

## General Program

What is the Small Business Lease Grant (SBLG)?

- The Small Business Lease Grant (SBLG) is a State grant program that provides two grants to small businesses and not for profits to offset a portion of annual lease payments for new or additional space. Additional eligibility criteria are outlined below.

## Eligibility

Who can apply?

- All commercial businesses and not for profit organizations that meet the eligibility criteria outlined on the program web page (<https://www.njeda.com/small-business-lease-grant>).
- Not for profit entities must be engaged in the conduct of trade or business that generate revenue beyond grants and contributions.
- Businesses engaged in the following are **not eligible** for funding:
  - o New Jersey State law prohibits most cannabis license and certification holders from receiving or continuing to receive an economic incentive from the NJEDA, including the Small Business Lease Grant. If the applicant, or any person who controls the applicant or owns or controls more than one percent of the stock of the applicant, has applied for or received a license or a certification from the New Jersey Cannabis Regulatory Commission (NJ-CRC), the applicant is ineligible for this program and should not proceed with an application. If an application is received from an applicant that meets this criteria, the application will be deemed ineligible and the application fee will not be refunded.
  - o The conduct or purveyance of "adult" (i.e., 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).
  - o Any auction or bankruptcy or fire or "lost-our-lease" or "going-out-of-business" or similar sale.
  - o Sales by transient merchants, Christmas tree sales or other outdoor storage.
  - o Any activity constituting a nuisance.

What leases are eligible for support through this program?

- In order to receive grants through the SBLG, a business or not for profit must lease a space that meets the following criteria:
  - o First floor (street-level) space
  - o 250-10,000 SF of commercial space or retail space (over 10,000 is still eligible however, over 10,000 square feet will not be incentivized.)
  - o Lease executed within 12 months prior to application date – **Under the program, a lease shall be considered effective on the date of execution (i.e. – the date that all parties sign the lease document).**
  - o Lease must be for a minimum 5-year term
- Modifications, amendments, and extensions of existing leases that took place within 12 months prior to the application date and include more than 250 SF of additional space are eligible

I just renewed my lease am I eligible?

- Yes, you would be eligible if your renewal is within 12 months prior to your application date and if you leased more than 250 SF more than your original lease.

## SMALL BUSINESS LEASE GRANT (SBLG) FAQ'S

- The more than 250 SF added in your lease renewal must be fully or partially located on the first floor (street-level) space

Can I break my lease to pursue this grant?

- No, you are ineligible if you break your existing lease to pursue this grant.

Are leases with two floors eligible?

- Yes, as long as one of the floors is first floor (street-level) space.

My business has multiple locations, can I apply for all locations?

- Applicants are eligible to receive one SBLG per location.

Can I apply for more than one application per location?

- No, applicants are limited to one application per location.

How long does my lease term have to be?

- Minimum lease term must be 5 years

How long do I need to remain in the facility?

- At least 5 years

If I signed a 2-year lease and have the ability to renew for multiple years that add up to 5 years am I eligible?

- No, the lease must be for a minimum of 5 years to be eligible.

Do I need to operate out of the facility?

- Yes, grantees must occupy and operate out of the leased space specified in their application.

Will I be eligible for the Small Business Improvement Grant if I receive a Small Business Lease Grant?

- Yes, both products can be used for the same location.

Are business incubators eligible for this grant?

- Operators of business incubators **are** eligible.
- Members and tenant companies **are not** eligible.

If my landlord is a related party am I still eligible?

- No. Businesses are not eligible if the landlord is a related party and/or if the landlord has any ownership.

My lease has equipment added into the lease payment, am I eligible?

- Grants are only available to support costs associated with renting space.
- A lease that includes equipment would not be considered a market rate lease under the program requirements, which may exclude you from eligibility.

### **Application Process**

How do I get my tax clearance certificate?

- Tax clearance certificates are required to be approved for this grant. [NJ Division of Taxation - Business Tax Clearance Certification Required for Receiving State Grants, Incentives](#)

## **Grant Disbursement**

How are the grants disbursed?

- Grant payments are made in two disbursements:
  1. First disbursement will be made after execution of grant agreement, for an amount equal to 20% of annual lease payment.
  2. Second disbursement will be made after 12 months of lease payments have been paid by the applicant, for an amount equal to 20% of annual lease payment.
- Applicants who meet the eligibility criteria and submit a completed application will be sent an email from the NJEDA with instructions on how to access their grant funding.
- Applicants who are approved for grants will be required to pay an approval fee of \$100. After paying this fee, the NJEDA will send the grant agreement via email.
- Funds for the 1<sup>st</sup> grant will be disbursed to the applicant when the grant agreement is signed and returned to the NJEDA. Funds for the 2<sup>nd</sup> grant will be disbursed 12 months later.

## **Fees**

Are there any fees associated with this grant?

- An approval fee of \$100 is due at time of approval and prior to execution of grant agreement.

## **Wage and Reporting Requirements**

What is the minimum wage requirement?

- Applicants are expected to pay their employees the higher of \$15 an hour or 120% of minimum wage.
- Tipped employees are required to be paid 120% of the minimum wage rate.

What annual reporting will be required?

- To demonstrate compliance with program requirements, businesses and not for profit organizations that receive SBLG grants will need to provide the following documentation to the NJEDA:
  - o Payroll report information or the latest WR30 filed.
  - o Landlord certification that rent has been paid.
- Post -Closing Documents can be found on [Small Business Lease Grant - NJEDA](#)

What happens if I break my lease early?

- Businesses and not for profits that break a lease before the full five-year term required by the program will need to repay the grant funding, they have received back to the NJEDA.

## **Do I have to pay taxes on the amount awarded for the SBLG?**

- The SBLG is funded through a state appropriation, check with your accountant.

## **Targeted Funding**

Are any funds set aside for historically disadvantaged communities?

- Per the legislation that created the SBLG, 40 percent of the funding available for this program will be reserved for businesses and not for profits located in census tracts that were eligible to

be designated as opportunity zones. This targeting helps to ensure entities in communities that have historically faced barriers to success are able to access this program.

- To determine if you are located within an OZ census tract check the [OZ Mapping Tool](#).

**Questions**

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