K. Truck Services Inc.	HUDSON	No	Yes	Yes	No	Yes	1	$ 87,750	12/3/2024
RB CONSULTING & SOLUTIONS LLC	H.K. Truck Services Inc.	PATERSON	Yes	No	Yes	No	Yes	1	$ 92,950	12/3/2024
INTERNATIONAL MEAT MARKET LLC	H.K. Truck Services Inc.	PATERSON	Yes	Yes	No	No	Yes	1	$ 87,750	12/4/2024
Lorduy Enterprise LLC	GreenPower Motor Company, Inc.	Bridgewater	Yes	No	No	No	Yes	3	$ 263,250	12/11/2024
NEW CITY BROTHER LLC	H.K. Truck Services Inc.	SOUTH RIVER	Yes	Yes	No	No	Yes	1	$ 87,750	12/11/2024

EXHIBIT D (continued)

2024 Approvals - New Jersey Zero-emission Incentive Program Phase 2

Name of Applicant	Vendor	Intended # of Vehicles Purchasing	Voucher Amount	Approval Date	Closing Date	Committed to Driving in EJ Community ?	Application Sub Status
Costco Wholesale Corporation	OEV MO LLC	8	$ 1,400,000.00	2/16/2024	3/15/2024	Yes	Closed
Sarcona Management Inc	Alta Electric Vehicles, LLC	1	$ 175,000.00	3/1/2024	5/9/2024	Yes	Closed
Einride Inc.	Hudson County Motors, Inc.	30	$ 3,000,000.00	3/5/2024	5/22/2024	Yes	Closed
Pan Caliente Bakery Corporation	GreenPower Motor Company, Inc.	1	$ 87,750.00	3/11/2024	4/18/2024	Yes	Closed
Bagel Nosh of Livingston LLC	Envirotech Vehicles Inc	1	$ 87,750.00	3/12/2024	4/18/2024	Yes	Closed
VAYANA ORGANICS LLC	H.K. Truck Services Inc.	1	$ 92,950.00	3/15/2024		Yes	Withdrawn
Apthapi Educatonial Consultants LLC	H.K. Truck Services Inc.	1	$ 92,950.00	3/21/2024	4/5/2024	Yes	Closed
HEALTHCARE SIMPLICITY LLC	H.K. Truck Services Inc.	1	$ 87,750.00	3/21/2024	12/18/2024	Yes	Closed
Hamlett Management LLC	Envirotech Vehicles Inc	2	$ 185,900.00	3/21/2024	12/24/2024	Yes	Closed
White Ribbon LLC	GreenPower Motor Company, Inc.	4	$ 361,400.00	3/21/2024	4/30/2024	Yes	Closed
Richard Painting & Contracting LLC	GreenPower Motor Company, Inc.	2	$ 175,500.00	3/25/2024	6/4/2024	Yes	Closed
New Jersey Institute of Technology	Envirotech Vehicles Inc	1	$ 65,000.00	3/28/2024	5/30/2024	Yes	Closed

BUGSTOPPER PEST CONTROL LLC	GreenPower Motor Company, Inc.	1	$	90,350.00	4/4/2024	4/26/2024	Yes	Closed
Sarcona Management Inc	Gabrielli Kenworth of New Jersey, LLC	1	$	175,000.00	4/8/2024	8/20/2024	Yes	Closed
Sarcona Management Inc	Gabrielli Kenworth of New Jersey, LLC	2	$	270,000.00	4/8/2024	6/28/2024	Yes	Closed
Perfect weather HVAC llc	GreenPower Motor Company, Inc.	2	$	175,500.00	4/15/2024	5/23/2024	Yes	Closed
Cafe y Canela Colombian Restaurante	GreenPower Motor Company, Inc.	1	$	87,750.00	4/30/2024	5/8/2024	Yes	Closed
Enat Deliveries LLC	Envirotech Vehicles Inc	3	$	278,850.00	5/3/2024	5/31/2024	Yes	Closed
BUD & BEAUTY LLC	GreenPower Motor Company, Inc.	1	$	92,950.00	5/6/2024	8/8/2024	Yes	Closed
Sabor Latino Newark NJ INC	H.K. Truck Services Inc.	1	$	90,350.00	5/6/2024	5/23/2024	Yes	Closed
US Property Management LLC	H.K. Truck Services Inc.	4	$	361,400.00	5/9/2024	6/13/2024	Yes	Closed
US Property Management LLC	Rivian LLC	1	$	27,800.00	5/9/2024	5/29/2024	Yes	Closed
LUVILCE, LLC	H.K. Truck Services Inc.	1	$	92,950.00	5/13/2024	8/14/2024	Yes	Closed
Old Rose Trucking	Envirotech Vehicles Inc	4	$	361,400.00	5/20/2024	12/26/2024	Yes	Closed
SMART PAINT LLC	Envirotech Vehicles Inc	1	$	90,350.00	6/6/2024	12/23/2024	Yes	Closed
MARTE CABINET & COUNTERTOPS LLC	H.K. Truck Services Inc.	2	$	180,700.00	6/6/2024	6/17/2024	Yes	Closed
EMBARQUE TINEO LLC	H.K. Truck Services Inc.	1	$	90,350.00	6/12/2024	6/27/2024	Yes	Closed

Wintia Memoir LLC	GreenPower Motor Company, Inc.	1	$ 92,950.00	6/17/2024		Yes	Closing
PATTY DISCOUNT FURNITURE LLC	H.K. Truck Services Inc.	1	$ 92,950.00	6/20/2024		Yes	Closing
MARKET PIT SHOP LLC	H.K. Truck Services Inc.	2	$ 180,700.00	6/24/2024	8/26/2024	Yes	Closed
Sarcona Management Inc	H.K. Truck Services Inc.	4	$ 360,000.00	7/1/2024		Yes	Withdrawn
VG TECH ASSOCIATES LLC	H.K. Truck Services Inc.	1	$ 87,750.00	7/23/2024		Yes	Approved
D&S MANAGEMENT CONSULTING LLC	H.K. Truck Services Inc.	2	$ 185,900.00	7/28/2024		Yes	Closing
J&G BUSINESS SOLUTIONS LLC	H.K. Truck Services Inc.	1	$ 90,350.00	7/31/2024		Yes	Closing
Ride Man LLC	Quality Truck Center, LLC	4	$ 328,000.00	8/16/2024	9/13/2024	Yes	Closed
Wonder Wax Glam Studio LLC	GreenPower Motor Company, Inc.	2	$ 185,900.00	8/28/2024		Yes	Closing
NATURAL STONE KITCHEN & BATH LLC	H.K. Truck Services Inc.	2	$ 180,700.00	9/11/2024		Yes	Closing
DULCE S EVENT DECOR LLC	H.K. Truck Services Inc.	1	$ 92,950.00	9/12/2024		Yes	Closing
SEA PROCESSING & CONSULTING LLP	H.K. Truck Services Inc.	1	$ 92,950.00	9/16/2024		Yes	Approved
Enat Deliveries LLC	Rivian LLC	1	$ 28,600.00	9/18/2024	1/8/2025	Yes	Closed
PARDO MASONRY & CONCRETE LLC	H.K. Truck Services Inc.	1	$ 90,350.00	10/6/2024	11/18/2024	Yes	Closed
AREAGA SOLUTIONS LLC	Envirotech Vehicles Inc	1	$ 90,350.00	10/15/2024		Yes	Closing
Trinity Property Preservation	Envirotech Vehicles Inc	2	$ 130,000.00	11/14/2024	12/12/2024	Yes	Closed

J and Z Creative Solutions LLC	GreenPower Motor Company, Inc.	2	$ 185,900.00	11/25/2024		Yes	Closing
Puebla Wholesale LLC	Envirotech Vehicles Inc	3	$ 263,250.00	12/1/2024		Yes	Approved
MARTINEZCOMPANY LLC	H.K. Truck Services Inc.	1	$ 87,750.00	12/3/2024		Yes	Approved
RB CONSULTING & SOLUTIONS LLC	H.K. Truck Services Inc.	1	$ 92,950.00	12/3/2024		Yes	Approved
INTERNATIONAL MEAT MARKET LLC	H.K. Truck Services Inc.	1	$ 87,750.00	12/4/2024		Yes	Withdrawn
Lorduy Enterprise LLC	GreenPower Motor Company, Inc.	3	$ 263,250.00	12/11/2024		Yes	Closing
NEW CITY BROTHER LLC	H.K. Truck Services Inc.	1	$ 87,750.00	12/11/2024		Yes	Withdrawn

Exhibit D (Continued)

2024 Voucher Disbursements - New Jersey Zero-emission Incentive Program Phase 1 & 2

ZIP Phase	Applicant Name	Vendor Account	How Many Vehicles Purchasing?	Last Disbursement Date	Last Disbursement Amount	Committed to Driving in EJ Community?
Phase 1	SALUS PER AQUAM L.L.C.	GreenPower Motor Company, Inc.	2	3/14/2024	$ 103,750	Yes
Phase 1	Revive by Carolina Inc.	Envirotech Vehicles Inc	1	6/27/2024	$ 99,500	Yes
Phase 1	Ordonez Property Management LLP	Envirotech Vehicles Inc	2	6/7/2024	$ 195,500	Yes
Phase 2	BETT-A-WAY BEVERAGE DISTRIBUTORS, INC	OEV MO LLC	1	6/28/2024	$ 175,000	Yes
Phase 2	International Motor Freight	Campbell Freightliner, LLC	2	8/23/2024	$ 350,000	Yes
Phase 2	Exel Inc.	OEV MO LLC	1	12/12/2024	$ 175,000	Yes

Phase 2	Z. Transportation Inc.	Cleveland Brothers Equipment Co., Inc.	4	9/23/2024	$ 350,000	No
Phase 2	SIgns By Rama Inc	Envirotech Vehicles Inc	1	12/31/2024	$ 90,350	Yes
Phase 2	Hermann Forwarding Company	Campbell Freightliner, LLC	1	3/28/2024	$ 175,000	Yes
Phase 2	Lineage Logistics Services, LLC	OEV MO LLC	8	8/19/2024	$ 1,400,000	Yes
Phase 2	Dry Goods Refillery, LLC	Envirotech Vehicles Inc	1	9/16/2024	$ 90,350	Yes
Phase 2	DBS Vehicles LLC	Gabrielli Kenworth of New Jersey, LLC	5	9/30/2024	$ 175,000	No
Phase 2	DBS Vehicles LLC	Gabrielli Kenworth of New Jersey, LLC	4	9/30/2024	$ 175,000	No
Phase 2	Ride Man LLC	Envirotech Vehicles Inc	4	12/12/2024	$ 175,500	Yes
Phase 2	Ride Man LLC	Envirotech Vehicles Inc	2	12/12/2024	$ 175,500	Yes
Phase 2	Z. Transportation Inc.	Hudson County Motors, Inc.	2	6/28/2024	$ 350,000	No
Phase 2	Dape Consulting, Inc.	Hudson County Motors, Inc.	1	6/28/2024	$ 236,250	Yes
Phase 2	Dape Consulting, Inc.	Hudson County Motors, Inc.	1	6/28/2024	$ 236,250	Yes
Phase 2	19 Floyd LLC	H.K. Truck Services Inc.	2	8/23/2024	$ 180,700	Yes
Phase 2	United Parcel Service, Inc. (OHIO)	OEV MO LLC	4	12/12/2024	$ 700,000	Yes
Phase 2	Sarcona Management Inc	Gabrielli Kenworth of New Jersey, LLC	2	9/17/2024	$ 270,000	Yes
Phase 2	Ride Man LLC	Quality Truck Center, LLC	4	10/21/2024	$ 328,000	Yes

<u>EXHIBIT E</u>

2024 - NJ MVP Phase 1 Disbursements

NJMVP Phase 1 - 2024 Year End Disbursements		
Applicant Name	**Amount**	**Disbursed On**
Mars International, Inc.	$ 43,257.69	1/2/2024
Grimbilas Enterprises	$ 250,000.00	1/2/2024
Union Beverage Packers LLC	$ 95,398.10	1/4/2024
Hilman Incorporated	$ 87,825.38	1/5/2024
Custom Controls & Consulting, LLC	$ 53,939.55	1/8/2024
WEISS-AUG CO. INC.	$ 250,000.00	1/9/2024
L&L Kiln Mfg. Inc.	$ 9,372.68	1/12/2024
Griffin & Howe, Inc.	$ 90,098.00	1/18/2024
Crusters LLC	$ 32,715.00	1/25/2024
TODD SHELTON LLC	$ 14,055.49	1/25/2024
Nutra-Med Packaging, LLC	$ 155,401.84	1/29/2024
ABELES & HEYMANN, LLC.	$ 91,631.60	1/29/2024
Morris Graphics Inc.	$ 51,671.02	1/29/2024
Harold R Henrich Inc.	$ 124,710.85	2/7/2024
PERMAGRAPHICS, INC.	$ 82,432.88	2/12/2024
Sicam Corporation	$ 59,085.00	2/15/2024
F & S PRODUCE CO., INC.	$ 231,040.75	2/26/2024
New Jersey Precision Technologies, Inc.	$ 54,600.00	3/4/2024
OAKFLOWER BREWING COMPANY LLC	$ 8,790.00	3/4/2024
Perry Products Corporation	$ 208,250.00	3/4/2024
M4 Machine LLC	$ 11,398.50	3/4/2024
Jet Precision Metal, Inc.	$ 96,324.00	3/5/2024
VALCOR ENGINEERING CORPORATION	$ 162,750.00	3/6/2024

Maple Holistics LLC	$ 32,370.00	3/12/2024
Mercer Rubber Company	$ 64,798.50	3/12/2024
MAGNA-POWER ELECTRONICS, INC.	$ 175,008.29	3/20/2024
Architectural Window Manufacturing Corporation	$ 250,000.00	3/25/2024
R C FINE FOODS, INC.	$ 64,267.10	3/25/2024
Energy Beams Inc.	$ 29,220.00	3/25/2024
Zago Manufacturing Company, Inc.	$ 73,160.00	4/18/2024
SIgns By Rama Inc	$ 36,442.03	4/18/2024
Package Kare, Inc.	$ 243,085.44	4/23/2024
Menshen Packaging USA, INC	$ 111,682.50	4/23/2024
Polymer Technologies Inc (PTI)	$ 92,649.01	4/23/2024
GONGCOOK LTD LIABILITY CO.	$ 38,365.00	4/24/2024
BAUMGARDNER FINISHINGS COMPANY LLC	$ 118,218.03	4/24/2024
UNEX MANUFACTURING INC.	$ 136,518.74	4/24/2024
Astro Outdoor Advertising Inc	$ 53,998.00	4/29/2024
S&P MACHINE COMPANY, INC.	$ 33,600.00	5/8/2024
PRECISION FORMS, INC.	$ 139,668.21	5/9/2024
Farmplast, LLC	$ 124,800.00	5/28/2024
LAMATEK, INCORPORATED	$ 106,219.20	6/6/2024
Paper Plane Coffee Company LLC	$ 9,559.31	6/10/2024
Norwalt Design Inc.	$ 66,623.06	6/17/2024
Snack Innovations Inc	$ 250,000.00	6/17/2024
Bennett Plastics Inc.	$ 34,666.21	6/26/2024
Empire Technical Fabrication LLC	$ 185,640.00	6/26/2024
Gharana Foods LLC	$ 48,632.18	6/27/2024
NB Bookbinding, Inc.	$ 17,523.90	6/28/2024
Triad Tool & Die Co.	$ 17,197.50	7/5/2024
Zenith Precision Inc.	$ 37,048.50	7/5/2024
American Products Company, Inc.	$ 119,841.27	7/5/2024

MAC PRODUCTS, INC.	$ 121,390.00	7/5/2024
Marotta Controls, Inc.	$ 250,000.00	7/5/2024
Rex Lumber Co.	$ 22,188.00	7/5/2024
Yespac Inc.	$ 250,000.00	7/10/2024
L-E-M Plastics & Supply Inc	$ 18,244.07	7/16/2024
Premio Foods	$ 250,000.00	7/17/2024
Chiral Photonics, Inc.	$ 142,107.11	7/25/2024
Vee Dennis Manufacturing Co.	$ 34,950.00	8/6/2024
Sea Breeze Fruit Flavors, Inc.	$ 109,835.04	8/13/2024
CLEAR FORMING LLC	$ 58,260.00	8/22/2024
Holland Manufacturing Company	$ 138,665.70	9/10/2024
Quali-Pack LLC	$ 229,996.50	9/16/2024
CUSTOM WELDING INC	$ 247,239.30	9/26/2024
GENSCRIPT USA INCORPORATED	$ 76,642.10	9/30/2024
Myat, Inc.	$ 11,004.00	9/30/2024
Aii1, LLC	$ 39,654.19	9/30/2024
Medical Indicators, Inc.	$ 13,872.00	9/30/2024
TABATCHNICK FINE FOODS, INC	$ 62,356.00	10/1/2024
Migali Industries, Inc.	$ 250,000.00	10/1/2024
Selco Manufacturing Corp.	$ 87,738.71	10/4/2024
SunRay Scientific Inc.	$ 79,992.40	10/4/2024
** Coriell Institute for Medical Research	$ 183,855.00	10/18/2024
Kristy's Kuts, INC.	$ 127,784.70	10/18/2024
NWL, Inc.	$ 211,736.48	10/18/2024
Devonheir, Inc	$ 51,157.75	10/28/2024
Bumble Bee Foods LLC	$ 250,000.00	11/6/2024
PRECISION ELECTRONIC GLASS, INC.	$ 250,000.00	11/6/2024
Davion Inc.	$ 250,000.00	11/20/2024
Colonna Brothers Inc.	$ 82,950.00	12/9/2024

TRUCCO, INC.	$ 102,760.00	12/12/2024
Worthington Biochemical Corp.	$ 40,551.36	12/20/2024
Falstrom Company	$ 59,199.70	12/20/2024
Total	**$ 9,079,680.42**	

<u>EXHIBIT F</u>

2024 - NJ MVP Phase 2 Approvals and Disbursements

NJMVP Phase 2 - 2024 Year End Approvals		
Applicant Name	**Amount**	**Approved On**
Holland Manufacturing Company	$ 250,000.00	4/18/2024
Ce De Candy, Inc.	$ 55,289.85	4/19/2024
L&Z Tool and Engineering, Inc.	$ 50,225.00	4/19/2024
WEISS-AUG CO. INC.	$ 250,000.00	4/19/2024
The Engineered Precision Casting Company	$ 49,438.50	4/19/2024
Cartridge Actuated Devices, Inc.	$ 224,190.00	4/22/2024
Colonna Brothers Inc.	$ 68,699.25	4/23/2024
LINUS BIOTECHNOLOGY INC.	$ 250,000.00	4/23/2024
SPECTRA POLYMERS AND COLOR SPECIALTIES INC	$ 250,000.00	4/23/2024
GP PRECISION, INC.	$ 234,350.55	4/23/2024
CUSTOM WELDING INC	$ 169,705.29	4/25/2024
F & S PRODUCE CO., INC.	$ 250,000.00	4/25/2024
BROOKLYN PROVISIONS, INC.	$ 250,000.00	4/25/2024
CIFELLI SAUSAGE, LLC	$ 250,000.00	4/25/2024
Oishii Farm Corporation	$ 250,000.00	4/25/2024
Shahnawaz Food LLC	$ 77,668.10	4/25/2024
QUALITY STEAK INC.	$ 250,000.00	4/25/2024
Tri-Power Design, LLC	$ 137,979.45	4/25/2024
Robert A. Main & Sons Manufacturing Limited Liability Company	$ 67,645.50	4/25/2024
V.E.P. MANUFACTURING, INC.	$ 201,250.00	4/25/2024
DARUSH LLC	$ 189,724.75	4/25/2024
Amerifilm Converters Llc	$ 127,025.64	4/26/2024
Almetek Industries, Inc.	$ 18,410.03	4/26/2024
Sea Breeze Fruit Flavors, Inc.	$ 137,582.50	4/29/2024

NB Bookbinding, Inc.	$	35,927.50	4/29/2024
GUTHRIE GLASS & MIRROR, INC.	$	250,000.00	4/29/2024
Marotta Controls, Inc.	$	243,950.30	4/29/2024
Aucta Pharmaceutical LLC	$	250,000.00	4/29/2024
Nutra-Med Packaging, LLC	$	250,000.00	4/29/2024
Technick Products, Inc.	$	68,951.92	4/30/2024
Demountable Concepts, Inc.	$	240,805.89	4/30/2024
Triangle Manufacturing Co. Inc.	$	178,786.50	4/30/2024
Mercer Rubber Company	$	250,000.00	4/30/2024
R C FINE FOODS, INC.	$	49,391.24	5/2/2024
LEGEND BIOTECH USA INC.	$	248,218.74	5/3/2024
TRUCCO, INC.	$	250,000.00	5/6/2024
UNIT PACK COMPANY, INC.	$	132,708.10	5/6/2024
DENAKA PARTNERS, L.P.	$	250,000.00	5/6/2024
Dun-Rite Sand and Gravel Company	$	40,367.20	5/7/2024
HEALTH AND NATURAL BEAUTY USA CORP	$	221,100.00	5/8/2024
Orgo-Thermit, Inc.	$	71,100.00	5/8/2024
Archer Day, Inc.	$	250,000.00	5/10/2024
Esco Precision, Inc.	$	250,000.00	5/14/2024
Wonder Meats, Inc.	$	250,000.00	5/14/2024
VAN NESS PLASTIC MOLDING CO.	$	237,600.00	5/15/2024
EMPIRE INDUSTRIES, INC.	$	242,847.20	5/16/2024
DJERDAN BUREK CORP	$	51,437.25	5/16/2024
SunRay Scientific Inc.	$	250,000.00	5/16/2024
GIORDANO VINELAND SCRAP MATERIAL LLC	$	214,294.50	5/16/2024
Lincoln Electric Products Co. Inc.	$	139,650.00	5/17/2024
SERVICE METAL FABRICATING, INC.	$	250,000.00	5/28/2024
ROBERT T. WINZINGER, INC.	$	233,100.00	5/28/2024
PROXIMATE CONCEPTS, LLC	$	31,114.20	5/28/2024

Northern Architectural Systems, Inc	$	250,000.00	5/28/2024
VIARI CHOCOLATES LLC	$	42,303.77	5/28/2024
HOLOCRAFT CORPORATION	$	250,000.00	5/28/2024
CHANK"S USA LLC	$	139,697.64	5/28/2024
PERMAGRAPHICS, INC.	$	35,769.64	5/28/2024
PR Snoke Precision, Inc.	$	243,790.40	5/28/2024
CITROMAX GROUP, INC.	$	250,000.00	5/29/2024
DH INTERIORS, LLC	$	47,113.20	5/29/2024
BORRELLI STEEL FABRICATORS, LLC	$	109,077.01	6/3/2024
K M MEDIA GROUP LLC	$	250,000.00	6/5/2024
MONTCLAIR BREWERY LIMTED LIABILITY COMPANY	$	192,921.64	6/7/2024
S. W. Electronics & Manufacturing Corp.	$	250,000.00	6/7/2024
SCREAMIN HILL BREWERY LLC	$	71,654.45	6/10/2024
I.S. PARTS INTERNATIONAL, INC.	$	191,632.00	6/10/2024
RAM ELECTRONIC INDUSTRIES, INC.	$	69,470.44	6/11/2024
Musculoskeletal Transplant Foundation, Inc.	$	250,000.00	6/11/2024
SWITLIK PARACHUTE COMPANY, INC.	$	110,547.50	6/11/2024
UNIVERSAL SYNERGETICS, INC	$	250,000.00	6/12/2024
Migali Industries, Inc.	$	250,000.00	6/12/2024
AMERICAN BUILDING SYSTEMS INTERNATIONAL INC.	$	238,050.00	6/13/2024
Keystone Plastics, Inc.	$	250,000.00	6/13/2024
Universal Technical Resource Services, Inc.	$	93,952.95	6/17/2024
Generant Company, Inc.	$	226,718.19	6/17/2024
BRIGHTS LIGHTS USA, INC.	$	125,850.00	6/19/2024
UNEX MANUFACTURING INC.	$	250,000.00	6/19/2024
Astraglass Innovations	$	55,510.00	6/20/2024
Powpack LLC	$	186,725.00	6/24/2024
STAR SOAP/STAR CANDLE/PRAYER CANDLE CO., LLC	$	250,000.00	6/24/2024
Geogreens	$	87,530.71	6/25/2024

Rex Lumber Co.	$	182,917.75	6/27/2024
ROYSONS CORPORATION	$	250,000.00	6/27/2024
FAIRFIELD GOURMET FOOD CORP.	$	80,966.58	6/27/2024
HOT MELT EQUIPMENT LLC	$	176,950.96	6/28/2024
POLYMER DYNAMIX, LLC	$	98,006.92	6/28/2024
ABELES & HEYMANN, LLC.	$	78,550.80	7/2/2024
MAGNA-POWER ELECTRONICS, INC.	$	112,202.70	7/3/2024
Pallet Brewing Company LLC	$	196,934.06	7/8/2024
HISTOBRIDGE LLC	$	89,250.00	7/8/2024
LTS Lohmann Therapy Systems, Corp	$	250,000.00	7/9/2024
JAKTOOL LLC	$	135,528.75	7/9/2024
BAUMGARDNER FINISHINGS COMPANY LLC	$	176,364.17	7/11/2024
GAR VENTURES LLC	$	250,000.00	7/12/2024
GENSCRIPT USA INCORPORATED	$	250,000.00	7/16/2024
PI METAL PRODUCTS INC	$	78,956.00	7/19/2024
PRECISION ELECTRONIC GLASS, INC.	$	207,144.35	7/22/2024
RAW GENERATION INC	$	250,000.00	7/23/2024
Starborn Industries, Inc.	$	52,009.20	7/23/2024
MAGLIONES ITALIAN ICES, L.L.C.	$	47,853.40	7/27/2024
POWER MAGNETICS, INC.	$	98,963.00	7/29/2024
VQ TECHNOLOGIES LLC	$	102,000.00	7/29/2024
TABATCHNICK FINE FOODS, INC	$	250,000.00	8/2/2024
CORNING PHARMACEUTICAL GLASS, LLC	$	205,384.00	8/5/2024
Entourage Imaging Inc	$	250,000.00	8/6/2024
Amneal Pharmaceuticals LLC	$	250,000.00	8/6/2024
LORDON, INC.	$	42,269.20	8/7/2024
ECOPAVE SOLUTIONS, INC.	$	250,000.00	8/8/2024
Custom Laminations, Inc.	$	223,200.00	8/12/2024
SOLATO USA CORPORATION	$	96,211.45	8/14/2024

INTERNATIONAL MOTOR CONTROLS, INC.	$ 148,935.94	8/14/2024
Bcuz Snacks LLC	$ 214,173.20	8/16/2024
L & R Manufacturing Company	$ 10,692.45	8/20/2024
Blue Diamond Coffee Corporation	$ 250,000.00	8/20/2024
Steel Mountain Fabricators, LLC	$ 9,590.00	8/21/2024
TRIS PHARMA, INC.	$ 250,000.00	8/27/2024
THE FRESH WAVE LLC	$ 209,545.00	9/3/2024
Ranger Industries, Inc.	$ 117,863.40	9/3/2024
Unicorn Biotechnologies Inc.	$ 162,000.00	9/9/2024
Medical Indicators, Inc.	$ 74,632.40	9/11/2024
BENDHEIM LLC	$ 66,150.00	9/20/2024
TNM COMPONENTS LLC	$ 54,406.20	9/27/2024
S&P MACHINE COMPANY, INC.	$ 24,872.40	10/3/2024
Fundamental Elevator Solutions LLC	$ 250,000.00	10/8/2024
ROSE BRAND WIPERS, INC.	$ 135,730.00	10/8/2024
SOUTH JERSEY PAINT AND GLASS CO.	$ 238,000.00	10/15/2024
QUANTUM FULFILLMENT SERVICES LLC	$ 151,800.00	10/18/2024
Cellular Tracking Technologies LLC	$ 116,812.00	10/22/2024
PROBIO INC.	$ 250,000.00	10/23/2024
Lacas Coffee Company, LLC	$ 69,554.10	11/7/2024
Trane U.S. Inc.	$ 250,000.00	11/15/2024
Route66 International Inc	$ 250,000.00	11/22/2024
Union Beverage Packers LLC	$ 250,000.00	12/26/2024
Total	**$ 22,795,269.87**	

NJMVP Phase 2 - 2024 Year End Disbursements		
Applicant Name	**Amount**	**Disbursed On**
CHANK"S USA LLC	$ 137,097.64	7/5/2024

V.E.P. MANUFACTURING, INC.	$ 201,250.00	7/23/2024
RAM ELECTRONIC INDUSTRIES, INC.	$ 49,265.62	7/24/2024
L&Z Tool and Engineering, Inc.	$ 48,475.00	8/6/2024
Powpack LLC	$ 186,725.00	8/6/2024
WEISS-AUG CO. INC.	$ 250,000.00	8/7/2024
JAKTOOL LLC	$ 65,086.00	8/15/2024
VIARI CHOCOLATES LLC	$ 41,576.18	8/21/2024
Custom Laminations, Inc.	$ 223,200.00	9/16/2024
GP PRECISION, INC.	$ 233,881.55	9/17/2024
Shahnawaz Food LLC	$ 71,481.39	9/30/2024
AMERICAN BUILDING SYSTEMS INTERNATIONAL INC.	$ 238,050.00	9/30/2024
Technick Products, Inc.	$ 68,951.92	10/4/2024
Dun-Rite Sand and Gravel Company	$ 40,367.20	10/22/2024
VAN NESS PLASTIC MOLDING CO.	$ 237,600.00	10/28/2024
PROXIMATE CONCEPTS, LLC	$ 30,529.20	10/28/2024
PR Snoke Precision, Inc.	$ 151,092.90	11/13/2024
Mercer Rubber Company	$ 241,752.00	11/19/2024
Archer Day, Inc.	$ 238,504.80	11/20/2024
I.S. PARTS INTERNATIONAL, INC.	$ 139,522.80	11/27/2024
Marotta Controls, Inc.	$ 234,210.00	12/4/2024
SWITLIK PARACHUTE COMPANY, INC.	$ 107,043.94	12/5/2024
NB Bookbinding, Inc.	$ 35,927.50	12/10/2024
Robert A. Main & Sons Manufacturing Limited Liability Company	$ 67,645.50	12/11/2024
S&P MACHINE COMPANY, INC.	$ 14,744.68	12/11/2024
Total	**$ 3,353,980.82**	

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: March 12, 2025

SUBJECT: Credit Underwriting Projects Approved Under Delegated Authority – **For Informational Purposes Only**

The following projects were approved under Delegated Authority in February 2025:

Premier Lender Program:

1) Romina Properties LLC (PROD-00317910), located in Union Township, Union County, is a real estate holding company formed to purchase the project property. The operating company, Romina Enterprises LLC operates a preschool and daycare center in Union, NJ. M&T Bank approved a $4,240,000 bank long contingent upon a 47.2% ($2,000,000) Authority participation. Proceeds will be used to purchase the daycare facility that they have been operating from since 2016. Currently, the Company has 31 employees and plans to create 1 new job over the next two years.

Direct Loan Program:

1) Thomas Company, Inc. (PROD-00316575), located in Brooklawn Borough, Camden County, was established in 1965 as a fourth-generation family-owned metal fabrication, installation, and industrial design company with manufacturing facilities in Egg Harbor and Brooklawn, NJ. The Company specializes in custom metal fabrication, installation, industrial roofing and industrial heating, ventilation and air conditioning (HVAC). Service areas include the Greater Eastern PA, Philadelphia, Delaware, and New Jersey. The NJEDA approved a $1,185,435 loan to purchase new equipment to enhance its manufacturing capabilities. Currently, the Company has 150 employees and plans to create 2 additional jobs within the next two years.

Small Business Fund Program:

1) Mattarello LLC (PROD-00315020), located in Montclair Township, Essex County, was formed in 2020 as a real estate holding company for the project. The operating company, Mattarello Bakery, is an authentic Italian bakery and café featuring freshly baked goods and imported Italian products and premium coffee. The NJEDA approved a $112,000 loan to be used for refinancing a higher interest rate business loan. Currently, the Company has 4 employees and plans to create 4 new positions over the next two years.

Hazardous Discharge Site Remediation Fund Program:

1) Robert A. Loringer, Jr. (PROD-00316420) is located in Willingboro Township, Burlington County. The Applicant owns a commercial real estate property that houses Loringer Enterprises, Inc., a family-owned business since 1969 that repairs all types of vehicles and outdoor power equipment and is a NJ state inspection facility. The Applicant is seeking to complete groundwater investigation and soil remediation associated with an underground storage tank closure at the subject property. The NJEDA approved a $56,644.87 loan to be used for the remedial investigation of the property.

Tim Sullivan, CEO

Prepared by: G. Robins