MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: Agenda for Board Meeting of the Authority March 7, 2024

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Real Estate

Incentives

Economic Transformation

Bond Projects

Authority Matters

Board Memoranda

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 7, 2024

MINUTES OF THE MEETING

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

Members of the Authority present in person: Chairman Terry O'Toole, Aaron Creuz, Executive Representative; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Elizabeth Dragon representing Commissioner Shawn LaTourette of the Department of Environmental Protection; and Public Members Charles Sarlo, Vice Chairman; Philip Alagia, Virginia Bauer, Massiel Medina Ferrara, and Jewell Antoine-Johnson, Second Alternate Public Member.

Members of the Authority present via conference call: Acting Commissioner Justin Zimmerman of the Department of Banking and Insurance; Aaron Binder representing State Treasurer Elizabeth Muoio of the Department of Treasury; and Public Members Fred Dumont, and Robert Shimko, First Alternate Public Member.

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

Members of the Authority absent: Public Members Aisha Glover, and Marcia Marley.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the December 14, 2023 meeting minutes. A motion was made to approve the minutes by Ms. Bauer, seconded by Mr. Creuz, and approved by the thirteen (13) voting members present.

The next item of business was the approval of the December 14, 2023 Executive Session meeting minutes. A motion was made to approve the minutes by Mr. Sarlo, seconded by Mr. Alagia, 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.

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting from January 26, 2024.

FOR INFORMATION ONLY: The next item was a summary of the Incentives meeting from January 24, 2024.

COMMUNITY DEVELOPMENT

ITEM: Main Street Acquisition Support Grant
REQUEST: To approve: (1) The Creation of the Main Street Acquisition Support Grant - a pilot product under the Main Street Recovery Fund that will offer a grant to reimburse an eligible small business for closing costs related to a New Jersey commercial property that the business will purchase to operate from; (2) Utilization of funding from the Main Street Recovery Fund to: a) capitalize the Main Street Acquisition Support Grant pilot product, with delegation to the CEO to increase grant funding if demand exceeds the available funding, b) to support the Authority's administrative costs for the Main Street Acquisition Support Grant product, and c) to hire temporary staff if application volume requires additional administrative support, and; (3) Delegation of authority to the CEO to approve eligible applications for the Main Street Acquisition Support Grant in accordance with the terms set forth in the program specifications.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Dragon **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Award and Declination of Activation, Revitalization and Transformation (ART) Real Estate Grants
REQUEST: To approve: (1) Subject to the availability of funding, grant awards to Atlantic City real estate projects; (2) Subject to the availability of funding, grant awards to Newark real estate projects; (3) Declination of awards to real estate applicants for Atlantic City projects; (4) Declination of awards to real estate applicants for Newark projects; (5) Utilization of funds for "Atlantic City Initiatives" in the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") for ART Real Estate Grant for projects in Atlantic City and associated administrative costs; (6) Delegation to the CEO to enter a Memorandum of Understanding ("MOU") with the New Jersey Department of Community Affairs to accept and use funds in the SLFRF funds and deposit into ERF for the Activation, Revitalization and Transformation ("ART") Grant Program and agree to comply with federal requirements for the use of those funds; (7) Utilization of funds for "Urban Investment Fund" in the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") for ART Real Estate Grant for projects in Newark and associated administrative costs; and (8) Delegation to the CEO to enter into an MOU with the DCA to accept and use funds in the SLFRF funds and deposit into ERF for the Activation, Revitalization and Transformation ("ART") Grant Program and agree to comply with federal requirements for the use of those funds.
MOTION TO APPROVE: Comm. Angelo **SECOND:** Ms. Antoine-Johnson **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Out of an abundance of caution, Mr. O'Toole recused himself because his prior employer, Goldman Sachs is an investor, and he is still a shareholder.

ECONOMIC SECURITY

ITEM: Food Desert Relief Tax Credit Sale
REQUEST: To approve: (1) The sale of tax credits in calendar year 2024 in a manner consistent with the Board-approved specifications from April 2023 and the Food Desert Relief Act to receive funds for subsequent grant, loan, and/or technical assistance programs in line with the uses specified by the Food Desert Relief Act, and; (2) Delegated authority to the CEO to hear and decide appeals from non-discretionary declinations and to issue final administrative decisions**.**
MOTION TO APPROVE: Mr. Creuz **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Child Care Facilities Improvement Pilot Program – Phase 2
REQUEST: To approve: (1) The creation of the Child Care Facilities Improvement Pilot Program – Phase 2, a grant program to provide grants for registered Family Child Care homes (FCCs) in New Jersey to make facility improvements that will contribute to high quality early childhood learning environments and improve the health and safety of the spaces where children are cared for, and the waiver of applicant fees due to the availability of other sources of funding for the Authority's administrative costs; (2) Utilization of state funds appropriated to NJEDA to fund the Child Care Facilities Improvement Pilot Program – Phase 2; (3) Delegation of authority to the CEO to approve individual applications for the Child Care Facilities Improvement Pilot Program – Phase 2 in accordance with the terms set forth in the program specifications; and (4) Amendment of the Child Care Facilities Improvement Program – Phase 1 such that the deadlines for obligating and expending the ARP SLFRF funds will follow the federal deadlines, and any extension of those deadlines will be passed on to the grantees**.**
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Ferrara **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

MOUS/AGREEMENTS

ITEM: MOU with the NJ Department of Labor & Workforce Development for funding from the Workforce Development Partnership Fund to support workforce development programs and projects
REQUEST: To approve entering into a five-year Memorandum of Understanding with the NJ Department of Labor & Workforce Development to accept funding from the Workforce Development Partnership Fund (WDPF) to support the design and execution of workforce development programs and related projects, with delegated authority to accept additional funding in WDPF funding in the future.
MOTION TO APPROVE: Ms. Antoine-Johnson **SECOND:** Mr. Creuz **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Wind Institute for Innovation and Training Grant Agreement – NJEDA and New Jersey Department of the Treasury
REQUEST: To approve the Second Grant Agreement between the NJEDA and the Treasury Department, that enables the Treasury Department to provide funding to NJEDA for administration, operations and program costs for the Wind Institute for Innovation and Training related programs.
MOTION TO APPROVE: Ms. Dragon **SECOND:** Ms. Bauer **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: MOU with Salem County to support NJWP-related economic development
REQUEST: To approve: (1) entering into a MOU with Salem County to support NJWP- related economic development efforts, and (2) to approve delegated authority to the CEO to grant an extension of the term and the release of funds, with such approval to be contingent on the County meeting compliance requirements in the prior year.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Antoine-Johnson **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

CLEAN ENERGY

ITEM: Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2 Award Amendment
REQUEST: To approve an amendment to the Phase 2 Commuter and Transit Bus Private Carrier Relief and Jobs Program's award methodology.
MOTION TO APPROVE: Mr. Creuz **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

FOR INFORMATION ONLY: The next item was a summary of the Incentives Committee meeting from January 24, 2024.

INCENTIVES

ASPIRE

ITEM: Aspire Program- Product #00312280 - New Jersey Performing Arts Center ("Applicant")
REQUEST: To approve the issuance of tax credits from the Aspire program for a single- phase Transformative residential project located in Newark, New Jersey, Essex County, up to 60% of the total project cost.
MOTION TO APPROVE: Comm. Angelo **SECOND:** Mr. Sarlo **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Out of an abundance of caution, Mr. O'Toole recused himself because his prior employer, Goldman Sachs is an investor, and he is still a shareholder.

Out of an abundance of caution, Ms. Ferrara recused herself as she is a former employee of Prudential, her husband in a current employee at Prudential, and Prudential is involved in the project.

FILM & DIGITAL MEDIA TAX CREDIT

ITEM: Special Adoption and Concurrently Proposed Rule Amendments and New Rules: New Jersey Film & Digital Media Tax Credit Program (N.J.A.C. 19:31-21)
REQUEST: To approve the special adoption and concurrently proposed amendments to the rules and new rules for the New Jersey Film & Digital Media Tax Credit Program based on statutory amendments, and authorize staff to (a) submit for publication in the New Jersey Register and (b) submit as final adopted rules for publication in the New Jersey Register if no substantive comments are received, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Dragon **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Film and Digital Media Tax Credit Program – Certification of Unused or Unredeemed Credits in SFY2023 and Increase to SFY2024
REQUEST: To approve: (1) The certification of unused or unredeemed legacy film tax credits for SFY2023 which will increase the legacy film tax credits available for SFY2024;
(2) The certification of unused or unredeemed studio partner film tax credits for SFY2023 which will increase the studio partner film tax credits available for SFY2024; (3) The certification of unused or unredeemed film-lease production company film tax credits for SFY2023 which will increase the film-lease film tax credits available for SFY2024; and
(4) The certification of unused or unredeemed digital media tax credits for SFY2023 which will increase the digital tax credits available for SFY2024.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Twentieth Century Fox Film Corp – American Horror Stories S3 PROD-00311139
MAX AMOUNT OF TAX CREDITS: $25,049,976
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Antoine-Johnson **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Twentieth Century Fox Film Corp – American Sports Story S1 PROD-00311140
MAX AMOUNT OF TAX CREDITS: $32,824,158
MOTION TO APPROVE: Ms. Dragon **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

AUTHORITY MATTERS

ITEM: NJ Asset Activation Planning Grant - Declination of One Application
REQUEST: To decline an application.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Antoine-Johnson **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

BOARD MEMORANDA FYI ONLY

- Brownfield Redevelopment Incentive Program Delegated Authority Reporting
- Community Development Products Delegated Authority Approvals, Declinations, and Other Actions Through Q4 2023
- Credit Underwriting Projects Approved Under Delegated Authority
- Post-Closing Incentives Delegated Authority Memo – 4th Quarter 2023
- Post-Closing Credit Delegated Authority Approvals for 4th Quarter 2023
- Post-Closing Delegated Authority Bond Modification Approvals for 4th Quarter 2023
- Hazardous Discharge Site Remediation Fund (HDSRF) Applications Approved Under Delegated Authority – Q4 2023
- Petroleum Underground Storage Tank Applications (PUST) Approved Under Delegated Authority – Q4 2023

PUBLIC COMMENT

Mr. William O’Dea, Elizabeth Development Company, addressed the Board, and thanked Mr. Sullivan on behalf of Mayor Bollwage, City of Elizabeth, regarding his responsiveness following a recent fire that took place in the City.

Mr. Charlie Kratovil, New Brunswick Today, addressed the Board regarding the personnel matter listed on the agenda.

AUTHORITY MATTERS

ITEM: Personnel Matter
REQUEST: To approve an increase in the Chief Executive Officer's salary.
MOTION TO APPROVE: Comm. Angelo **SECOND:** Mr. Creuz **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

EXECUTIVE SESSION

The next item was to adjourn the public portion of the meeting and move into Executive Session to discuss a personnel matter. The minutes of which will become public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

The Board returned to Public Session.

There being no further business, on a motion by Mr. Creuz, and seconded by Ms. Antoine-Johnson, the meeting was adjourned at 12:10pm.

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

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: March 7, 2024

Re: March 2024 Board Meeting – CEO Report

Last week, I had the honor of attending Governor Phil Murphy's annual Budget Address, which outlined steps to increase affordability, bolster our economy, and put our families first. Governor Murphy proposed new investments in fintech, filmmaking, life sciences, and Artificial Intelligence (AI). The proposed Fiscal Year 2025 budget would allocate over $125 million to the New Jersey Economic Development Authority (NJEDA).

Governor Murphy's proposed budget will allow the NJEDA to continue serving New Jersey's small businesses and manufacturers, expand our innovation economy, and pursue our clean energy goals. Most importantly, the budget ensures the NJEDA can support New Jersey's families and communities. The NJEDA will continue running first-rate programs that deliver for our stakeholders and make the case for continued confidence in our stewardship of taxpayer dollars.

In early February, Phase II of the Manufacturing Voucher Program (MVP) launched and was oversubscribed within 24 hours. Last week, we made our first approval under Phase II. NEJDA staff will continue to review applications and make additional approvals over the coming weeks and months, which will allow manufacturers across the state to purchase new equipment and upgrade their business. A testament to the success of this program, Governor Murphy included continued funding his budget proposal to support MVP.

As its wrap-up to Black History Month, the NJEDA hosted a luncheon at the Newark Art Museum for the Diversity Finance Advisory Board (DFAB). The Board was established last year to provide knowledge, guidance, and insights on ways to best increase capital, access, and investments in New Jersey's diverse entrepreneurs. The inaugural cohort of the New Jersey Innovation Fellows also attended, and we heard remarks from Michael Johnson, President of the New Jersey Innovation Institute, and long-time NJEDA-supported entrepreneur. Through NJEDA's programs and events, we are working to bring diverse entrepreneurs together and ensure they have access to the tools and resources needed to succeed.

I had the opportunity to attend two offshore wind events in recent weeks. Last week, I joined Board of Public Utilities (BPU) President Christine Guhl-Sadovy to highlight two offshore wind projects that were approved by NJBPU last month. Together those projects will create 4,000 mostly union jobs. I also attended an offshore wind conference hosted by the Steve Sweeney Center for Public Policy at Rowan University, where President Guhl-Sadovy and I underscored that New Jersey is moving full steam ahead with offshore wind development in the state, despite last year's setback. Offshore wind remains critical to our environmental future, our energy future, and our economic future – especially across South Jersey, where the industry has already started to create good-paying jobs.

As part of our celebration of Women's History Month, the NJEDA is hosting a panel discussion in collaboration with Montclair Film to highlight how women are breaking barriers and helping shape the future of the film industry. In addition to our own Elizabeth Parchment from the Film Commission and Clinton Mayor Janice Kovach, the panel will include women producers and studio owners who will discuss their trailblazing careers, accomplishments, challenges, and opportunities.

I would also like to recognize all the talented women on our Board and staff 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.

Tim Sullivan, CEO

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: Urban Investment Fund Grant Program

Request:

The Members are asked to approve:

1. Creation of the Urban Investment Fund Grant Program (the "Program"), a $38,198,148 pilot grant program funded from the $50 million appropriated for "Urban Investment Fund" in the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located in eligible municipalities identified herein.

2. Delegation to the Chief Executive Officer ("CEO") of the New Jersey Economic Development Authority ("Authority") to enter into a Memorandum of Understanding ("MOU") with the New Jersey Department of Community Affairs ("DCA") to accept and use $38,198,148 of the $50 million of SLFRF monies appropriated in the FY2024 budget and deposit it into the Economic Recovery Fund ("ERF") for the Urban Investment Fund Grant Program, and agree to comply with federal requirements for the use of those funds. This request includes the utilization of 2.5% ($954,954) in addition to the $38,198,148 to support the Authority's administrative costs associated with operating the Program.

3. Delegated authority to the Authority's CEO to adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines within an approved application in alignment with federal expenditure deadlines.

Background and Program Funding Source:

The ARP, which was signed into law by President Joe Biden on March 11, 2021, is a $1.9 trillion economic stimulus bill designed to rebuild and restart the American economy in the wake of the Coronavirus (COVID-19) public health emergency by investing in families, communities, and small businesses. Through the SLFRF, the ARP delivers $350 billion to state, local, and tribal governments to support their response to, and recovery from, COVID-19.

On June 30, 2023, Governor Murphy signed the Fiscal Year 2024 Appropriations Act P.L. 2023, c.74 ("Act") into law. The Act allocated significant State funding to the Authority 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 $50 million appropriated for "Urban Investment Fund" from ARP SLFRF. Staff proposes utilizing $38,198,148 from that budget line-item appropriation to provide funding to create the Urban Investment Fund Grant Program. In February 2024, the Board approved using $11,801,852 from that budget line-item to provide additional funding to the Activation, Revitalization, and Transformation Program (A.R.T.) in order to fund eligible project applications that had been received.

Upon receipt of the funding from the State, staff will deposit the funds in the Economic Recovery Fund ("ERF"). The use of the funds, and this Program, will be administered in accordance with the ERF statute (N.J.S.A. 34:1B-7.13(a)(5)) as financial assistance to assist municipalities for the Program and Eligible Uses indicated.

The Program seeks to address the pandemic related negative economic impacts on downtowns by providing grants for the revitalization of key targeted commercial corridor areas located in municipalities identified below. Governor Murphy's economic plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey," identifies several economic development priorities, including "investing in communities to build world-class cities, towns, and infrastructure statewide." In alignment with this plan and recognizing that resources can be limited in distressed municipalities, this Program provides additional grant support for recovery from negative COVID-19 impacts to ensure the local community has the necessary resources to undertake revitalization projects and have long term success.

As the New Jersey economy continues to rebound in the wake of COVID-19, the Program undertakes a comprehensive approach providing grants to municipalities to respond to the negative impact and decreased capacity, foot traffic, and revenue across economically vital commercial corridors. While the pandemic impacted millions of American households and businesses, the most severe impacts disproportionately fell on low income and underserved communities like the eligible municipalities included here, where pre-existing disparities worsened during the pandemic, further delaying a full economic recovery.

A series of targeted investments into distressed cities remains essential for jumpstarting local economies and promoting strong, resilient, and equitable economic recovery efforts to advance place-based economic development initiatives. The Program furthers the Administration's efforts to build a stronger and fairer New Jersey economy by making new, impactful, and strategic investments in key commercial corridors of New Jersey's most distressed municipalities.

Program Overview:

The Urban Investment Fund Grant Program funding of $38,198,148 will be available to eligible municipalities to implement a revitalization strategy designed to increase foot traffic and commercial activity within a commercial corridor area by supporting and undertaking and concentrating eligible real estate related projects within the identified area. The Program goals are to catalyze and support revitalization in key commercial corridor areas by investing in projects that transform commercial corridors into vibrant 24-hour commercial centers and respond to evolving market conditions, such as hybrid and remote work, by funding activations and development that will in turn increase residents, visitors, and/or office workers and to support investment within key commercial corridors and promote strong, resilient, and equitable economic recoveries. This Program will expand investment in communities by working to activate underutilized, distressed, or vacant buildings for projects to promote equitable economic growth and urban community development.

Eligible municipalities/applicants as defined below would identify the key commercial corridor area, develop a revitalization strategy approach designed to increase foot traffic and commercial activity for the identified Corridor, and then identify a minimum of 2 interrelated projects to undertake which are in alignment with their vision statement and are eligible project types/uses described below.

All projects must be undertaken and completed within SLFRF timeframes which mandate project completion by 12/31/26. Applicants must confirm that they are aware and agree that the real estate projects proposed in their application can be completed by 12/31/26 (as per US Treasury).

<u>Eligible Applicants:</u>

Eligible applicants are municipalities defined below as meeting BOTH criteria excluding Atlantic City which received its own FY 2024 State Budget Appropriation from ARP SLFRF. Only one application per eligible municipality may be submitted as evidenced by a letter from the eligible municipality as described below. Eligible municipalities may designate a municipal entity, county entity, or a not-for-profit local economic and community development entity to be the applicant on behalf of the municipality and if so, then a letter as described below is required as part of the application.

- **Top 5%** of municipalities based on Commuter-Adjusted Population (2018-2022 American Community Survey 5-Year Estimates)
    - This is "Daytime Population" which is the calculation of Total Resident Population + Total Workers Working in Area – Total Workers Living in Area.

- **Top 5%** of municipalities within the 2023 Municipal Revitalization Index (MRI). The MRI serves as the State's official measure and ranking of municipal distress. The MRI ranks New Jersey's municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. The MRI is used as a factor in distributing certain "need based" funds.

Based on the above criteria, the following municipalities would be eligible to apply for and receive funding. Note that only one application for funding within a municipality may be submitted.

Camden, New Brunswick, Newark, Passaic, Paterson, and Trenton.

Additional applicant requirements:

Must be in substantial good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection at the time of application to be eligible. A current tax clearance certificate must be provided prior to approval to demonstrate the applicant is in substantial good standing with the New Jersey Division of Taxation, unless the applicant is not required to register with the Division of Taxation.

Grant Funding:

In order to provide Grants and support projects in several different municipalities, only one application proposal may be submitted per eligible municipality.

Maximum grant funding amounts per application will be based on commuter-adjusted population size:

- Maximum grant funding of $7 million for municipalities with commuter-adjusted population over 100,000

- Maximum grant funding of $5,732,716 million for municipalities with commuter-adjusted population under 100,000

Minimum grant funding request would be $1 million for any municipality.

Program grant funding may not exceed 80% of the total of all project costs within the approved application.

As outlined below in the Grant Agreement section, if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

Identification of Commercial Corridor Area and Revitalization Strategy

Commercial corridors play a vital role in municipalities, serving as economic engines for communities by providing jobs that keep money circulating in the local economy, offering goods and services for residents, and powering entrepreneurship as well as wealth building. Prior to the COVID-19 pandemic, economic shifts adversely impacted commercial corridors – resulting in uneven growth and high vacancy rates, especially in corridors located in distressed communities. The pandemic further amplified these economic hardships, as many of the businesses hit hardest by the pandemic were also the ones that populate and contribute to the dynamism of commercial corridors, with Black- and Brown-owned businesses proving to be exceptionally vulnerable. This, combined with the mass transition to remote work, has resulted in decreased capacity, foot-traffic, and revenue across economically vital commercial corridors. *(from Regenerating Commercial Corridors: A Proposal for States; Bruce Katz et al)*

Eligible municipalities will identify a key commercial corridor area (“Corridor”) for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The Corridor will typically be in a downtown location and the Applicant will identify the borders of the Corridor. At a minimum, the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor.

Once the Corridor has been identified, eligible municipalities would develop their revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area ("Revitalization Strategy"). The Revitalization Strategy would describe the public open process that the municipality undertook to identify and determine the projects from the eligible project types below for which they would request Program grant funding. The Revitalization Strategy should also indicate other projects that could be undertaken and/or additional partners and stakeholders involved in community or business activities in the identified key commercial corridor area.

Eligible Project Types / Eligible Uses of Funding:

The Program will allow for several types of projects as described below ("Projects") to be funded within the Corridor as part of the municipal Revitalization Strategy. Applicants must include a minimum of two projects from the list below in their application:

- Building Rehabilitation Projects – rehabilitation/renovation of a blighted, underutilized, partially vacant, or vacant building (could include substantial or minor rehabilitation, reactivating vacant space, addressing code violations, interior building reconfiguration/fit out) for use as a commercial or mixed-use building with a deed restriction to be required ensuring no change in the proposed project use for 5 years; Maximum funding of $3.5 million per building; not for new construction

- Building Reuse Studies – such as building conversion analysis from office to commercial or mixed-use; or adaptive reuse study; or other building analysis; Funding cannot be used for physical improvements/construction work. Maximum funding of $200,000 per study and maximum of 3 studies per applicant

- Public Space Use Investments – Funding may be provided for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; Funding cannot be used for programming/operational costs of the space; space/property must be either outdoor publicly owned space or outdoor space under agreement (operating agreement, lease, easement, etc.) with a public entity for public use that would function as one of the uses listed above; space/property must be predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project

Per US Treasury deadlines and federal SLFRF requirements, all Program funds must be fully disbursed by December 31, 2026. In order to meet these timelines, it is anticipated that Projects included in any application for Program funding would be fully completed by September 30, 2026.

Projects that have started construction are not eligible. Construction, including demolition and remediation, cannot start until approval. All projects will be subject to compliance with New Jersey prevailing wage law and the Public Works Contractor Registration Act (NJSA 34:11-56.48 et seq.) which requires all contractors, subcontractors, or lower tier subcontractors (including subcontractors listed in bid proposal) who bid on or engage in the performance of any public work in New Jersey to register with the NJ Department of Labor and Workforce Development.

Building Rehabilitation Projects that are 100% residential are not eligible but mixed-used development projects are eligible and (1) any residential portion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329(b). and (2) should have at least 20% of the total square footage or the entire ground level or entire floor of the building dedicated to a commercial/non-residential use. Building Rehabilitation Projects that are for governmental or educational uses are ineligible.

Program grant funding can only be used for the real estate project costs specifically approved based on the application, Authority review, and funding grant agreement. Project costs may include hard construction costs with a maximum 10% contingency, soft costs not exceeding 20% of total project costs and developer fee not exceeding 10% of total project costs or as otherwise allowed by another State agency providing funding to a project. Acquisition funding is not eligible nor are operating costs. All Project costs and Grant funding are subject to federal Duplication of Benefits requirements and a cost reasonableness analysis will be undertaken prior to Project approval.

Application Submission:

As described above, eligible municipalities will be able to submit an application seeking Program Grant funding up to the maximum amounts based on the commuter-adjusted population size category. This will be a rolling grant application process, not competitively scored. In order to meet federal funding timing requirements, eligible applicants will have up to four months to submit an application. The Authority, at its sole discretion, may extend the application deadline by up to 2 months. All applications will be submitted online.

As part of a Program application, applications for Program Grant funding must identify and describe the Corridor and demonstrate that there is an overall Revitalization Strategy for the Corridor in alignment with Program criteria. Applications would also request grant funding for specific eligible Projects. The online application must include, but is not limited to, the following information:

- Narrative describing commercial corridor area – define area as to streets/boundaries, must be a primarily commercial area; describe the neighborhood and surrounding area; explain why and how this commercial corridor area was selected (process and/or rationale); what are the current COVID-19 related negative economic impacts (existing conditions of vacancy, reduced traffic, etc.); how negative impacts can be addressed/ameliorated; benefits and long term impacts to the area and the community
- Description and details of the proposed strategy for the overall commercial corridor revitalization including what types of projects are needed; what stakeholders/partners are involved that will undertake projects or be part of overall approach to address decreased foot traffic and economic activity; describe benefits to the area and the community for implementing this strategy; process undertaken to identify and determine which projects would be included in the application for grant funding; include a narrative on how the proposed Revitalization Strategy and Projects will address the impacts of COVID-19; and why this capital expenditure is the most appropriate to address the economic harms caused by COVID-19
- Overall Application Budget Sources and Uses – this would include all Projects within the application, indicate the Grant funds being requested per Project, and identify other funding sources
- Strategy Implementation Timeline –showing key milestones for start of Projects to be undertaken, securing of required additional funding, construction progress, and completion of

each Project. Note that in order to ensure that federal expenditure deadlines are met, it is anticipated that all Projects to be undertaken with Grant funding will be fully completed by September 30, 2026

- Applicant's experience and capacity to undertake and oversee the overall Revitalization Strategy and to monitor and ensure completion of the proposed Projects
- For each Project that is to be funded with Grant funds, provide project narrative including scope of work to be done/plan for rehabilitation if applicable; owner and developer information and experience including required disclosures and certifications; evidence of or path to site control; financial viability related information such as sources and uses budget, evidence of or ability to secure other funding, proforma if relevant; explanation of why these grant funds are needed; project development timeline
- If a municipality is designating a municipal entity, county entity, or a not-for-profit local economic and community development entity to apply on their behalf, a letter from the municipality (Mayor or their municipal employee designee) designating such entity is required and indicating approval of the application and the projects within the application.

Review Factors for Funding Consideration:

Applications will first be reviewed for application completeness to ensure all necessary Application information and documents are submitted and complete. At the sole discretion of the Authority, staff may ask for clarification of the information included in the application, including but not limited to narrative responses, supporting documentation, and attachments. Applicants will be given ten business days to cure any deficiencies and/or to provide any clarifying information or documents.

All applications will be reviewed by Authority staff to confirm that sufficient information and details regarding the following items have been satisfactorily included and are consistent with the Program outlined in this Board Memo:

- Key commercial corridor area has been designated and description of COVID-19 related negative economic impacts has been provided;
- Overall Revitalization Strategy outlines plan to address the negative impacts and increase foot traffic and economic activity within the Corridor;
- Proposed Projects to be undertaken with Grant Funds are eligible as outlined herein;
- Applicant and/or Project developers have provided evidence of sufficient capacity and experience to undertake the revitalization strategy and Projects;
- Financial information provided evidences reasonableness of proposed costs and ability to provide or secure minimum matching 20% of total Project costs;
- Timelines to undertake the strategy and complete the proposed Projects are reasonable and evidence completion before September 30, 2026.

A cost reasonableness analysis will be completed prior to any Project being approved. Additionally, the Authority will undertake project financial gap analysis to ensure reasonable profit/returns.

Board Approval:

Following application submission and determination by staff of completeness, eligibility, and conformance with Program requirements per the above review factors for funding considerations, all applications will be presented to the Board for funding consideration. To ensure that federal expenditure deadlines are met, staff recommendations to the Board for approval of applications will include timelines and anticipated project development milestones to be met and will indicate that if timelines are not met, then the Authority may either allow for reallocation to a different project and/or either may recapture or require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

Following Board approval, the Authority will issue an Approval letter listing requirements and timelines for submission of required documents and information required to proceed to a Grant Agreement. Such required documentation may include, but is not limited to, the following: evidence of site control and site ownership for each Project; Project developer organizational documents and certifications; Project budgets; evidence of other financing; project development milestones and timelines; general contractor information; and evidence of required insurance.

Applicants will be given 60 days, which may be extended up to an additional 60 days by the Authority at its sole discretion, to submit required documentation. If an approved Applicant does not submit requested information within the given timeline, the Authority's approval would be withdrawn, and the Projects would not proceed.

Grant Agreement and Funding Disbursements:

Following Board approval and upon satisfactory submission in a timely manner of Approval Letter documents and conditions, the Authority will enter into a Grant Agreement ("Grant Agreement") with the Applicant municipality. The municipality shall be responsible for assuring the compliance with all terms and conditions of the application, Grant Agreement, and the Program funding requirements.

The Grant Agreement will include descriptions of the Corridor and the Revitalization Strategy, each separate Project to be funded with Grant funds, eligible Project costs, the amount of Grant funding, and all financial programmatic requirements including the amount of other funding as may be applicable.

The Grant Agreement will detail state and federal requirements (some included above). All Projects that are developed/redeveloped with Urban Investment Fund Grant Program funding shall be subject to compliance with New Jersey prevailing wage law and compliance with other labor standards requirements, as well as other state requirements which may be applicable depending on project details and funding amounts including possibly New Jersey Executive Order 215 of 1989 regarding Environmental Assessments. No construction can have started on any Project prior to execution of a Grant Agreement.

For Building Rehabilitation projects, the Authority will require that the applicant file a 5-year deed restriction on the property utilizing the Authority's required restriction language. The deed restriction will be released by the Authority after 5 years from final Project closeout.

The Grant Agreement will detail timelines and milestones to be met for the completion of each Project as part of the overall Grant funding. At the Authority's sole discretion, the Authority may grant timeline or milestone extensions. The Grant Agreement will indicate that to comply with federal funding requirements, all Projects must be fully completed, and all funds fully disbursed by 12/31/2026.

Should any Project not be able to meet key milestone dates then the Municipality may request a modification in Project scope or request approval of an alternative Project. The Authority at its sole discretion will consider such request and under delegated authority described in this Board Memo may approve such a Project modification.

The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.

The Grant Agreement will detail the funding disbursement process. Following the execution of the Grant Agreement, Grant funds will be disbursed either incrementally as eligible Project expenses are incurred and may be prorated with other funding sources, if applicable, with the Authority's standard construction retainage withheld until project completion or grant funds may be disbursed in coordination with the other funder's disbursement process. Funding disbursement requests must be evidenced by documentation supporting that the expenses were incurred, work has been performed in accordance with prevailing wage and labor standards compliance requirements, and work was done consistent with Grant approval and eligible uses of Program funding.

Applicants will be responsible for and required to ensure that all Grant Agreement requirements between the Authority and applicant are subsequently imposed on the Project developers through separate funding agreement(s) between the applicant and the Project developers.

Delegated Authority:

As part of this Board Memo, delegated authority is requested for the Authority's CEO to approve changes to an approved application and Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines within an approved application in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.

Fees:

As allowed by EDA's recently revised fee rules, no application fee will be charged because EDA is using part of the funds for EDA's administrative costs.

Recommendation:

The Members are requested to approve: (1) the creation of the Urban Investment Fund Grant Program, a $38,198,148 pilot grant program funded from the $50 million appropriated for "Urban Investment Fund" in the Fiscal Year 2024 Appropriations Act (P.L. 2023, c.74) from American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds to provide grants for the revitalization of key commercial corridor areas and undertake real estate projects located within eligible urban municipalities; (2) delegation to the Authority's Chief Executive Officer to enter into a Memorandum of Understanding with the New Jersey Department of Community Affairs to accept and use $38,198,148 of the $50 million of SLFRF funds appropriated in the FY2024 budget and deposit it into the Economic Recovery Fund for the Urban Investment Fund Grant Program, and agree to comply with federal requirements for the use of those funds. This request includes the utilization of 2.5% ($954,954) in addition to the $38,198,148 to support the Authority's administrative costs associated with operating the Program; and (3) delegated authority to the Authority's CEO to approve adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines within an approved application in alignment with federal expenditure deadlines.

Tim Sullivan
Chief Executive Officer

Prepared by: Liza Nolan and Giancarlo Di Lonardo
Attachments:
– Urban Investment Fund Grant Program Specifications

URBAN INVESTMENT FUND GRANT PROGRAM: **Grant Pilot Program Specifications** **March 7, 2024**	
Funding Source	$38,198,148 million (FY 2024 state budget appropriation) American Rescue Plan ("ARP") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") *2.5% ($954,954) to be used for EDA's program administration costs*
Program Purpose and Products	The Urban Investment Fund Grant Program funding of $38,198,148 will be available to eligible municipalities to implement a revitalization strategy designed to increase foot traffic and commercial activity within a commercial corridor area by supporting and undertaking and concentrating eligible real estate related projects within the identified area. The Program goals are to catalyze and support revitalization in key commercial corridor areas by investing in projects that transform commercial corridors into vibrant 24-hour commercial centers and respond to evolving market conditions, such as hybrid and remote work, by funding activations and development that will in turn increase residents, visitors, and/or office workers and to support investment within key commercial corridors and promote strong, resilient, and equitable economic recoveries. This Program will expand investment in communities by working to activate underutilized, distressed, or vacant buildings for projects to promote equitable economic growth and urban community development. Eligible municipalities/applicants as defined below would identify the key commercial corridor area, develop a revitalization strategy approach designed to increase foot traffic and commercial activity for the identified Corridor, and then identify a minimum of 2 interrelated projects to undertake which are in alignment with their vision statement and are eligible project types/uses described below. All projects must be undertaken and completed within SLFRF timeframes which mandate project completion by 12/31/26. Applicants must confirm that they are aware and agree that the real estate projects proposed in their application can be completed by 12/31/26 (as per US Treasury).
Identification of Commercial Corridor Area and Revitalization Strategy	Commercial corridors play a vital role in municipalities, serving as economic engines for communities by providing jobs that keep money circulating in the local economy, offering goods and services for residents, and powering entrepreneurship as well as wealth building. Prior to the COVID-19 pandemic, economic shifts adversely impacted commercial corridors – resulting in uneven growth and high vacancy rates, especially in corridors located in distressed communities. The pandemic further amplified these economic hardships, as many of the businesses hit hardest by the pandemic were also the ones that populate and contribute to the dynamism of commercial corridors, with Black- and Brown-owned businesses proving to be exceptionally vulnerable. This, combined with the mass transition to remote work, has resulted in decreased

	capacity, foot-traffic, and revenue across economically vital commercial corridors. *(from Regenerating Commercial Corridors: A Proposal for States; Bruce Katz et al)* Eligible municipalities will identify a key commercial corridor area ("Corridor") for revitalization. These Corridors have experienced negative impacts from the COVID19 pandemic such as loss of foot traffic and decreased economic activity due to work-from-home trends and increased online retail spending. The Corridor will typically be in a downtown location and the Applicant will identify the borders of the Corridor. At a minimum, the Corridor should have active commercial activity and/or have zoning allowing for as-of-right commercial use on the ground floor of at least 50% of buildings in the identified Corridor. Once the Corridor has been identified, eligible municipalities would develop their revitalization strategy for investing in the Corridor to help mitigate the economic harms/losses resulting from the pandemic and stimulate recovery by promoting economic development projects to increase foot traffic and local spending in that area ("Revitalization Strategy"). The Revitalization Strategy would describe the public open process that the municipality undertook to identify and determine the projects from the eligible project types below for which they would request Program grant funding. The Revitalization Strategy should also indicate other projects that could be undertaken and/or additional partners and stakeholders involved in community or business activities in the identified key commercial corridor area.
Eligible Project Types / Eligible Uses of Funding	The Program will allow for several types of projects as described below ("Projects") to be funded within the Corridor as part of the municipal Revitalization Strategy. Applicants must include a minimum of two projects from the list below in their application: o Building Rehabilitation Projects – rehabilitation/renovation of a blighted, underutilized, partially vacant, or vacant building (could include substantial or minor rehabilitation, reactivating vacant space, addressing code violations, interior building reconfiguration/fit out) for use as a commercial or mixed-use building with a deed restriction to be required ensuring no change in the proposed project use for 5 years; Maximum funding of $3.5 million per building; not for new construction o Building Reuse Studies – such as building conversion analysis from office to commercial or mixed-use; or adaptive reuse study; or other building analysis; Funding cannot be used for physical

	improvements/construction work. Maximum funding of $200,000 per study and maximum of 3 studies per applicant o Public Space Use Investments – Funding may be provided for permanent or semi-permanent physical improvements for projects such as parklets, barrier structures, stages, active use equipment, pedestrian plazas, pocket parks; Funding cannot be used for programming/operational costs of the space; space/property must be either outdoor publicly owned space or outdoor space under agreement (operating agreement, lease, easement, etc.) with a public entity for public use that would function as one of the uses listed above; space/property must be predominantly accessible/open to the public for public use the majority of the time for a minimum 5 years; Maximum funding of $1.5 million per project Per US Treasury deadlines and federal SLFRF requirements, all Program funds must be fully disbursed by December 31, 2026. In order to meet these timelines, it is anticipated that Projects included in any application for Program funding would be fully completed by September 30, 2026. Projects that have started construction are not eligible. Construction, including demolition and remediation, cannot start until approval. All projects will be subject to compliance with New Jersey prevailing wage law and the Public Works Contractor Registration Act (NJSA 34:11-56.48 et seq.) which requires all contractors, subcontractors, or lower tier subcontractors (including subcontractors listed in bid proposal) who bid on or engage in the performance of any public work in New Jersey to register with the NJ Department of Labor and Workforce Development. Building Rehabilitation Projects that are 100% residential are not eligible but mixed-used development projects are eligible and (1) any residential portion must comply with the 20% reservation for low- and moderate-income households required by N.J.S.A. 52:27D-329(b). and (2) should have at least 20% of the total square footage or the entire ground level or entire floor of the building dedicated to a commercial/non-residential use. Building Rehabilitation Projects that are for governmental or educational uses are ineligible. Program grant funding can only be used for the real estate project costs specifically approved based on the application, Authority review, and funding grant agreement. Project costs may include hard construction costs with a maximum 10% contingency, soft costs not exceeding 20% of total project costs and developer fee not exceeding 10% of total Project costs or as otherwise allowed by another State agency providing funding to a project. Acquisition

	funding is not eligible nor are operating costs. All Project costs and Grant funding are subject to federal Duplication of Benefits requirements and a cost reasonableness analysis will be undertaken prior to Project approval.
Eligible Applicants	Eligible applicants are municipalities defined below as meeting BOTH criteria excluding Atlantic City which received its own FY 2024 State Budget Appropriation from ARP SLFRF. Only one application per eligible municipality may be submitted as evidenced by a letter from the eligible municipality as described below. Eligible municipalities may designate a municipal entity, county entity, or a not-for-profit local economic and community development entity to be the applicant on behalf of the municipality and if so, then a letter as described below is required as part of the application. • **Top 5%** of municipalities based on Commuter-Adjusted Population (2018-2022 American Community Survey 5-Year Estimates) o This is "Daytime Population" which is the calculation of Total Resident Population + Total Workers Working in Area – Total Workers Living in Area. • **Top 5%** of municipalities within the 2023 Municipal Revitalization Index (MRI). The MRI serves as the State's official measure and ranking of municipal distress. The MRI ranks New Jersey's municipalities according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality. The MRI is used as a factor in distributing certain "need based" funds. Based on the above criteria, the following municipalities would be eligible to apply for and receive funding. Note that only one application for funding within a municipality may be submitted. Camden, New Brunswick, Newark, Passaic, Paterson, and Trenton. Additional applicant requirements: Must be in substantial good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection at the time of application to be eligible. A current tax clearance certificate must be provided prior to approval to demonstrate the applicant is in substantial good standing with the New Jersey Division of Taxation, unless the applicant is not required to register with the Division of Taxation.

<table>
<tr><th colspan="2"><u>URBAN INVESTMENT FUND GRANT PROGRAM:</u>
Grant Pilot Program Specifications
March 7, 2024</th></tr>
<tr><td>Application Submission</td><td>
As described above, eligible municipalities will be able to submit an application seeking Program Grant funding up to the maximum amounts based on the commuter-adjusted population size category. This will be a rolling grant application process, not competitively scored. In order to meet federal funding timing requirements, eligible applicants will have up to four months to submit an application. The Authority, at its sole discretion, may extend the application deadline by up to 2 months. All applications will be submitted online.
As part of a Program application, applications for Program Grant funding must identify and describe the Corridor and demonstrate that there is an overall Revitalization Strategy for the Corridor in alignment with Program criteria. Applications would also request grant funding for specific eligible Projects. The online application must include, but is not limited to, the following information:

Narrative describing commercial corridor area – define area as to streets/boundaries, must be a primarily commercial area; describe the neighborhood and surrounding area; explain why and how this commercial corridor area was selected (process and/or rationale); what are the current COVID-19 related negative economic impacts (existing conditions of vacancy, reduced traffic, etc.); how negative impacts can be addressed/ameliorated; benefits and long term impacts to the area and the community
Description and details of the proposed strategy for the overall commercial corridor revitalization including what types of projects are needed; what stakeholders/partners are involved that will undertake projects or be part of overall approach to address decreased foot traffic and economic activity; describe benefits to the area and the community for implementing this strategy; process undertaken to identify and determine which projects would be included in the application for grant funding; include a narrative on how the proposed Revitalization Strategy and Projects will address the impacts of COVID-19; and why this capital expenditure is the most appropriate to address the economic harms caused by COVID-19
Overall Application Budget Sources and Uses – this would include all Projects within the application, indicate the Grant funds being requested per Project, and identify other funding sources
Strategy Implementation Timeline –showing key milestones for start of projects to be undertaken, securing of required additional funding, construction progress, and completion of each project. Note that in order to ensure that federal expenditure deadlines are met, it is anticipated that

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	all projects to be undertaken with Grant funding will be fully completed by September 30, 2026 • Applicant's experience and capacity to undertake and oversee the overall Revitalization Strategy and to monitor and ensure completion of the proposed Projects • For each Project that is to be funded with Grant funds, provide project narrative including scope of work to be done/plan for rehabilitation if applicable; owner and developer information and experience including required disclosures and certifications; evidence of or path to site control; financial viability related information such as sources and uses budget, evidence of or ability to secure other funding, proforma if relevant; explanation of why these grant funds are needed; project development timeline If a municipality is designating a municipal entity, county entity, or a not-for-profit local economic and community development entity to apply on their behalf, a letter from the municipality (Mayor or their municipal employee designee) designating such entity is required and indicating approval of the application and the projects within the application.
Review Factors for Funding Consideration	Applications will first be reviewed for application completeness to ensure all necessary Application information and documents are submitted and complete. At the sole discretion of the Authority, staff may ask for clarification of the information included in the application, including but not limited to narrative responses, supporting documentation, and attachments. Applicants will be given ten business days to cure any deficiencies and/or to provide any clarifying information or documents. All applications will be reviewed by Authority staff to confirm that sufficient information and details regarding the following items have been satisfactorily included and are consistent with the Program outlined in this Board Memo: o Key commercial corridor area has been designated and description of COVID-19 related negative economic impacts has been provided; o Overall Revitalization Strategy outlines plan to address the negative impacts and increase foot traffic and economic activity within the Corridor; o Proposed projects to be undertaken with Grant Funds are eligible as outlined herein;

URBAN INVESTMENT FUND GRANT PROGRAM: Grant Pilot Program Specifications March 7, 2024	
	o Applicant and/or Project developers have provided evidence of sufficient capacity and experience to undertake the revitalization strategy and Projects; o Financial information provided evidences reasonableness of proposed costs and ability to provide or secure minimum matching 20% of total Project costs; o Timelines to undertake the strategy and complete the proposed Projects are reasonable and evidence completion before September 30, 2026. A cost reasonableness analysis will be completed prior to any Project being approved. Additionally, the Authority will undertake project financial gap analysis to ensure reasonable profit/returns.
Board Approval	Following application submission and determination by staff of completeness, eligibility, and conformance with Program requirements per the above review factors for funding considerations, all applications will be presented to the Board for funding consideration. To ensure that federal expenditure deadlines are met, staff recommendations to the Board for approval of applications will include timelines and anticipated project development milestones to be met and will indicate that if timelines are not met, then the Authority may either allow for reallocation to a different project and/or either may recapture or require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds. Following Board approval, the Authority will issue an Approval letter listing requirements and timelines for submission of required documents and information required to proceed to a Grant Agreement. Such required documentation may include, but is not limited to, the following: evidence of site control and site ownership for each Project; Project developer organizational documents and certifications; Project budgets; evidence of other financing; project development milestones and timelines; general contractor information; and evidence of required insurance. Applicants will be given 60 days, which may be extended up to an additional 60 days by the Authority at its sole discretion, to submit required documentation. If an approved Applicant does not submit requested information within the given timeline, the Authority's approval would be withdrawn, and the Projects would not proceed.

URBAN INVESTMENT FUND GRANT PROGRAM: **Grant Pilot Program Specifications** **March 7, 2024**	
Grant Funding	In order to provide Grants and support projects in several different municipalities, only one application proposal may be submitted per eligible municipality. Maximum grant funding amounts per application will be based on commuter-adjusted population size: • Maximum grant funding of $7 million for municipalities with commuter-adjusted population over 100,000 • Maximum grant funding of $5,732,716 million for municipalities with commuter-adjusted population under 100,000 Minimum grant funding request would be $1 million for any municipality. Program grant funding may not exceed 80% of the total of all project costs within the approved application. As outlined below in the Grant Agreement section, if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds.
Grant Agreement and Funding Disbursement	Following Board approval and upon satisfactory submission in a timely manner of Approval Letter documents and conditions, the Authority will enter into a Grant Agreement ("Grant Agreement") with the Applicant municipality. The municipality shall be responsible for assuring the compliance with all terms and conditions of the application, Grant Agreement, and the Program funding requirements. The Grant Agreement will include descriptions of the Corridor and the Revitalization Strategy, each separate Project to be funded with Grant funds, eligible Project costs, the amount of Grant funding, and all financial programmatic requirements including the amount of other funding as may be applicable. The Grant Agreement will detail state and federal requirements (some included above). All Projects that are developed/redeveloped with Urban Investment Fund Grant Program funding shall be subject to compliance with New Jersey prevailing wage law and compliance with other labor standards requirements, as well as other state requirements which may be applicable depending on project details and funding amounts including possibly New Jersey Executive

	Order 215 of 1989 regarding Environmental Assessments. No construction can have started on any Project prior to execution of a Grant Agreement. For Building Rehabilitation projects, the Authority will require that the applicant file a 5-year deed restriction on the property utilizing the Authority's required restriction language. The deed restriction will be released by the Authority after 5 years from final Project closeout. The Grant Agreement will detail timelines and milestones to be met for the completion of each Project as part of the overall Grant funding. At the Authority's sole discretion, the Authority may grant timeline or milestone extensions. The Grant Agreement will indicate that to comply with federal funding requirements, all Projects must be fully completed, and all funds fully disbursed by 12/31/2026. Should any Project not be able to meet key milestone dates then the Municipality may request a modification in Project scope or request approval of an alternative Project. The Authority at its sole discretion will consider such request and under delegated authority described in this Board Memo may approve such a Project modification. The Grant Agreement will also indicate that if timelines for meeting project milestones are not met, then the Authority may recapture or may require repayment of Grant funds and/or the Applicant may no longer be eligible for any remaining unused grant funds. The Grant Agreement will detail the funding disbursement process. Following the execution of the Grant Agreement, Grant funds will be disbursed either incrementally as eligible Project expenses are incurred and may be prorated with other funding sources, if applicable, with the Authority's standard construction retainage withheld until project completion or grant funds may be disbursed in coordination with the other funder's disbursement process. Funding disbursement requests must be evidenced by documentation supporting that the expenses were incurred, work has been performed in accordance with prevailing wage and labor standards compliance requirements, and work was done consistent with Grant approval and eligible uses of Program funding. Applicants will be responsible for and required to ensure that all Grant Agreement requirements between the Authority and applicant are subsequently imposed on the Project developers through separate funding agreement(s) between the applicant and the Project developers.

URBAN INVESTMENT FUND GRANT PROGRAM: **Grant Pilot Program Specifications** **March 7, 2024**	
Delegated Authority	As part of this Board Memo, delegated authority is requested for the Authority's CEO to approve changes to an approved application and Grant Agreement terms including adjusting of approved project funding amounts, modifications to approved project details/scope of work project, and changes to milestones and completion timelines within an approved application in alignment with federal expenditure deadlines. This would allow for all material terms of the agreement to change with the CEO's approval except for changes to the identified and approved commercial corridor area and/or the requirement that a minimum of two projects must be undertaken.
Fees	As allowed by EDA's recently revised fee rules, no application fee will be charged because EDA is using part of the funds for EDA's administrative costs.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: New Jersey Re-assigning In-State Employees (NJ RISE) Program

Request:

The Members are asked to approve:

1. The creation of the New Jersey Re-assigning In-State Employees (NJ RISE) Program, a pilot program that will provide grants to businesses principally located in another state that apply before July 1, 2028 to re-assign the location of employment for certain of their New Jersey resident employees from out-of-State to New Jersey.

2. The utilization of up to $35,000,000 for NJ RISE in any State fiscal year, contingent on continued appropriations.

3. Delegation of authority to the Chief Executive Officer to approve individual applications for the NJ RISE Program within the parameters set forth in this memo and the attached program specifications.

4. Delegation of authority to the Chief Executive Officer to extend the time period for submission of the CPA Certification for a one-time extension of up to six (6) months and for administrative changes described in this memo.

Background:

On July 21, 2023, the New Jersey State Legislature passed and Governor Phil Murphy approved P.L. 2023, c.125 ("Chapter 125"), which included a pilot grant program, to be administered by the New Jersey Economic Development Authority (EDA), to provide grants to businesses principally located outside of New Jersey that re-assign New Jersey residents that are currently assigned to work in a state with "convenience of the employer" income taxation to work in New Jersey locations.

Convenience of the Employer Sourcing Taxation

States tax compensation in different ways. In some states, like New Jersey (with the exceptions noted below), the state taxes an employee's compensation based on the location where the work was done, regardless of whether the location is at the convenience of the employee or the employer. For instance, an employee who is assigned by the employer to work at a location in New Jersey but chooses to work at home outside of the State three days a week, will be taxed by New Jersey only for the two days the employee works in the State. The exceptions in New Jersey are due to (1) the Reciprocal Agreement between New Jersey and Pennsylvania that subjects compensation by the residents of each state to the income tax of the state of residency and (2) other limited statutory exceptions.

Other states, such as Delaware, Nebraska, and New York, implement a "convenience of the employer" income taxation. Under this system, the state taxes a nonresident employee's compensation based on ("sourced to") the employer's assigned location even if the employee is working from an out-of-state location (e.g., at home in their resident state) for the employee's own convenience rather than for the necessity or convenience of the employer. For example, a New Jersey resident employee who is assigned by their employer to work at a location in a "convenience of the employer" state ("State A") but whose employer requires him to work in New Jersey three days a week will be taxed by State A for the compensation earned for the two days the employee is at the State A location and not for the three days the employee is in New Jersey, because the work in New Jersey is at the necessity or convenience of the employer. If, however, a New Jersey resident employee who is assigned by their employer to work at a location in State A chooses to work at home in New Jersey three days a week, State A will tax all five days of compensation, as if the employee were working at the assigned State A location every day, because the decision to work in New Jersey was at the convenience of the employee.

The goal of NJ RISE is to encourage businesses principally located outside of New Jersey to re-assign New Jersey resident employees who are assigned to locations in states with "convenience of the employer" income taxation to locations in New Jersey. It is anticipated that the effect of the re-assignment will lead to increased revenue from the New Jersey Gross Income Tax.

Program Details:

The Authority shall provide grants to businesses principally located in another state to re-assign employees who are New Jersey residents assigned to work at locations in a state that uses the "convenience of the employer" income taxation to work at New Jersey locations. The grant is equal to the amount of New Jersey Gross Income Tax withholdings of the re-assigned resident employees during one tax year of the business, not to exceed $500,000 in the aggregate per business. The sum of all grants approved will not exceed $35 million per State fiscal year. Detailed program specifications, including definitions for capitalized terms, are attached.

Eligibility:

- The business has 25 or more U.S. Full-Time Employees.
- The business must submit a completed application to the EDA on or before July 1, 2028.
- The business is a Business Principally Located In Another State.
- The business must be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and New Jersey Department of Environmental Protection (DEP).
- Re-assigned Employees are Full-Time Employees and part-time employees (which includes employees leased through a professional employment organization but not independent contractor or individuals working on a consulting basis for the business) that are re-assigned by their employers from a place of work in a State with Convenience of The Employer Income Taxation to work at a location in New Jersey.

Restrictions:

- The value of all grants to the business under the program shall not exceeded $500,000.
- No grant may be based upon a Resident Employee for which a business has an active EDA incentive.

- A business's application is identified by EIN. Affiliates with different EIN numbers will not be included in the same application and can apply for separate grant awards.
- The Authority will not approve awards that exceed the sum of $35 million in any State fiscal year, and the Authority will not approve more than the amount of appropriation it has received from the Legislature. The current appropriation is $35 million.

A current tax clearance will also need to be provided at application and maintained through disbursement to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the New Jersey Division of Taxation.

All construction contracts that the applicant enters into to meet the requirements of the program that are equal or greater to $2,000 are subject to the Authority's affirmative action requirements, N.J.S.A. 34:1B-5.4, and prevailing wage requirements, N.J.S.A. 34:1B-5.1.

***Application Process*:**

1. Review of completed applications will be done on a rolling basis, with delegated authority for the CEO to make approvals. A business may make changes to a completed application until approval but no modifications after approval, except as described in the fee section below. Although the statute allows the Authority in its discretion to enact a preference for businesses that acquire or lease office space in this State and make a capital investment in such office space or that submit to the Authority a plan showing that the business will provide bonuses to, or otherwise increase the compensation of, employees re-assigned to the State (or both), in order to simplify the approval process, staff recommends that no preference be made.
2. A business may submit multiple applications, including within one tax year. Each application must be for Resident Employees not included in any other program award.
3. In the application, the business will select the tax year for reimbursement of Withholdings, which shall be either the tax year of application or the following tax year.
4. Approval will be made for a Grant Award Cap based on Withholdings estimated by the business of proposed Re-assigned Employees, not to exceed $500,000 in the aggregate per business.

After approval, the business may replace proposed Re-assigned Employees if it submits to the Authority the same information it submitted at application for the original Re-Assigned Employees. Such replacement shall not be considered a modification or an administrative change and shall be subject to the Grant Award Cap.

<u>Grant Disbursement Process:</u>

After the completion of the tax year selected by the business for the grant, the business must submit a CPA Certification within 120 days after the completion of the tax year. Upon staff's satisfactory review and acceptance of the CPA Certification, the business will be paid 75% of the estimated Withholdings substantiated by the CPA Certification. Staff will submit information to the Division of Taxation, which is required under Chapter 125 to certify the actual amount of Withholdings of the Re-assigned Employees. Based on that certification, staff will pay the remainder of the Withholdings, not to exceed the amount of the Grant Award Cap.

Delegated Authority:

The Members are requested to approve:

1. Delegated authority to the Chief Executive Officer to approve individual applications to the NJ RISE Program in accordance with the terms set forth in the attached product specifications. Entities whose applications are denied will have the right to appeal (which must be within at least 10 business days) pursuant to existing policies and delegated authority.

2. Delegation of authority to the Chief Executive Officer to extend the time period for submission of the CPA Certification for a one-time extension of up to six (6) months. No further extensions will be granted and any grantee that does not submit their CPA Certifications within that time will forfeit their grant award.

3. Delegation of authority to the Chief Executive Officer for administrative changes as described below. These changes are routine and staff has experience processing these changes based on other incentive programs.

Program Funding

In Chapter 125, funds were appropriated from the General Fund to the New Jersey Economic Development Authority in the sum of $35,000,000 subject to the approval of the Director of Budget and Accounting in the Department of the Treasury. Approvals for grants in excess of the currently appropriated amount will be subject to future appropriations and availability of funds.

Fees:

Application Fee: $5,000

Administrative Fee: $1,000

Administrative fee will be charged for routine updates to customer files such as company name changes and redesignations as a result of an internal reorganization and for extensions. Modifications that will not be accepted include mergers, acquisitions, spin-offs, separations, and divestitures.

* All fees are non-refundable, unless funds are not available to support the application request.

Recommendation:

The Members are asked to approve:

1. The creation of the New Jersey Re-assigning In-State Employees (NJ RISE) Program, a pilot program that will provide grants to businesses principally located in another state that apply before July 1, 2028 to re-assign the location of employment for certain of their New Jersey-resident employees from out-of-State to New Jersey.

2. The utilization of up to $35,000,000 for NJ RISE in any State fiscal year, contingent on continued appropriations.

3. Delegation of authority to the Chief Executive Officer to approve individual applications for the NJ RISE Program within the parameters set forth in this memo and the attached program specifications.

4. Delegation of authority to the Chief Executive Officer to extend the time period for submission of the CPA Certification for a one-time extension of up to six (6) months and for administrative changes described in this memo.

____
Tim Sullivan, CEO

Prepared by**:** Tomasita Generals

Attachments:

Appendix A – Proposed Product Specifications: **NJ RISE**

Proposed Program Specifications March 7, 2024	
Funding Source	EDA has received an appropriation in State Fiscal Year (SFY) 2024 for $35 million. EDA is authorized to award up to $35 million per SFY, subject to additional appropriations.
Program Purpose	Grants to businesses principally located in another state to re-assign their New Jersey resident employees assigned to work at locations in states that have convenience of the employer taxation to work at New Jersey locations.
Definitions	• "Business Principally Located In Another State" means a business that has a primary place of business outside of New Jersey, as determined by the Authority, in its sole discretion, which may consider factors such as revenue size, job count, customer base, square footage, and the location of the actual seat of management or control of the corporation. • "Employee" means a person who is employed by a business in the United States for consideration. An "Employee" shall also include a person who is employed pursuant to an employer leasing agreement in accordance with N.J.S.A. 34:8-67 et seq. between a business and a professional employment organization. "Employee" shall not include any person who works as an independent contractor or on a consulting basis for the business. • "Full-Time Employee" means an Employee who is employed for consideration for at least 35 hours a week. • "Grant Award Cap" means the maximum amount of the award at approval and stated in the grant agreement. • "Re-assigned Employee" means a Resident Employee that before application is assigned to a location in a State With Convenience Of The Employer Income Taxation and after approval is assigned to a location in New Jersey. "Re-assigned Employee" shall not include any Resident Employee assigned to a location in a State With Convenience Of The Employer Income Taxation within three months prior to the date of the completed application absent the Authority's acceptance of satisfactory documentation submitted by the business to demonstrate a bona fide assignment. • "Resident Employee" means a Full-Time Employee or part-time Employee who is a New Jersey resident taxpayer. • "State With Convenience Of The Employer Income Taxation" means a state that imposes an income or compensation tax that

Proposed Program Specifications March 7, 2024	
	requires employee compensation to be sourced to an employer's location if the nonresident employee renders the personal services from an out-of-state location for the convenience of the nonresident employee and not due to the necessity of the employer, excluding any state with a reciprocal agreement with New Jersey concerning the taxation of income. • "Withholdings" has the same meaning as that used in N.J.S.A. 54A:7-1 to -7 and N.J.A.C. 18:35-7.1 to -7.11 and, for purposes of this program, will be determined by the Division of Taxation.
Eligible Applicants	• The business has 25 or more Full-Time Employees. • The business must submit a completed application to the EDA on or before July 1, 2028. • The business is a Business Principally Located In Another State. • Must be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and the New Jersey Department of Environmental Protections (DEP). • Re-assigned Employees may include Full-Time and part-time Employees but not independent contractors or individuals working on a consulting basis for the business. • A current tax clearance will need to be provided at application and maintained through disbursement to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the New Jersey Division of Taxation.
Restrictions	• The value of all grants to the business under the program shall not exceed $500,000. • No grant may be based upon a Resident Employee for which a business has an active EDA incentive. • A business's application is identified by EIN. Affiliates with different EIN numbers will not be included in the same application and can apply for separate grant awards. • The Authority will not award more than the sum of $35 million in any State fiscal year, and the Authority will not approve more than the amount of appropriation it has received from the Legislature.

Proposed Program Specifications March 7, 2024	
Eligible Uses	There are no restrictions on the business's use of the grant funds.
Application	Each application to the Authority by a business must shall include the following information: • Evidence that the applicant is a Business Principally Located In Another State. • Evidence that the applicant has 25 Full-Time Employees., e.g. Form 941. • Job log of Resident Employees that are currently assigned to a location in a State With Convenience Of The Employer Income Taxation that the applicant proposes to be Re-assigned Employees, with estimated future New Jersey Withholdings. • Evidence to demonstrate that the proposed Re-assigned Employees are Resident Employees that are currently assigned to a location in a State With Convenience Of The Employer Income Taxation and will be Re-assigned Employees, which shall include but not be limited to: a. Payroll report(s) from the business b. Documents demonstrating viability of each Re-assigned Employee's work location in New Jersey c. Proof of the business's Withholdings from the prior quarter to confirm that each proposed Re-assigned Employee is assigned to a location outside of New Jersey in a State With Convenience Of the Employer Income Taxation, e.g. document equivalent to New Jersey's WR-30. If hired during that quarter, documentation to demonstrate bona fide assignment. d. W-3 for the relevant fiscal year. • Selection by the business of the business's tax year for reimbursement of Withholdings, which shall be either the tax year of application or the following tax year. The selected tax year will apply to all Re-assigned Employees associated with the grant. • A written certification by the chief executive officer, or equivalent officer for North American operations, stating that the business applying for the program is not in default with any other program administered by the State of New Jersey, and that the officer has reviewed the application information submitted and that the representations contained therein are true and accurate, under the penalty of perjury. • Indication whether any new work location(s) in New Jersey for Re-assigned Employees will require construction or renovation.

Proposed Program Specifications
March 7, 2024

	• Any other necessary and relevant information as determined by the Authority for a specific application.
Application Review and Board Approval/ Delegated Authority	• Review of completed applications will be done on a rolling basis without any preference, with delegated authority for CEO to make approvals. • A business may submit multiple applications, including within one tax year. Each application must be for Resident Employees not included in any other active incentive. • Approval will be made for a Grant Award Cap based on estimated Withholdings of proposed Re-assigned Employees.
Grant Amounts	The grant amount is equal to the New Jersey Gross Income Tax Withholdings of Re-assigned Employees subject to the Grant Award Cap.
Fees	Application Fee: $5,000 Administrative Fee: $1,000 Administrative fee will be charged for routine updates to customer files such as company name changes and redesignations as a result of an internal reorganization and for extensions. Modifications that will not be accepted include mergers, acquisitions, spin-offs, separations, and divestitures. * All fees are non-refundable, unless funds are not available to support the application request.
Grant Agreement	Upon approval, the authority shall send a grant agreement which will include, at a minimum: • the Grant Award Cap • the minimum number of Re-assigned Employees. The minimum number of Re-assigned Employees will be the number of Re-assigned Employees whose Withholdings add up to at least one half of the Grant Award Cap • a provision that no modifications will be allowed, except for certain administrative changes (as described in the memorandum). The business may replace previously proposed Re-assigned Employees if it submits the information required in the Application section for the original Re-Assigned Employees; such replacement shall not be considered a modification and shall be subject to the Grant Award Cap

Proposed Program Specifications March 7, 2024	
	• a provision that payment under the grant agreement is subject to appropriation and that payment shall be made solely to the grantee and not to any professional employment organization that may be a co-employer of Re-assigned Employees • the requirement that absent extenuating circumstances and the written approval of the Authority, CPA Certifications are due 120 days after the completion of the tax year that the business has selected for reimbursement. The CPA Certification shall include a certification regarding the Re-assigned Employees by an independent CPA based on staff created “agreed upon procedures” and other documentation and certifications from the business as is consistent with other Authority job-based incentive programs. • a provision that, upon staff’s satisfactory review and acceptance of the CPA Certification the business will be paid 75% of the estimated Withholdings. • a provision that, upon the Division of Taxation’s certification of the actual amount of Withholdings of the Re-assigned Employees, the business will be paid the remainder of the certified amount of Withholdings, not to exceed the Grant Award Cap • recapture provisions in the event of overpayment and an event of default and full repayment for any material misrepresentation • the grant agreement will not require a compliance period • affirmative action and prevailing wage requirements, if applicable • a provision permitting an audit of the payroll records of the business and any other evidence and documentation supporting the reports required to demonstrate the Re-assigned Employees and the estimated Withholdings from time-to-time, as the Authority deems necessary
Disbursement	EDA will disburse 75% of the grant award based on the CPA certification with a 25% retainage that will only be released after certification by the Division of Taxation of the actual amount of Withholdings of the Re-assigned Employees. The retainage is anticipated to allow staff to make adjustments to the payment amount without requesting repayment. As stated above, the grant agreement will require recapture in the unlikely event of overpayment.

ADOPTED
MAR 7 2024

Attachments

Resolution of the New Jersey Economic Development Authority Regarding Approval of the New Jersey Reassigning In-State Employees (NJ RISE) Program

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

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

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

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

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

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

DATED: March 7, 2024

EXHIBIT

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: Genmab US, Inc. Emerge Tax Credit Program Application

REQUESTS:
The Members of the Authority are asked to:

1) Approve the proposed Emerge New Jersey tax credit award of $1,200,000 per year over seven years, in total $8,400,000 to induce Genmab US, Inc (Genmab) to site the project in New Jersey. The recommended tax credit award is subject to conditions subsequent to receive and maintain 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.

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 the 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 percent).

Projects must also demonstrate that the award of the tax credit is a "material factor" in the 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") must be able to accommodate at least 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 the 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 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 Qualified Business Facility with provisions that meet or exceed the statutory standards for the Community Benefits Agreement.

Upon completion of the project, the applicant must submit independently prepared CPA cost and job certifications and other documents evidencing completion of the approved project and satisfaction of the eligibility criteria. Once the tax credits are issued, the Emerge credits are certified for use annually and proportionally based on actual job performance (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 Qualified Business Facility property dispositions, and failure to report annually.

APPLICANT:
Genmab US, Inc. (Genmab)

PROJECT LOCATION:
777 Scudders Mill Rd, Building 1, Plainsboro, NJ

APPLICANT BACKGROUND:
Genmab, a biotechnology company specializing in the creation and development of differentiated antibody therapeutics for the treatment of cancer, has in-house and partnered pre-clinical, early- and late-stage clinical development programs. The company currently has two commercialized cancer medicines in the United States. Originally founded in 1999 in Copenhagen, Denmark, Genmab has made many achievements including creating multiple marketed products, inventing four proprietary technologies, growing multiple proprietary clinical programs, operating a large pre-clinical pipeline, and becoming a leader in antibody and R&D expertise.

Genmab's parent company, Genmab AS, GMAB (NASDAQ), and related entities, have more than 1,600 employees worldwide, including in Japan, Denmark, and the Netherlands. Genmab is the U.S. entity and has its United States headquarters in Plainsboro, NJ.

PROJECT BACKGROUND:
Genmab US, Inc., is planning to open a new location to support the commercialization of Epcoritamab, a bispecific antibody therapy for a rare form of blood cancer, which the FDA approved in May 2023. The facility and its employees will also support research and clinical development of other new indications and new antibody therapies in various tumors from proof of concept through development and full regulatory submissions.

Genmab is considering entering into a 12-year lease in three floors in a building adjacent to its existing headquarters facility in Plainsboro, NJ. This lease includes an option to extend the lease for a total of 22 years. Total estimated eligible capital investment includes $32.6 million to renovate and fit out the 135,476 square feet. This project will create 300 new full-time jobs with an average salary of $188,217. These new jobs include clinical development, commercialization, and research & development positions, as well as IT, HR and support staff and an office of the Chief Operating Officer.

Genmab anticipates executing the lease in the second quarter of 2024 and the facility being fully operational by the second quarter of 2025. Genmab anticipates having the jobs in place by September 2026.

Based on an underwriting review of the applicant's, and its parent company's financial information staff concludes 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

On April 9th, 2019 Genmab US, Inc, received a $12,810,000 Grow NJ award for establishing its US headquarters in Plainsboro, NJ. The Grow project included the creation of 150 jobs, the retention of 66 existing jobs and over $20.6 million in capital investment. The Grow NJ award is in good standing and the commitment period expires in 2031.

TARGETED INDUSTRY

Based on the facts and information provided by the company and to which the company CEO or equivalent officer has certified, staff concludes that Genmab US, Inc., meets the "Targeted Industry" definition of the "life sciences industry". Specifically, Genmab Us, Inc., is in the research and development of pharmaceutical treatment 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."*

MATERIAL FACTOR:

Staff concludes that, based upon the facts and information provided by the company and to which the company CEO or equivalent officer has certified, the award of incentives is a material factor in the applicant's decision to locate the project in New Jersey.

As the alternative to New Jersey, Genmab is considering leasing 113,700 square feet of space in King of Prussia, PA.

Prior to factoring in any alternative site incentive offers, the project has a cost comparison difference of $30,875,314 over the 11-year commitment period, with New Jersey being more costly than the Pennsylvania alternative. Overall, this is a 5.2 percent difference in the context of the 11-year life of the project. More than 84% of this cost gap is driven by the cost differential in expected salary payments between the two potential locations and the increased fit out and construction costs as the Pennsylvania facility is in significantly better condition. The

Pennsylvania location layout and condition would allow Genmab to occupy portions of the space as early as the second quarter of 2024, and construction being completed in around seven months. If New Jersey is chosen, Genmab would need to obtain swing space near the location to begin project operations as soon as possible while construction and fit-out activities can commence at the qualified business facility. The Plainsboro facility would require at least 12 months of construction activity before facility operations could commence.

Genmab has received an incentive offer letter from the Commonwealth of Pennsylvania including a $2 million grant through the Pennsylvania First Program and availability of Research and Development tax credits.

While the proposed New Jersey award would not entirely close the alternative site cost comparison gap, it would help offset the higher salary payments. 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 company's decision.

As part of the application, the applicant was required to list the (up to five) top factors driving their decision and provide relative weighting of those factors. Genmab US, Inc. listed the following factors:

Factor	Weight
Costs	30
Talent Pool	23
Presence of an Industry Cluster	25
Proximity to Colleges/Universities	15
Proximity to Client Base or Supporting Vendors	7
	Total: 100

Based upon this set of decision factors, staff reviewed the relative advantages and disadvantages of New Jersey compared to King of Prussia, PA.

Staff's cost analysis is noted above, however, the high factor weight of costs by the applicant is consistent with the fact that the two locations are relatively proximate to one another and there is a competitive dynamic between Pennsylvania and New Jersey to offer incentives for this project.

Both locations offer access to a large talent pool in the life science industry. Plainsboro and King of Prussia have a life science industry cluster and access to many colleges and universities. In terms of proximity to its client base / supporting vendors and access to talent pool, both sites are nearly identical given their close proximity to one another. However, Genmab has about 20 percent of its existing workforce who are Pennsylvania residents. Securing office space in eastern Pennsylvania would allow Genmab to attract talent from further into that state.

Separate from the above decision factor analysis, staff considered the suitability of both sites for the company's proposed business operations. The New Jersey site and the alternative Pennsylvania site offer close to identical benefits. Both sites are relatively the same usable size, have similar proximity to the New York and Philadelphia metro areas and have access to higher education offering top level talent.

Additional factors supporting the finding that the Emerge award is a material factor include:

- The operations of the project are separate from the existing NJ headquarters as the job functions in nthe project support global functions and could be set up in either location.
- The Pennsylvania site allows for a significant cost savings in salary.
- The Pennsylvania site would allow Genmab to commence operations twelve months before the New Jersey project would be operational.
- The types of jobs included in the project are a reasonable fit for both New Jersey and Pennsylvania in terms of available talent pools and salaries.

AWARD GRANT CALCULATION:

Based on the project's characteristics, including number of new jobs, bonuses, and location, staff are recommending an award of $1,200,000 per year of tax credits. The applicant has requested a seven-year eligibility period, corresponding to an 11-year commitment period. Over the course of the seven-year eligibility period, the total recommended award of tax credits for this project is $8,400,000.00. As a business in a targeted industry, the minimum new full-time jobs to be created are 25, and the applicant proposes 300 new full-time jobs. The applicant did not include any retained full-time jobs in its application.

As stated in the program regulations, awards for project full-time employees that will primarily work (that is, more than 50% of the employees' time) at the Qualified Business Facility are calculated at the full base and bonus amounts, up to a per-job capped amount. The per-job capped amount in an Employment and Investment Corridor project with bonuses is $4,000 per year. In this circumstance, Genmab US, Inc., reached the per-job cap for their project and the total eligible award was calculated at $4,000 per job, per year for new full-time jobs.

Awards for any full-time employees that are associated with the project but not "primarily working" at the Qualified Business Facility are calculated at the lower base amount of $500 with limited bonuses that are not attributed to the facility.

This project will have all of its full-time jobs primarily working at the Qualified Business Facility. To maintain the tax credit amount, all incented jobs must continue to primarily work at the Qualified Business Facility during the commitment period.

A summary of the per job award calculation is included in the table below.

Award Summary

	Location/Project Type		Amount
Annual Base Award Per Job:	Investment Corridor	$	2,500
Applicable Bonuses:			
Targeted Industry	*Life Science*	$	500
Large # of Project Jobs		$	500
Median Salary Bonus		$	1,000
Leed Gold		$	250
Total Applicable Bonuses		$	2,250
Total Award Per Job (Base + Bonus)		$	4,750
Total Per Job Award (CAPPED)		**$**	**4,000**

Total Number of Jobs	300

Total Annual Award	$	1,200,000
Total Award over 7 years:	**$**	**8,400,000**

NET BENEFIT:

The amount of net positive economic benefit to the State for a non-Mega-Project Employment and Investment Corridor project is 400% of the award.

In evaluating the net positive economic benefit for this project, staff needed to select appropriate inputs into the Board approved IMPLAN economic model. IMPLAN's model allows for users to group NAICS industry codes together to generate results which are a hybrid of different industries and therefore better reflect the complexity of some projects.

The NAICS code provided by Genmab US, Inc. in its program application was 541714 (Research and Development in Biotechnology). This code is primarily used by establishments primarily engaged in conducting biotechnology research and development. Additionally, hard renovation construction costs of $26,300,372 were included in the calculation 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 the $8,400,000 total award amount results to $6,247,644. The present value of the calculated net positive economic benefit is $ $44,299,135. This yields a 709% net positive economic benefit coverage ratio, which is above the required statutory hurdle rate of 400% for this project by 309%.

Net Benefit Summary Below:

NBT Summary	
One-time benefit to State from construction	$1,014,660
Ongoing annual benefit to the State	$5,041,072
NPV of one-time and ongoing benefits *(11 years with 2.5% inflation and discounted at 8%)*	**$44,299,135**
Total Emerge Award	$8,400,000
Annual Emerge Award	$1,200,000
NPV of award *(7 years discounted at 8%)*	**$6,247,644**
Coverage ratio of award	**709%**
Statutory minimum coverage ratio of award	400%

PROGRAM CAP AMOUNT:
The Emerge program is capped with NJ Aspire program at $1.1B per year over the life of the program with the option to roll-over unused program cap to subsequent years subject to certain geographic restrictions. If approved today, the Programs will have an available balance of $2.8 billion for State Fiscal Year 2024.

APPLICABLE DEADLINES:
Genmab US, Inc. shall have 6 months after the date of Board approval to enter into a community benefits agreement with Plainsboro or, if requested by the mayor of Plainsboro, 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 six months after the date of execution of the approval letter, the company will submit progress information indicating that the business has site plan approval (if applicable), committed financing (if applicable) for, and site control of the Qualified Business Facility.

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. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the executed lease or purchase contract is completely contingent on the award of Emerge Program tax credits and the executed lease or purchase contract has been previously shared with the Authority for its review prior to Board approval, except the executed non-binding letter of intent provided to the Authority.

2. If in the project completion certifications, the number of new jobs, 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 then current net benefit model, and the size of the tax credits may be reduced accordingly.

3. Applicant will be required to maintain the 216 positions that are currently subject to the Grow New Jersey incentive award approved on April 9, 2019, before receiving benefits for any New Jobs associated with this project.

REQUESTS:
The Members of the Authority are asked to:

1) Approve the proposed Emerge New Jersey tax credit award of $1,200,000 per year over seven years, in total $8,400,000, to induce Genmab US, Inc. to site the project in New Jersey. The recommended tax credit award is subject to conditions subsequent to receive and maintain 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.

Tim Sullivan, CEO

PRODUCT OFFICER: Matt Sestrich
APPROVAL OFFICER: Kathleen Coviello

INCLUDED ANALYSIS:
Appendix 1: Project Summary

Appendix 1: Project Summary

Basic Applicant Information	
Applicant	Genmab US Inc
Pre-Application Date	7/20/2022
Applicant Headquarters State	Plainsboro, NJ
Total Global Locations for Applicant and Affiliates	5
Total NJ Locations for Applicant and Affiliates	2

Basic Project Information	
Targeted Industry	Life Science / Biotech
Mega-Project	No
Small Business	No
Eligibility Period (years)	7
Commitment Period (years)	11
Material Factor - Risk Assessment	11
Material Factor - Activities to date	No Issues

Basic Award Size Information	
Incentive Area Type	Enhanced Area
Net Benefit Requirement	400%
Net Benefit Estimate	709%
Maximum Award Size	$ 8,400,000
Net Benefit Constrained Award Size	$ 8,400,000
Inducement Constrained Award Size	$ 8,400,000
Award size per new full-time job	$ 28,000
Award size per at-risk Retained incented jobs	$ 300

Existing NJ Jobs Summary	
Total FT Employees Statewide	668
Total jobs at-risk jobs in NJ	-
Average at-risk job salary	N/A
Median at-risk job salary	N/A
Total annual salary at risk	N/A

New Jobs Summary	
Total New Jobs	300
Average New Job Salary	$ 188,217
Median salary	$ 199,000
Total New Job Salary	$ 56,465,000

Median Salary including New Jobs and at-risk jobs salary	$ 199,000

Total Jobs Summary	At QBF	In State	Total
Total New Jobs at QBF	300	-	300
Total At-Risk Jobs at QBF	-	-	
Total Not-At-Risk, Full-time Jobs	-	668	668
Total At-Risk Part-time Jobs	-	-	-
Total Full-Time Jobs Associated with the New Jersey project	300		300
Total Jobs Previously Incented Jobs		216	
Total Number Eligible At-Risk Retained Incented Jobs			
Total Number Eligible Incented Jobs	300	-	300

Project Location Summary	NJ Location	Alternative Location	Difference
Address	777 Scudders Mill Rd, Building 1	2301 Renaissance Blvd,	
Town	Plainsboro	King of Prussia	
State	New Jersey	PA	
Proposed ownership status	Lease	Lease	
Proposed project Real Estate Status	Renovation	Renovation	
Class			
Proposed lease term			
Sqft total	224,900	189,000	
Sqft leasable	135,476	113,700	21,776

Anticipated Schedule	
Proposed Construction Start	Q2 2024
Proposed Construction End Date	Q1 2025
Proposed Start of Business Operations	Q1 2025
Required Certification Date	TBD

Project Cost Comparison Summary	NJ Location Cost	Alternative Location Cost	Cost Difference
One-Time Project Cost estimate	$ 36,464,300	$ 26,916,602	$ 9,547,698
Hard construction costs	$ 26,300,372	$ 14,547,175	$ 11,753,197
Total Eligible Capital Investment	$ 32,681,684	$ 23,871,817	$ 8,809,867
Annual Ongoing Project Cost estimate	$ 60,960,057	$ 58,627,298	$ 2,332,759
Discounted Ongoing Project Cost Estimate over Commitment Period	$ 557,336,895	$ 536,009,279	$ 21,327,616
Total Project Comparison Costs	**$ 593,801,195**	**$ 562,925,881**	**$ 30,875,314**
Total Percentage Differential Between New Jersey and the Alternative Location			**-5%**

Application Review Status		
Initial 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 7, 2024

RE: Aspire Program- Product #00312168
DOR Woodbridge Urban Renewal LLC ("Applicant")
Hackensack Meridian Ambulatory Care, Inc. ("Co-Applicant")

Request

Issuance of tax credits from the Aspire program ("the Program") for a phased, mixed-use residential project located in Iselin section of Woodbridge Township, New Jersey, Middlesex County up to 50% of the total project cost ("eligible costs"), not to exceed the lesser of (i)$113,651,245 for the total project and (ii) the sum of the lesser, for each phase, of 50% of eligible costs or $60 million.

Aspire Program Background

The New Jersey Aspire Program Act, N.J.S.A. 34:1B-322, et seq., ("Act") establishes the Aspire Program "to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs." Aspire Program Rules (the "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 5th, 2023 upon submission to the Office of Administrative Law. This application is being considered based upon those 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 Metropark at Woodbridge, will be a multi-phase, transit oriented, mixed-use, new construction development located at the current site of the Metropark New Jersey Transit Station, on an existing 12.4-acre, surface parking lot. The Project location is situated near Routes 1 and 9, the New Jersey Turnpike, the Garden State Parkway, and is roughly 20 minutes from Newark Airport.

The Project will entail 581,801 gross square feet of new development; entailing a 325,301 square foot residential component consisting of 235 units and 11,976 square feet of retail space, with 20% of the units reserved as affordable, as well as a 244,524 square foot corporate office and medical office component. As such the Project will be predominately residential, with roughly 56% of the square footage being residential, and 44% of the square footage being commercial.

The Project is expected to be completed in two phases with the corporate office and medical office component comprising the first phase and the residential component comprising the second phase.

Project Ownership

In 2021 New Jersey Transit Corporation ("NJT") selected the Applicant, DOR Woodbridge Urban Renewal LLC (DOR Woodbridge), an entity wholly owned and controlled by the various owners of the multiple Lead Development Entities included in the Project, as the Master Developer for the redevelopment of Metropark Station, and an Exclusive Negotiation Agreement was executed on December 24, 2021. DOR Woodbridge's responsibilities will be governed by a Master Development Agreement (MDA) between NJT and DOR Woodbridge expected to be executed in the second quarter of 2024. The MDA details DOR Woodbridge's right to future, private development opportunities, including the subject Project. Concurrent to the execution of this MDA, DOR Woodbridge and NJ Transit will execute a ground lease for the land included in the redevelopment area associated with the Project.

The Applicant is wholly owned by RW Land LLC which is jointly owned by Edward Russo and Shalmon Russo; DNCS Woodbridge LLC which is owned by Donald Dinallo; and MP Land LLC which is owned by single purpose entities JAS Onyx LLC and JBS Onyx LLC.

Based upon the above structure in total the Applicant is owned pursuant to the following breakdown; Edward Russo and Shalom Russo (33.33%), Donald Dinallo (33.33%), JAS Onyx LLC (16.66%) and JBS Onyx LLC (16.66%) by way of various pass-through entities, with Shalom Russo representing the ownership interest associated with Russo Development, Donald Dinallo representing the ownership interest associated with Terminal Construction, and JAS Onyx LLC and JBS Onyx LLC representing the combined interest of Onyx Equities.

Independent of this Proiect, Onyx Equities is the owner of One Gateway Center in Newark, NJ and serves as the NJEDA's landlord for office space in the building occupied by Authority staff.

Lead Development Entities:

As a Joint Venture with ownership and oversight responsibilities evenly shared among three entities, the Project has three Lead Development Entities: Russo Development which is owned and controlled by the owners of RW Land LLC, Terminal Construction which is owned and controlled by the owners of DNCS Woodbridge LLC, and Onyx Equities whose founders and managing-principals own and JAS Onyx LLC and JBS Onyx LLC respectively.

Russo Development, wholly owned by Edward and Shalom Russo, was founded in 1969 as a full-service construction development company with extensive in-house capabilities including construction, architecture, engineering, legal and property management, specializing in large scale industrial, commercial, residential, and mixed-use development.

The firms' markets are in locations such as Woodbridge, Harrison, Newark, Hackensack, Union, Garwood, and New Brunswick, to name a few.

Key staff from Russo involved in the Project include Edward Russo – Chief Executive Officer; and Michael Pembrooke – Chief Operating Officer; each having more than 22 years of experience in real estate development.

Dinallo Construction, an affiliate of Terminal Construction, wholly owned by Donald Dinallo, is a third-generation family owned business founded in 1945 specializing in general contracting, construction management, design, and development.

The firms' markets are in locations such as Paterson, North Brunswick, Newark, Perth Amboy, Piscataway, Secaucus, Montclair, and Trenton, to name a few.

Key staff from Terminal Construction involved in the Project are Donald N. Dinallo- President and Chief Executive Officer; and Maxwell S. Rosen- Vice President and Chief Financial Officer, each having more than 20 years of experience in real estate development.

Onyx Equities was founded in 2004 as a real estate investment, management, development, and property service organization specializing in office, industrial, life science, and residential development.
The firm's markets are in locations such as Kenilworth, Newark, Summit, Parsippany, Moorestown, Paramus, and Mahwah, to name a few.

Key staff from Onyx Equities involved in the Project include John Saraceno Jr.- Co-Founder and Managing Principal; and Jonathan Schultz- Co-Founder and Managing Principal; each having more than 20 years of experience in real estate development.

Co-Applicant

The Co-Applicant is Hackensack Meridian Ambulatory Care, Inc., ("HMAC") which is a 501(c)3 and will act as the non-profit for the project financing. Authority staff is in receipt of an IRS 501(c)3 Determination Letter for HMAC evidencing that it is a non-profit for taxation purposes under the provisions of Section 501(c)3 of the Internal Revenue Code.

HMAC was formed as a non-profit organization exclusively for charitable, scientific, and educational purposes, including but not limited to the purpose of providing medical care for sick, injured, disabled, and elderly people, including diagnosis, treatment, imaging and other testing, rehabilitation, and other services of every kind that improve the health of individuals and the delivery of healthcare services.

The Applicant and the Co-Applicant have entered into a Services Agreement that serves as the required Participation Agreement detailing services to be provided by HMAC that will directly affect and serve tenants of the Project as well as the community. The term of the Services Agreement encompasses the duration of the Aspire Eligibility Period. Services shall be targeted, including by way of special events hosted at the Project, toward three significant population groups in the surrounding community: 1. the tenants of the mixed-use residential building to be constructed as part of the Project, 2. the sizeable population of commuters who pass through the Metropark New Jersey Transit station daily, and 3. community members who access the retail sites and amenities that will be developed as part of the Project.

Specifically, this will include, but not be limited to:

- Medical diagnosis and treatment, and further referral to other medical providers.
- Health and wellness courses and periodic community health screenings that will offer certain early detection and mitigation evaluations, as well as biometric health screenings.
- Services will be offered at cost or for free depending upon the service and associated expenses.
- The needs and desires of the community will be periodically assessed for different Community Programs, and offerings adjusted based on those findings.

- Support of affiliate, JFK University Medical Center, a not-for-profit acute care hospital, in implementing its community needs assessment which identifies significant health needs in the surrounding community.

Per the Rules, in the application the Co-Applicant must also demonstrate the following:

The Co-Applicant has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees by submitting, as a part of the application, a tax clearance certificate, as described in section 1 at P.L. 2007, c. 101 (N.J.S.A. 54:50–39).

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

The Co-Applicant's organizational purpose encompasses the proposed participation.

HMAC is a not-for-profit corporation organized under the laws of the State of New Jersey for the purpose of promoting economic, civic, and social welfare by providing a comprehensive program of economic development.

The Co-Applicant has the financial and operational capability to provide the proposed contribution or services.

Authority staff has reviewed financial statements provided by HMAC substantially evidencing the ability to provide the proposed services.

The Co-Applicant's receipt and sale of the tax credits is necessary to finance the Redevelopment Project.

The tax credit certificates will be allocated to the non-profit which will sell the credits annually with the proceeds flowing to the Co-Applicant's parent who is the tenant for the build to suit commercial component of the project. This allows the project to obtain the Aspire credit sales proceeds without tax consequences and enables the tenant to assume liability, through the lease, for significant costs that would have been costs of the developer and, thus, make the project more economically feasible. These costs are explained in more detail below in the "Aspire Tax Credit Sale Price" section.

<u>Construction Timeline:</u>
Construction is expected to commence in June of 2024 and the project will take 6 years to construct.

<u>Project Details</u>
As noted previously, the 581,801 gross square feet mixed-use project will be completed in two phases. Phase I will consist of 244,524 square feet of commercial space. Phase II will consist of 235 residential apartment units at 325,301 square feet, and 11,976 square foot of retail space.

Phase I will consist of 7-story building for Hackensack Meridien Health (HMH) of which staff is in receipt of a draft lease agreement between DOR Woodbridge ("Landlord") and HMH ("Tenant"). The building will occupy 244,524 gross square feet to include medical office space at 57,204 square feet, corporate office space at 142,916 square feet, and core building space at 44,404 square feet (stairs, lobbies, bathrooms, and utilities).

Phase I will also include 188 ground, lower-level and covered garage parking spaces for commercial tenants.

Phase II will consist of a 6-story residential apartment building to include a unit mix of 188 market rate units and 47 affordable units, making the development 20% affordable. Market rate units include 1 studio measuring 700 square feet; 125 one-bedroom units measuring between 841 and 1,014 square feet; 51 two-bedroom units measuring between 1,291 and 1,557 square feet; and 11 three-bedroom units measuring 1,632 square feet. Affordable rate units include 9 one-bedroom units at 779 square feet; 28 two-bedroom units at 1,078 square feet; and 10 three-bedroom units at 1,218 square feet. The gross range rents will range from $632 and $3,900 with the affordability levels at the project going as low as 20% of Area Median Income.

Tenants will have access to a pool, state-of-the-art fitness facility, café/coffee station, mailroom with oversize package room and cold storage, club room with movie/media wall, bar area, game room, kids' room, golf simulator, and co-working space. The individual units will all have stainless steel GE appliances, including microwaves, gas ovens/stoves, and refrigerators, in-unit laundry facilities, sound dampening, granite countertops, engineered flooring, and high-end plumbing fixtures. Phase II will also include 11,976 of retail space, and 449 covered garage parking spaces for tenants.

The applicant intends to comply with NJEDA's Green Building Standards by achieving a LEED rating of Silver for the commercial component of the Project and through the Pay for Performance incentive administered by New Jersey Clean Energy Program for the residential component of the Project.

Project Phasing

The Act allows for a non-Transformative project to be completed in phases so that upon the completion of the final phase the Applicant would be entitled to the overall tax credit commencing a 10-year eligibility period for the entire award. For a phased project, the incentive phase agreement shall set forth, for each phase of the project and for the total project, the capital investment requirements, and the time periods in which each phase of the project shall be commenced and completed. A project may be completed in phases provided that each phase except the last represents at least $50 million in total project costs, that the developer obtains a temporary certificate of occupancy for each phase, and that project be completed within 6 years after the date of the execution of the incentive award agreement and the first phase within four years of that date.

For all other purposes the administration of the award will be consistent with a non-phased Aspire award. This includes but is not limited to capping the overall award of the Project without regard for the actual tax credit attributed to either Phase of the Project and applying the 20% soft costs cap to the overall eligible expenses of the Project.

Phase I: The first phase of the Project is comprised of 244,524 square feet of commercial space to include medical and office space. Scheduled construction commencement is June 1, 2024 and is expected to conclude on June 1, 2027.

	Total Development Costs	Project Costs
Acquisition	$1,362,500	$0
Hard construction costs	$97,652,530	$97,649,973
Professional services	$11,426,194	$11,425,603
Financing and other soft costs	$13,434,227	$13,324,817
Total	**$123,875,451**	**$122,400,393**

Phase II: The second phase of the Project will deliver 235 residential units at 325,301 square feet and 11,976 square feet of retail space. Scheduled construction commencement is June 1, 2027 and is expected to conclude June 1, 2030.

	Total Development Costs	Project Costs
Acquisition	$1,275,000	$0
Hard construction costs	$91,456,643	$91,456,643
Professional services	$6,546,456	$6,546,456
Financing and other soft costs	$9,299,390	$9,299,390
Developer Fee	$2,970,000	$0
Total	**$111,547,489**	**$107,302,489**

<u>**Project Sources**</u>

The Applicant proposes the following Sources for the Project:

Phase I
Medical, Office, Lobby, and core

Sources	Type	Amount
Construction Loan	Senior Construction Loan	$105,000,000
Cash	Equity	$18,875,451
	Total	**$123,875,451**

Phase II
Residential

Sources	Type	Amount
Construction Loan	Senior Construction Loan	$55,773,745
Excess Proceeds from Additional Rent at Perm Conversion (Aspire Proceeds)	Bridge Loan	$25,000,000
Non-Aspire Excess Proceeds at Perm Conversion	Equity	$30,773,745
	Total	**$111,547,490**

<u>**Developer Contributed Equity**</u>

Based on the equity requirement of 20% of total development costs for a residential project not in a government-restricted municipality, the required equity for this Project equates to $47,084,588 in total. The Applicant's equity includes cash equity in the amount of $18,875,451 for Phase I and for Phase II equity derived from proceeds available at permanent loan conversion of phase I in the amount of $30,773,745. The $30,773,745 in equity derived from the permanent loan conversion is net of any proceeds attributable to the monetization of the Aspire tax credits. This is considered an equity contribution because it is the result of a cash-out-refinance of a real estate asset valued in excess of the existing debt obligation of the asset based upon an a value derived from an appraisal deemed acceptable to the Authority. In this case the appraised value has been obtained from the credit tenant lease financing instrument being used to finance the project, which is sized based upon the value, term, and credit-worthiness of the tenant leasing the asset. The total amount of $49,649,196 in equity satisfies this requirement.

Statutory Aspire Award Cap

This is a predominantly Residential mixed-use phased project that is not utilizing LIHTC and not located in any relevant geographies that would increase the cap, therefore it is subject to an Aspire tax credit cap of the lesser of (i) 50 percent of the overall Project eligible costs or (ii) the aggregate of the amount per phase of the lesser of 50% of the eligible costs or $60 million. The total development cost of the Project ("TDC") for Phase I are estimated to be $123,875,451 with eligible costs per the Aspire Rules estimated to be $122,400,393. The TDC for Phase II are estimated at $111,547,489 with eligible costs per the Aspire Rules estimated to be $107,302,489. As such the Project is eligible for an overall Aspire tax credit of the lesser of $114,851,441 (50 percent of the overall Project eligible costs) or (ii) $113,651,245, which is equal to the sum of $60,000,000 for Phase I (which is less than 50 percent of the eligible costs for Phase I), and $53,561,245 for Phase II (which is 50 percent of the eligible costs for Phase II). This is the maximum potential award and will subsequently be subject to caps related to the project financing gap and relevant State fiscal impact analysis.

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. Staff analyzed the pro forma and projections of the Project and compared the returns with and without the Aspire award over 18 years. The Applicant will utilize a 7-year development period to build and stabilize both phases of the Project with an assumed exit through the sale of each phase of the Project after 10 years of operations following stabilization of that Phase, for purposes of calculating the Project Level Internal Rate of Return (IRR).

IRR without Aspire tax credit	-1.23%
IRR with Aspire tax credit	15.66%

Without the benefit of the Aspire tax credit, the Equity IRR is -1.23%, which is below the Hurdle Rate provided by EDA's contracted consultant Jones Lang LaSalle ("JLL") for comparable mixed-use developments in Woodbridge Township, NJ of 18%. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. Additionally, the Equity IRR with the Aspire tax credit award is below the Hurdle Rate provided by EDA's contracted consultant. Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate.

Aspire Tax Credit Sale Price:

For projects that represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 75 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 by the Co-Applicant to be returned to its parent HMH to offset costs that HMH assumed as concessions to the developer as part of the lease for Phase I to make the Project economically viable.

HMH is committing to directly incur $56,213,625 in construction costs that would typically be the responsibility of the developer, including finishing a significant portion of the core and shell of the first phase as well as tenant fit-out costs that would otherwise be funded through a landlord allowance. HMH has also agreed to an additional rent payment equal to the debt service on a $25,000,000 loan to be used by the Applicant to fund portions of the construction of Phase II in exchange for the right to receive from the Co-Applicant the proceeds of the sale of the Aspire tax credits associated with that phase. When accounting for the total value of this consideration of $81,213,625 received during construction, it represents a discount rate of 0.07% from the 90 percent consideration of the transferred credit amount. 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, in the Act, 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 provided in 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 redevelopment agreement contains all the standards of a community benefits, or the municipality determines by resolution that such a community benefit agreement is 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 have a State proprietary interest as New Jersey Transit will receive a portion of any profit from the sale of the Project and therefore is 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 of the Final Phase, subject to the requirements of the applicable regulations. 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, as provided for in the regulations.

Substantial Good Standing/Subcontractor and Contractor Requirements:
Until the end 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 ensure 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 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.

Availability of Emerge/Aspire Resources
At the time of this recommendation, there are $1,761,028,622 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 DOR Woodbridge Urban Renewal LLC and finds that it satisfies the eligibility requirements of the Act and Rules. It is recommended that the Members approve and authorize the Authority to execute 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, including, but not limited to the Master Development Agreement between NJT and DOR Woodbridge;
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; and

4. Copy of the executed lease agreement between DOR Woodbridge ("Landlord") and HMH ("Tenant") consistent with this memorandum.

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with all of the requirements included in the Rules within six months after approval.

The recommendation is approval of an award of up to 50% of the total project cost ("eligible costs"), not to exceed the lesser of (i) $113,651,245 for the total project and (ii) the sum of the lesser, for each phase, of 50% of eligible costs or $60 million.

____

Tim Sullivan, CEO

NJEDA

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: March 7, 2024

RE: Aspire Program- Product #00313400
930 McCarter Urban Renewal LLC ("Applicant") and
Elizabeth Development Company of New Jersey ("Co-Applicant")

Request

Issuance of tax credits from the Aspire program ("the Program") for a residential project located in Newark, Essex County up to 60% of the total project cost ("eligible costs"), not to exceed $90,000,000.

Aspire Program Background

The New Jersey Economic Recovery Act of 2020, 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." N.J.S.A. 34:1B-324. As authorized by recently enacted revisions, P.L. 2023, c. 98 ("Chapter 98"), this application is proceeding under the act and rules in effect immediately prior to Chapter 98 (respectively, "Former Act" and "Former Rules," and the Former Rules remain promulgated as N.J.A.C. 19:31-23.1 et seq.). However, Chapter 98 also allows for projects to proceed under the Former Act and Former Rules while benefitting from increases to project award caps contained in these revisions. Such projects would also be reviewed using the Chapter 98 definition of "reasonable and appropriate return on investment," which requires both a deferred developer fee and a cash flow internal return on investment analysis for residential projects with Low-Income Housing Tax Credits and returns on equity other than federal or local grants. To do so, an applicant would need to provide a complete application to the Authority, a statement in writing electing to proceed under this option, and obtain all applicable approvals under the Municipal Land Use Law prior to November 4th, 2023. This Applicant has provided a complete application and received Final Major Site Plan Approval from the City of Newark on September 20, 2021.

Accordingly, this application was evaluated to determine eligibility in accordance with the Former Act and the Former Rules with the exception of the new project award cap and "reasonable and appropriate return on investment" definition. To meet basic eligibility requirements, developers of residential projects must demonstrate (1) that without the incentive award, the Redevelopment Project is not economically feasible, (2) that a project financing gap exists after the developer has contributed an equity participation of at least 20 percent of the total development cost, and (3) the project meets specific cost thresholds, depending on where the project is located.

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 proposed Project known as 930 McCarter Highway entails the new construction of a mixed-income, residential development located on a 1.1-acre vacant site at 930 McCarter Highway in Newark, Essex

County. The Project site is in the Downtown Neighborhood within the River Redevelopment Plan Area, and less than a 10-minute walk north of Penn Station. The Project will include 333 residential units representing 451,063 square feet with an additional 3,124 square feet of commercial/retail within a 25-story high-rise building consisting of studios, one, and two-bedroom apartment units. The residential unit mix includes 265 market rate units and 68 affordable units, making the development 20% affordable. The Project will also include various amenities and four stories of structured parking including 240 parking spaces for resident use.

Project Ownership

The Project site was originally purchased by way of a Deed dated July 31, 2020, between the City of Newark (Grantor) and Newark Waterfront Associates LLC (Grantee), an entity wholly owned by the principals of the Lead Development Entity, for $1,250,000. The site was subsequently transferred to the Applicant on August 12, 2021, by way of a Deed between 930 McCarter Urban Renewal LLC (Grantee), and Newark Waterfront Associates LLC (Grantor) for the sum of $1.

The Applicant is wholly owned by the single purpose entity 930 McCarter Member LLC, which is wholly owned by the single purpose entity 930 McCarter JV LLC, which is jointly owned by Boz IV-D Holdings LLC (95%) and Boraie 930 McCarter LLC (5%), with Boraie 930 McCarter LLC being wholly owned by the principals of the Lead Development Entity.

As a convention to the Low-Income Housing Tax Credits used to finance the affordable component of the project, following construction the Applicant will master lease the affordable units to 930 McCarter Master Tenant LLC which will be owned by a managing member (0.01%) owned by the principals of the Lead Development Entity and a Low-Income Housing Tax Credit investor member (99.99%), currently anticipated to be an affiliate of Goldman Sachs.

Lead Development Entity:

Boraie Development LLC was established in 1972 and specializes in the development of large-scale, public-private, mixed income housing in urban municipalities of New Jersey. The firm develops, leases, and manages its properties.

Key staff involved in the project include Omar Boraie- Chairman and Founder; Waseem Boraie- Chief Executive Officer and Principal; Sam Boraie - Chief Operating Officer and Principal; each having more than 30 years of experience in real estate.

Boraie Development LLC has undertaken several noteworthy projects including 1] 50 Rector Park, Newark, New Jersey, a multifamily development; 2] One Spring Street, New Brunswick, New Jersey, a multifamily development; 3] Albany Street Plaza, New Brunswick, New Jersey, office, and retail space. 4] 777 McCarter Highway, Newark, New Jersey, a multifamily development, 5] 600 Atlantic Avenue, Atlantic City, New Jersey, a multifamily development.

Co-Applicant

The Co-Applicant is Elizabeth Development Company of New Jersey (EDC), which is a 501(c)3 and will act as the non-profit for the project financing. Authority staff is in receipt of an IRS 501(c)3 Determination Letter for EDC, evidencing that is it a non-profit for taxation purposes under the provisions of Section 501(c)3 of the Internal Revenue Code.

EDC will be providing support and assistance to various aspects of the Project, including, without limitation, advising the Applicant on all aspects of the pre-development and development process through lease up, in addition to tax and financial support related to the monetization of the Aspire tax credits.

The Applicant, and the Co-Applicant have a Services Agreement that require the Co-Applicant to contribute services that will directly affect and serve residents of the Project. EDC will promote economic, civic, and social welfare by providing a comprehensive program of economic development.

Specifically, this will include, but is not limited to:

- Provision of training programs, at no cost, to residents and minorities to upskill candidates for employment positions.
- Assisting residents to match permanent jobs on the project after construction.
- Provide social services and assistance to low- and moderate-income residents via a part time licensed social worker on staff to assist as needed. The staff member will be compensated by EDC.
- Overseeing any other aspects of the Services Agreement as related to community benefits during the period of the agreement including the assessment and revision of services offered to residents.

This Services Agreement serves as the participation agreement that specifies the Co-Applicant's participation in the Redevelopment Project and evidences a commitment to providing the support and assistance previously described. The commitment encompasses the duration of the Aspire Eligibility Period.

Per the Rules, in the application the Co-applicant must also demonstrate the following:

The Co-Applicant has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees by submitting, as a part of the application, a tax clearance certificate, as described in section 1 at P.L. 2007, c. 101 (N.J.S.A. 54:50–39).

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

The Co-Applicant's organizational purpose encompasses the proposed participation.

EDC is a not-profit corporation organized under the laws of the State of New Jersey for the purpose of promoting economic, civic, and social welfare by providing a comprehensive program of economic development.

The Co-applicant has the financial and operational capability to provide the proposed contribution or services.

Authority staff has reviewed financial statements provided by EDC substantially evidencing the ability to provide the proposed services.

The Co-applicant's receipt and sale of the tax credits is necessary to finance the Redevelopment Project.

The tax credit certificates will be allocated to the non-profit which will sell the credits annually to a tax credit investor and return those sales proceeds into the partnership Applicant. This allows the project to obtain the Aspire credit sales proceeds without tax consequences and to pay annual debt service on an Aspire bridge loan, putting critically important capital into the project.

Architect:
Design for the Project has been undertaken by Marchetto Higgins Stieve, a full-service design firm providing architecture, planning, urban design, and interior design services. The firm was founded in 1981 by Dean Marchetto.   .

Marchetto Higgins Stieve has a wide range of completed work including 1] Park Shore, Jersey City, residential development; 2] Park Garden, Hoboken, mixed-use, retail, residential; 3] 7 Seventy House, Hoboken, mixed-use, retail, residential; 4] Silk Lofts, Bayonne, retail, residential; 5] Lenox, Jersey City, retail/office, residential; and 6] 365 Ocean, Long Branch, residential.

General Contractors:
The general contractor for the Project is AEOCOM Tishman, a full-service general contracting company specializing in areas of construction management, engineering, architecture and design, environmental services, planning and consulting, IT and cyber security, program management, strategic consulting, and rail simulations. Tishman Construction Corporation was founded in 1898 and was acquired by AECOM Technology Corporation on July 14, 2010.

Construction is expected to commence on April 1, 2024, and the Project will take 32 months to construct.

Project Details
As noted previously, the Project will include 333 residential units representing 451,063 square feet with an additional 3,124 square feet of commercial/retail within a 25-story high-rise building consisting of studios, one, and two-bedroom apartment units. The residential unit mix includes 265 market rate units and 68 affordable units, making the development 20% affordable. Market rate units include 23 studios measuring 525 square feet; 209 one-bedroom units measuring 733 square feet; 33 two-bedroom units measuring 1,085 square feet. Affordable rate units include 29 one-bedroom units measuring 733 square feet; and 39 two-bedroom units measuring 1,085 square feet. The gross rents will range from $1,085 to $3,400 with the affordability levels at 50% or less of Area Median Income.

Tenant unit amenities include washer and dryer, microwave included oven, high-end fixtures, quartz countertops, USB outlets, and walk-in closets. Tenants will have access to a 24-hour concierge, large gymnasium that includes a yoga room, workspace with private offices, free wi-fi in common areas, 24-hour bike storage, Amazon Hub, green roofs above the tower and the garage. Also included above the rooftop and garage will be a resident's lounge, theater, and grilling stations. Also included will be a heated pool area with cabanas and grilling stations, and game/theater room. The lobby area will also include a transient signage navigation system for visitors.

The Project will also include a four-story, 240 parking space structure, along with EV charging stations for tenants. The Project will comply with the Energy Star Homes Program included in the NJHMFA's Green Standard Requirements which satisfies NJEDA Green Building Standards.

Project Uses and Sources
The Applicant proposes the following uses for the Project:

	Total Development Costs	**Project Costs**
Acquisition	$1,250,000	$0
Hard construction costs	$143,944,061	$143,944,061
Professional services	$5,964,210	$5,964,210
Financing and other soft costs	$31,983,299	$20,284,983
Developer Fee	$16,000,000	$0
Total	**$199,141,570**	**$170,193,254**

The total project cost is the cost included in total development costs that is used for sizing the tax credit. The total project cost excludes developer fee(s) and land acquisition, as well as various reserves to fund interest and operating expenses during lease-up.

The minimum total project cost is $5,000,000 for this residential project located in a qualified incentive track.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
HMFA 1st Mortgage	Tax Exempt Permanent Loan	$20,730,000
Walker Dunlop 1st Mortgage	Taxable Permanent Loan	$48,744,000
NJHMFA State Funds	Soft Loan	$5,000,000
Redevelopment Area Bonds	Bond Proceeds	$8,000,000
LIHTC Investor Proceeds	Tax Credit Equity	$16,028,133
Aspire Proceeds	Bridge Loan	$58,500,000
Sponsor Equity	Equity	$35,004,001
Deferred Developer Fee	Equity	$7,135,436
	Total	**$199,141,570**

Developer Contributed Equity

Based on the equity requirement of 20% of total development costs for a residential project not in a government-restricted municipality, the required equity in this Project equates to $39,828,314. Equity consists of sponsor equity in the amount of $35,004,001 and deferred developer fee in the amount of $7,135,436, and LIHTC proceeds in the amount of $16,028,133.

Statutory Aspire Award Cap

As noted above, pursuant to Chapter 98, this Project may benefit from increases to project award caps. This Project is in a qualified incentive tract and, thus, eligible for an Aspire tax credit equal to the lesser of 60 percent of the total project costs or $90 million. The total project cost is estimated to be $170,193,254. As such, the Project is eligible for an Aspire tax credit not to exceed $90,000,000 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 financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 15 years. The investment analysis assumes that the Applicant will utilize a 48-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 11.

IRR without Aspire tax credit	-1.11%
IRR with Aspire tax credit	10.60%

Without the benefit of the Aspire tax credit, the Equity IRR is -1.11%, which is below the Hurdle Rate contained in the hurdle rate model provided by EDA's contracted consultant Jones Lang LaSalle ("JLL") for comparable multi-family residential developments in Newark, NJ of 19.47%. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. Additionally, the Equity IRR with the Aspire tax credit award is below the Hurdle Rate contained in the hurdle rate model provided by JLL. Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate.

Because the Project is receiving Low-Income Housing Tax Credits, NJHMFA's deferred fee model was also used to measure the appropriate and reasonable rate of return. The total developer fee is $16,000,000 with $7,135,436 deferred and not fully realized until after the 30th year of operations following stabilization. This conforms to the Agency's policy, as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

Aspire Tax Credit Sale Price:

For projects that represent the new construction of 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 89 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a bridge loan will be secured by the future sale proceeds from the tax credits, and when accounting for these loan proceeds received during construction, it represents a discount rate of 3.84% from the 89 percent consideration of the transferred credit amount. The sources identified above in the Sources table as "Aspire Proceeds" reflect the value of this bridge loan. 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. In the Former Act, 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 with a minimum of 10,000 square feet of space devoted to health care or health services that is located in a municipality with a Municipal Revitalization Index distress score of at least 50 lacking adequate access. 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
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. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement.

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 developer and Co-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 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.

Availability of Emerge/Aspire Resources

At the time of this recommendation, there are $1,761,028,622 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 930 McCarter Urban Renewal, LLC and finds that it satisfies the eligibility requirements of the Former Act and Former Rules. It is recommended that the Members approve and authorize the Authority to execute 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 Former 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.

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with all of the requirements included in the Former Rules within six months after approval.

The recommendation is approval of an award of up to 60% of the total project cost, not to exceed $90,000,000 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 7, 2024

SUBJECT: Modifications to the New Jersey Clean Energy Loans "NJ CELs" Program (SSBCI Clean Energy Business Financing Program)

Request:

The Members are asked to approve the modifications to the "New Jersey Clean Energy Loans (NJ CELs)" Program (SSBCI Clean Energy Business Financing Program), as specified in this memo and attached Proposed Program Specifications sheet. The modifications requested pertain to transaction size, collateral, reporting requirements, delegated authority, and loan forgiveness.

Background:

The State Small Business Credit Initiative ("SSBCI") is a federal program administered by the US Department of the Treasury to strengthen programs of eligible jurisdictions that support private financing to small businesses. The program was first established in 2010, and a second round was funded by the American Rescue Plan Act (ARP) in the spring of 2021, with $10 billion available overall, allocated non-competitively to states, territories, and Tribal governments. New Jersey was awarded a total of $255 million.

On November 16, 2022, the Board approved the creation of the Clean Energy Business Financing Program; the utilization of $80,000,000 from New Jersey's allocation of $255,197,631 from U.S. Treasury's State Small Business Credit Initiative (SSBCI), contingent on final approval of the SSBCI application by U.S. Treasury; and the delegation of authority to the Chief Executive Officer to approve individual applications for the Clean Energy Business Finance Program for transactions of up to $3,000,000 in SSBCI funds, in accordance with the terms set forth in the respective memo and program specifications.

On February 8, 2023, the Board approved modifications to the Clean Energy Business Financing Program, also known as the New Jersey Clean Energy Loans (NJ CELs) program, regarding the definition of "Private Lenders."

New Jersey's SSBCI application to U.S. Treasury was approved, and the NJ CELs program was launched in April 2023.

This memo is proposing modifications to the NJ CELs program in order to ensure alignment with updated federal guidance and to make the program more accessible for small business applicants and borrowers. The proposed modifications presented in this memo continue to remain consistent with the NJEDA's application to U.S. Treasury's SSBCI Program for the Clean Energy Business Financing Program (also known as NJ CELs). The requested changes in this memo result from learnings that occurred during the Program's implementation, as the pipeline of applicants has developed and the first applications have been submitted.

Program Details:

The Clean Energy Business Financing Program "New Jersey Clean Energy Loans (NJ CELs)" is a $80,000,000 co-lending program that offers term loans to eligible small businesses ("Borrowers") seeking to finance eligible clean energy projects ("Projects") in New Jersey. Clean Energy Projects include financing clean energy generation projects, infrastructure projects, installing or purchasing improvements at an existing facility, and/or creating or expanding small businesses that manufacture products or offer services in the Clean Energy Industry, as defined in the November 16, 2022 Board memo.

Transaction Size

On November 16, 2022, NJ CELs was approved by the Board with the following requirement:

- "The Clean Energy Business Financing Program will make available SSBCI-funded direct loans or purchase loan participations between $250,000 and $10,000,000. The aggregate principal loan size will range from $500,000 to $20,000,000."

This memo requests the following amendment to the transaction size eligibility for the program, in order to comply with SSBCI requirements:

- "The Clean Energy Business Financing Program ("New Jersey Clean Energy Loans" or "NJ CELs") will make available SSBCI-funded direct loans or purchase loan participations between $250,000 and $10,000,000. The total transaction size of any given Project will range from $500,000 to $20,000,000."

This change from "aggregate principal loan size" to "total transaction size of any given Project" is aligned with the SSBCI Capital Program Policy Guidelines, at the time of this memo. This change in language takes into account that the SSBCI guidelines regarding the $20,000,000 cap on transaction size includes forms of capital other than debt, which was clarified by U.S. Treasury after the NJ CELs Program was approved. This requirement is subject to any modifications required by the federal government under the SSBCI Program.

Collateral

On November 16, 2022, NJ CELs was approved by the Board with the following information:

- "SSBCI loans will be secured. Collateral of all types may be required, including general lien on business assets; security interest in financed equipment; security interest in intellectual property; and security interest in supply contracts."

This memo requests that a "title assignment and/or lien on (a) vehicle(s)" be added to the list of collateral types for this program.

This clarification is requested because the acquisition of zero-emission vehicles is an eligible Clean Energy Project under NJ CELs.

Reporting Requirements

In order to reduce the burden of reporting requirements on small businesses that receive funding through NJ CELs, while still collecting the necessary data to comply with SSBCI reporting requirements and the need to track the program's performance internally, this memo requests modifications to the reporting requirements for Borrowers.

On November 16, 2022, NJ CELs was approved by the Board with a list of reporting requirements. Among those, we are requesting that the following requirements be waived or amended:

- "Quarterly Reports:
  - GHG emissions and criteria pollutants avoided, both on quarterly and project inception-to-date basis
  - Updates on the status of the Project until Project Completion
  - Updates on the Borrower's private funding
  - Financial statements prepared by company management

- Annual Reports:
  - Employee information, to include: Number of jobs created as a result of project, broken out between short-term and permanent positions, skills required by job category, wage/compensation level, and job location.
  - Annual current lease agreement demonstrating a physical New Jersey location
    - For Projects that are Clean Energy Industry infrastructure projects or the installation or purchase of Clean Energy Industry improvements at a Borrower's existing facility, lease or other documentation verifying the activities are physically located in New Jersey
    - For all other Projects, lease of office or other facility listed in the eligibility requirements
  - Annual State and Federal payroll filings, as well as documentation of any employees outside of the U.S.
  - Annual State and Federal tax filings
  - Assessments, in narrative form, of the extent, if any, of economic impacts that have resulted from the project."

As such, the revised reporting requirements for NJ CELs would be the following:

- "Borrowers are required to provide the following reporting information to NJEDA. Reports are due to the NJEDA 30 days after the end of each period.

  - Annual Reports:
    - Updates on the status of the Project until Project Completion
    - Current capitalization table
    - Number of jobs created
    - Financial statements prepared by company management, including business revenue, net income, and follow-on direct and indirect private financing
    - Certification that the Borrower has used the loan for approved purposes only

  - In cases where the Borrower is eligible for loan forgiveness, additional information may be required throughout and at the completion of the Assessment Period. In cases where the Borrower is required to comply with Prevailing Wage and Affirmative Action, additional information may be required."

This change will support small businesses receiving NJ CELs funding by reducing the resources they will need to allocate in order to comply with the program's reporting requirements.

Delegated Authority

On November 16, 2022, NJ CELs was approved by the Board with the following delegated authority:

- "The Members are requested to approve the delegation of authority to the Chief Executive Officer to approve individual applications to the Clean Energy Business Financing Program for loans of up to $3,000,000 in SSBCI funds in accordance with the terms set forth in the attached product specifications.

  The delegated authority requested also includes the authority to decline for any decisions based solely on nondiscretionary reasons."

This memo requests that the following delegated authority items be added:

> "In addition, we are requesting approval from the Board for the delegation of authority to the Chief Executive Officer to:
> - Approve modification of terms for approved NJEDA funding, in accordance with existing delegated authority for Board-approved loans not yet closed.
> - Amend program parameters, as needed for any modifications and/or additional requirements imposed by the U.S. Department of the Treasury in connection with SSBCI."

This amendment will allow for additional flexibility to adjust the mechanics of NJ CELs while remaining within the program's requirements.

Loan Forgiveness

On November 16, 2022, NJ CELs was approved by the Board with the following requirements with regards to loan forgiveness:

- "The Borrower must create one (1) new full-time equivalent (FTE) job per $100,000 of aggregate lending for the Project, based on the Borrower's NJ WR-30 form."

This memo requests the following modification to this criterion for loan forgiveness:

- "The Borrower must create one (1) new full-time equivalent (FTE) job in New Jersey per $100,000 of aggregate lending for the Project, based on the Borrower's NJ WR-30 form, NJ 927 form, or equivalent documentation verifying job creation in New Jersey."

This amendment will allow applicants who qualify for loan forgiveness to be approved to receive such benefit with the submission of NJ WR-30 form or an equivalent document to verify job creation.

Recommendation:

The Members are requested to approve the modifications to the "New Jersey Clean Energy Loans (NJ CELs)" Program (SSBCI Clean Energy Business Financing Program), as specified in this memo and attached Proposed Product Specifications sheet.

____
Tim Sullivan, CEO

Prepared by: Marta Cabral

Attachments:

Appendix A – Proposed Product Specifications: New Jersey Clean Energy Loans (NJ CELs) Program (SSBCI Clean Energy Business Financing Program)

<table>
<tr><th colspan="2">Proposed Product Specifications:
New Jersey Clean Energy Loans (SSBCI Clean Energy Business Financing Program)
March 7, 2024</th></tr>
<tr><td>Transaction Size</td><td>The Clean Energy Business Financing Program “New Jersey Clean Energy Loans (NJ CELs)” is a $80,000,000 co-lending program that offers term loans to eligible small businesses (“Borrowers”) seeking to finance eligible clean energy projects (“Projects”) in New Jersey. Clean Energy Projects include financing clean energy generation projects, infrastructure projects, installing or purchasing improvements at an existing facility, and/or creating or expanding small businesses that manufacture products or offer services in the Clean Energy Industry, as defined in the November 16, 2022 Board memo.

NJ CELs will make available SSBCI-funded direct loans or purchase loan participations between $250,000 and $10,000,000.

The total transaction size of a Project will range from $500,000 to $20,000,000.</td></tr>
<tr><td>Collateral</td><td>Options
Secured.

Collateral of all types may be required, including:
• General lien on business assets
• Security interest in financed equipment
• Security interest in intellectual property
• Security interest in supply contracts
• Title assignment and/or lien on one or more vehicle(s)</td></tr>
<tr><td>Reporting</td><td>Borrowers are required to provide the following reporting information to NJEDA. Reports are due to the NJEDA 30 days after the end of each annual period.

Annual Reports:
• Updates on the status of the Project until Project Completion
• Current capitalization table
• Number of jobs created
• Financial statements prepared by company management, including business revenue and net income
• Certification that the Borrower has used the loan for approved purposes only

In cases where the Borrower is eligible for loan forgiveness, additional information may be required throughout and at the completion of the Assessment Period.</td></tr>
</table>

	In cases where the Borrower is required to comply with Prevailing Wage and Affirmative Action, additional information may be required. In addition, Borrowers will be required to provide all pertinent and related information required by SSBCI in accordance with their reporting guidance, subject to any modifications required by the federal government under the SSBCI Program.
Delegation of Authority	Authority is delegated to the Chief Executive Officer for the following: • Approval of loans of up to $3,000,000 • Modification of terms for approved NJEDA funding, in accordance with existing delegated authority for Board-approved loans not yet closed • Addition of any additional requirements imposed by the U.S. Department of the Treasury in connection with SSBCI, provided that the requirements are consistent with the parameters of the program as approved by the Board
Loan Forgiveness	In addition to meeting all other requirements approved by the Board on November 16, 2022, eligible Borrowers must create one (1) new full-time equivalent (FTE) job in New Jersey per $100,000 of aggregate lending for the Project, based on the Borrower's NJ WR-30 form, NJ 927 form, or equivalent documentation verifying job creation in New Jersey.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: New Jersey Clean Energy Loans ("NJ CELs") Approval – PROD-00314195: Solar Landscape, LLC

Request:

The Members are asked to approve the application of Solar Landscape, LLC (PROD-00314195) for a loan of up to $10,000,000 from NJEDA through the New Jersey Clean Energy Loans (NJ CELs) Program, with the terms and conditions presented in this memo, which are based on the co-lender's indicative, non-binding term sheet and therefore subject to change based on the co-lender's loan documentation after approval.

This memo also requests delegated authority to the CEO to amend the terms and conditions of the loan post-approval, in accordance with the NJ CELs Program's design, if needed in order to match the co-lender's final terms and conditions of the loan.
Staff finds the applicant meets all eligibility requirements, including meeting the NJ CELs underwriting criteria and exceeding the minimum score for the Program, as detailed below.

Background:

On November 16, 2022, the Board approved the creation of the Clean Energy Business Financing Program; the utilization of $80,000,000 from New Jersey's allocation of $255,197,631 from U.S. Treasury's State Small Business Credit Initiative (SSBCI), contingent on final approval of the SSBCI application by U.S. Treasury; and the delegation of authority to the Chief Executive Officer to approve individual applications for the Clean Energy Business Finance Program for transactions of up to $3,000,000 in SSBCI funds, in accordance with the terms set forth in the respective memo and Program specifications.

On February 8, 2023, the Board approved modifications to the Clean Energy Business Financing Program, also known as the New Jersey Clean Energy Loans Program ("Program" or "NJ CELs Program"), regarding the definition of "Private Lenders."

New Jersey's SSBCI application to U.S. Treasury was approved and the allocation agreement was signed on March 15, 2023, and the NJ CELs Program was launched in April 2023.

Program Details:

The New Jersey Clean Energy Loans Program is a $80,000,000 co-lending program that offers term loans to eligible small businesses ("Borrowers") seeking to finance an eligible clean energy project ("Project") in New Jersey. Projects include financing infrastructure projects, installing or purchasing improvements at an existing facility, and/or creating or expanding small businesses that manufacture products or offer services in the Clean Energy Industry, as defined in the November 16, 2022 Board memo.

Complete applications are reviewed on a rolling basis. Potential Borrowers submit their applications to NJEDA, which include, among other items, an identification of the Private Lender and a description of the financing arrangements being offered by the Private Lender together with the particular financing terms of the loan being requested from NJEDA. NJEDA staff then verify basic eligibility criteria, including meeting the minimum SSBCI requirements, and conduct an overall evaluation of the Project using the standardized scoring criteria. In order to be eligible for the Program, all applications must meet a minimum aggregate threshold score of 50 points.

Clean Energy Industry & Clean Energy Project

For the purposes of this Program, the "Clean Energy Industry" is defined as businesses involved in the research, development, commercialization, manufacturing of products and services, and implementation of technologies that support renewable energy generation and distributed energy resources, grid modernization, energy efficiency and zero-carbon building development, and transport system electrification.

Examples of Clean Energy Industries include solar power, onshore and offshore wind, electric battery storage, fuel-cell-based storage, carbon capture technologies, non-combustion waste-to-energy technologies, wave energy, water use minimization technologies, carbon-reducing materials, nuclear energy, heat pumps and geothermal, run of river hydroelectric, and other innovative recycling technologies and processes. This industry also includes firms that manufacture either finished or interim advanced technologies or components.

Excluded from the Clean Energy Industry definition are distribution or transmission utilities, conventional landfill operations, combustion-based waste-to-energy projects, and natural gas projects.

In addition, a "Clean Energy Project" for the purposes of this Program is a Project that is directly or indirectly part of a Clean Energy Industry, such as:

- Financing Clean Energy Industry infrastructure projects, such as solar-plus-energy storage distributed energy resource projects;
- Installing or purchasing Clean Energy Industry improvements at a small business's existing facility, such as upgrading to high efficiency boilers at a business's factory or purchasing a zero-emission medium or heavy-duty vehicle (ZEMHDV);
- Creating or expanding small businesses that manufacture Clean Energy Industry products or their integral components for sale such as a manufacturer of electric vehicle batteries or their components; or
- Creating or expanding small businesses that offer Clean Energy Industry services (or product sales and service) in the marketplace, such as a small business that improves building envelopes through the installation of more energy efficient insulation, windows, and other envelope components.

Eligibility Criteria

To be eligible for the NJ CELs Program, prospective Borrowers must meet the following criteria:

- Be a commercial, industrial, or other for-profit organization, or a non-profit organization, of less than 750 employees, as calculated using the methodology specified in the SSBCI Capital Program Policy Guidelines (currently consistent with the Small Business Administration's methodology under 13 C.F.R. § 121.106);

- Be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection (DEP); and
- Have a valid Tax Clearance Certificate no older than 180 days at time of approval for financing.

In addition to meeting the definition above, the Project being proposed by the Borrower must:

- Be seeking financing with an aggregate principal amount of at least $500,000 and less than $20 million;
- Demonstrate that the SSBCI funds under this Program will "cause and result" in at least $1 of new private credit for every $1 of SSBCI funds, as described below;
- Not be enrolled in another approved state SSBCI program, whether or not that program is administered by NJEDA;
- Be technically feasible, in that it utilizes technologies and processes that have already been demonstrated in the U.S. or internationally; and
- Be economically feasible, in that the Project's business model is realistic and sustainable (with a sustainable model being one that will create and then retain the new employees forecasted as a result of the requested funding and, any that are forecasted to be long-term or permanent), and the Program loan amount requested, together with the other debt and equity investment, cash incentives and other sources of funding, is adequate to achieve the stated purpose of the Project.

In addition, at all times throughout the term of the loan:

- Projects that are Clean Energy Industry infrastructure projects or that involve the installation or purchase of Clean Energy Industry improvements at a Borrower's existing facility, the infrastructure project or installation activities must be physically located in New Jersey (for purchases of ZEMHDV, the vehicle(s) must be registered and domiciled in New Jersey);
- For all other Projects, Borrowers must have a physical location in New Jersey (formal office, facility, or colocation facility acceptable) and have a minimum of 50% of full-time employees working in New Jersey.

Scoring Criteria

The scoring grid for the NJ CELs Program, completed for Solar Landscape, LLC, is presented in **Appendix A**.

Underwriting Process

NJEDA conducts an underwriting of all applications while also taking into consideration the credit analysis completed by Private Lenders, when available. NJEDA's credit analysis may include but not be limited to financial operations, leverage position and cash flow forecasts.

All loans must meet a minimum Global Debt Service Coverage Ratio (GDSCR) of 1.00x. If a 1.00x is not achieved based on the historical financial statements of the business and/or any recurring outside income of the owners, then the applicant may provide a projection and narrative assumptions that illustrate the ability to meet a minimum of 1.00x in the fiscal year after the payment moratorium ends.

All loans will be secured, however, there is no maximum loan to value ratio.

All loans will be risk rated using the Authority's existing risk rating model.

Application: Solar Landscape, LLC (PROD-00314195)

Background:

Summary of Applicant: Solar Landscape, LLC works with the nation's largest commercial real estate companies to leverage an undervalued resource: their rooftops. By opening rooftops for community solar projects, real estate leaders meet their environmental and social impact goals. Solar Landscape, LLC works with community leaders to reduce carbon footprints and energy burdens for underserved and emerging communities. Subscribers sign up to save on their energy bills and fight climate change. And Solar Landscape, LLC is training the solar workforce of the future to create new career pathways and ensure that our nation is ready to transition to a clean energy economy.

Clean Energy Project ("the Project"): Expanding a small business that offers clean energy services (or product sales and service) in the marketplace.

Use of Funds: The loan will be used to help scale the business's corporate growth. Through both field and office job creation, the business will be able to expand access to clean energy and bring more community solar and energy savings to New Jersey residents. The loan is expected to create 185 new jobs in New Jersey.

Project Location: 1930 Heck Ave., Neptune, NJ 07753

Overburdened Community: The Project is located in an Overburdened Community, as defined in N.J.S.A 13:1D-157 and based on the NJ CELs Program requirements.

Loan Terms & Conditions

Total financing requested (NJEDA & Private Lender): $20,000,000

Total loan requested from NJEDA: Up to $10,000,000

Private Lender institution: M&T Bank

Loan Terms & Amortization: Term/Amortization: [5-year term / 5-year amortization]

Interest Rates: Fixed at a base index of [SOFR - 1.75%] or 0.00%, whichever is greater.

This represents a 4% interest rate reduction on M&T Bank's interest rate, calculated based on the standard NJ CELs Program 3% interest rate reduction, plus the additional 1% reduction based on the applicant's location in an Overburdened Community. The interest rate shall in no case be lower than 0%.

M&T Bank's interest rate in the term sheet is a floating rate at: [SOFR + 2.25%] with a SOFR index floor of [1.00%].

For illustrative purposes, the SOFR rate as of February 9, 2024 is 5.31%. This would put M&T Bank's interest at 7.56%, and therefore NJEDA's rate at 3.56%.

The final interest rate will be determined at time of closing, based on the co-lender's interest rate.

Scoring

Score: 58/100 points

Underwriting

Underwriting staff has completed its review and deems that the applicant meets the underwriting criteria for the Program.

SSBCI

NJEDA staff has completed its review and deems that the applicant is compliant with all SSBCI requirements.

Approval Request:

NJEDA staff has determined that the application meets all eligibility and scoring criteria for the NJ CELs Program, and is in compliance with SSBCI requirements.

Approval is recommended for a loan of up to $10,000,000 Direct Loan to Solar Landscape, LLC under the NJ CELs Program, in conjunction with a $10,000,000 loan from M&T Bank.

Recommendation:

The Members are asked to approve the application of Solar Landscape, LLC (PROD-00314195) for a loan of up to $10,000,000 from NJEDA through the New Jersey Clean Energy Loans (NJ CELs) Program, with the terms and conditions presented in this memo, subject to change based on the co-lender's final terms and conditions presented in their loan documentation.

This memo also requests delegated authority to amend the terms and conditions of the loan post-approval, in accordance with the NJ CELs Program's design, if needed in order to match the co-lender's final terms and conditions of the loan.

Tim Sullivan, CEO

Prepared by**:** Marta Cabral

Attachments:

Appendix A – Scoring

Appendix A – Scoring

NJ CELs Application Review – Scoring

CAPP-# / PROD-#:	CAPP-00028430 / PROD-00314195
Date Online Application Submitted:	1/15/2024
Applicant Organization Name:	Solar Landscape, LLC
Review Officer:	Max Frank

Scoring Grid

Category	Scoring Criteria	Points	Points per Category	Total
Direct jobs forecast to be created, relative to dollar amount of total loan for the Project (NJEDA + financial institution)** **This criterion is based on the estimated number of jobs that will be created at the end of the project. Applicants are asked to justify this estimate by completing a "Projected Jobs Log" at the time of application	1 Full-Time Equivalent (FTE) per $100,000 or less	25	15	20 /30
	1 FTE per $100,001-$125,000	15		
	1 FTE per $125,001-$150,000	5		
	1 FTE per over $150,000	0		
	100% of jobs forecasted are in NJ	5	5	
Strength of management team and partnering entities	Has experience with the clean energy technology in this proposed project** **Any experience with the clean energy technology will be awarded the full number of points. Examples of experience with past projects are required	5	5	10 /10
	Applicant organization has 2 or more C-level executives	5	5	

NJ CELs
NJ CLEAN ENERGY LOANS

Category	Scoring Criteria	Points	Points per Category	Total
Benefits to Overburdened Communities	Reduction or avoidance of criteria pollutants in an overburdened community** **Applicants are required to justify how the Project will lead to reducing/avoiding pollutants, including which criteria pollutant(s) and where the reduction/avoidance will take place. Supporting documentation or references/hyperlinks are requested. See FAQ document for more information.	10	10	20 /20
	50% or more of new jobs forecasted are created in an overburdened community** **As detailed in the Projected Jobs Log, which must be completed at the time of application	5	5	
	Reduction in energy costs for individuals or businesses in an overburdened community** **Applicants are required to justify how the Project will reduce energy costs, including where the reduction will take place. Supporting documentation or references/hyperlinks are requested	5	5	

Category	Scoring Criteria	Points	Points per Category	Total
NJ Certified Minority-, Woman-, or Veteran-owned business	Minority-, Woman-, or Veteran-Owned business (New Jersey certification required at time of application)	10	0	0 /10
Number of Full Time Equivalent (FTE) employees at time of application** **Applicants will be required to complete a Current Employee Log as part of the application, to verify the number of employees	100 or fewer FTE employees	10	8	8 /10
	101 – 200 FTE employees	8		
	201 – 300 FTE employees	6		
	301 – 400 FTE employees	4		
	401 – 500 FTE employees	2		
	501 or more FTE employees	0		
Total loan amount (from NJEDA and financial institutions) requested for the project	$1M or less	10	0	0 /10
	$1,000,001 - $2M	8		
	$2,000,001 - $3M	6		
	$3,000,001 - $4M	4		
	$4,000,001 - $5M	2		
	Greater than $5M	0		
Ratio of private dollars to NJEDA dollars in the total loan amount requested for the project (at time of application)	6:1 or greater	10	0	0 /10
	5:1 – 6:1	8		
	4:1 – 5:1	6		
	3:1 – 4:1	4		
	2:1 – 3:1	2		
	1:1 – 2:1	0		
			Total Points:	58 /100

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: New Jersey Innovation Evergreen Fund: March 2024 Qualified Venture Firm Approvals

SUMMARY

The Members are asked to approve the venture firms presented today as Qualified Venture Firms under the New Jersey Innovation Evergreen Program. The designation will allow the Qualified Venture Firms to apply for program Qualified Investment co-investment capital to invest in eligible high-growth New Jersey-based companies. Any Qualified Investments, for which the application opened on May 23, 2023, will be presented to the Members for consideration under separate cover following eligibility review conducted by NJEDA staff. Applications are reviewed by Staff on a rolling basis and presented to the Board by the order in which completed applications are received. This month, Authority staff seeks Board approval to designate two applicant venture capital firms as Qualified Venture Firms.

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 ("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. As of February 5th, 2024, $41,059,131 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. Venture firms, which do not need to be located in the State, may apply for designations on a rolling basis, and applications are reviewed in order of submission. To access Program co-investment capital, Qualified Venture Firms may then apply for Qualified Investments on a rolling basis. The Program application for Qualified Investments opened on May 23, 2023.

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 for up 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. All Qualified Investments from the Fund must be a co-investment that is matched by the Qualified Venture Firm at least 1:1. The Authority will reserve Fund capital for follow-on investments in Qualified Businesses in an amount based on the same ratio used by the Qualified Venture Firm, up to the Program investment limits noted above in any twelve-month period. 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.

The application for designation as a Qualified Venture Firm opened on December 16, 2022. Applications are made on a rolling basis, and applications are reviewed in the order in which they are received. Since December 16, 2022, the NJEDA has received twenty-five applications; eleven Qualified Venture Firms have been approved by the Members and onboarded onto the platform to-date, nine applications have been withdrawn, three remain in-progress, and two completed applicant submissions are presented to the Members this month for approval.

QUALIFIED VENTURE FIRM CERTIFICATION REQUIREMENTS

Venture firm applicants can apply for designation either before identifying a potential Qualified Investment, or in conjunction with an application for a Qualified Investment. Venture firm applicants that meet all Program eligibility requirements (detailed in N.J.A.C. 19:31-25.7) and that have submitted all required documentation will be scored based on the Program's weighted criteria evaluation model for venture firms. The primary eligibility requirements, which are detailed below, must be met both at the time of application for initial certification and at the time of application for investment.

> 1) Number of Investors Employed by the Firm: Qualified Venture Firms must have least two full-time persons employed 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: Qualified Venture Firms must demonstrate at least $10,000,000 in assets under management at the time of application, which will be measured as the sum of a 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.

Applications that meet all Program eligibility requirements must also meet or exceed the minimum acceptable score through an objective weighted criteria scoring model, which is made publicly available on the Program's website. Only venture firm applicants that meet or exceed the minimum acceptable score, which was approved by the Board in April 2022, may be considered for a Qualified Venture Firm designation.

The evaluation methodology places a material emphasis on venture firm applicants' diversity, equity, and inclusion policies and implementation thereof. Diversity, equity, and inclusion are foundational elements of building a stronger and fairer State economy. Based on the 2023 Program's weighted criteria scoring model, venture firm applicants must demonstrate robust diversity, equity, and inclusion policies to meet the Program minimum acceptable score. For firms with policies that have been in place for at least a year, the weighted criteria scoring model also places material emphasis on each firm's track record of progress against that firm's diversity, equity, and inclusion policy goals. Applicant responses to diversity, equity, and inclusion policy categories are evaluated independently by the Authority's Diversity, Equity, and Inclusion Department using an objective policy demonstration framework tool made publicly available on the Program website to test applicant policies' conformity with industry best practices.

Please refer to **Appendix A** for an overview of specific Program weighted criteria evaluation model and minimum acceptable score.

QUALIFIED VENTURE FIRM COMPLIANCE REQUIREMENTS

Qualified Venture Firms must submit an annual report to the Authority demonstrating they remain in compliance with program requirements. For example, firms must continue to maintain $10,000,000 in assets under management and employ two full-time investors employed to direct investment capital with at least five years of professional money management experience. Firms that fall out of compliance with program requirements risk decertification. The annual reports will also include documentation demonstrating Qualified Venture Firm's efforts to identify New Jersey-based investment opportunities.

Additionally, Qualified Venture Firms that receive 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. For the purposes of the Program, New Jersey Incentive areas are defined as areas in the State designated pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan), or that has been designated as a qualified Opportunity Zone pursuant to 26 U.S.C. s.1400Z-1

____
Tim Sullivan, CEO

Prepared by: Curtis Lee– Senior Product Officer, Venture Programs
Grace Warner – Product Officer, Venture Programs
Alexander Pachman– Manager, Venture Programs

Attachment:
Appendix A - Summary of Previously Approved Qualified Venture Firms
Appendix B - Qualified Venture Firm Weighted Criteria Evaluation Model

Appendix A – Summary of Previously Approved Qualified Venture Firms

Table 1: Previously Approved and Closed Qualified Venture Firms

Qualified Venture Firm	Headquarter	Assets Under Management *	Strategy
Creative Ventures Management LLC	CA	$98M	Early-stage deep technology companies.
Cornucopian Capital Management LLC	NJ	$26M	Early-stage food innovation and health technology companies.
Covenant Venture Capital LLC	NY	$54M	Late-stage AI technology and early-stage technology and life sciences companies.
Edison Partners Management LLC	NJ	$1.8B	Growth equity software and tech-enabled companies.
Emerging Fund Management LLC	IL	$44M	Revenue-generating restaurant technology companies.
Fin Venture Capital Management LLC	CA	$1.1B	Late-stage and early-stage enterprise financial technology software companies.
Newark Venture Accelerator LLC	NJ	$152M	Early-stage enterprise software as a service companies.
RV3 Management LLC	PA	$34M	Early-stage revenue generating healthcare and technology companies.
Signet Healthcare Management LLC	NY	$328M	Commercial-stage healthcare companies.
Tech Council Ventures LLC	NJ	$56M	Early-stage technology, clean energy, healthcare, and advanced materials companies.
VamosVentures Management Company, LLC	CA	$44M	Early-stage Latinx-led technology companies.

*Note: Assets Under Management calculated as the sum of a 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 at the time of Board approval.

Appendix B – Qualified Venture Firm Weighted Criteria Evaluation Model

The New Jersey Innovation Evergreen Fund venture firm weighted criteria evaluation model and scoring methodology was approved by the Board of the Authority in April 2022 and is publicly available on the program website.

Qualified Venture Firms must meet all program eligibility requirements and meet or exceed the Program minimum acceptable score on the weighted criteria evaluation model. Section 28 of the NJIEF statute, P.L. 2020, c. 156 (amended by P.L. 2021, c. 160) outlines the required categories to be included (further clarified in N.J.A.C. 19:31-25.7 of the Program's regulations). The scoring criteria and weights will be evaluated on a continual basis by Authority staff for potential annual adjustments, to be approved by the Members.

Dynamic Scoring

The weighted criteria model uses dynamic scoring to increase the total possible points and total acceptable score by 7 points for firms that have had a diversity, equity, and inclusion policy in place for at least one year. These firms will be required to demonstrate a track record of making progress towards achieving their policy goals to receive the additional 7 points. Firms unable to do so will be able to earn 5 points if they are able to demonstrate a track record of best efforts towards achieving their policy goals. Venture firm applicants with a newly created diversity, equity, inclusion policy will not be penalized for a failure to demonstrate a track record of achieving policy goals. For those firms, criteria #3a and #3b are removed from the scoring model, reducing the maximum achievable score and the minimum acceptable score by 7 points. This dynamic approach to the Program's total possible score and minimum acceptable score will enable the NJIEF to serve as a catalyst within the venture capital ecosystem, requiring firms that lack diversity, equity, and inclusion policies to establish such policies, while also requiring firms with preexisting policies to demonstrate progress made towards achieving policy goals.

Minimum Acceptable Scores

Venture firm applicants with diversity, equity, and inclusion policies that have been in place for at least one year must receive a score of at least 24 out of a possible 37 points on the Program's weighted criteria scoring model to be certified as a qualified venture firm. Firms with a newly created diversity, equity, and inclusion policy, including firms that may be creating a policy in conjunction with their Program application, must receive a score of at least 17 points out of a possible 30 points. In both cases, it will not be possible for firms to achieve the minimum acceptable score without robust diversity, equity, and inclusion policies.

Table 1: Venture Firm Weighted Criteria

Criteria Number	Scoring Criteria	Score Weight
1	Does the firm have a clearly articulated internal policy promoting diversity, equity, and inclusion within the venture firm/management company, specifying relevant evaluation metrics when applicable?	8.5
2	Does the firm have a clearly articulated investment policy promoting diversity, equity, and inclusion within their portfolios, specifying relevant evaluation metrics when applicable?	5.0
	Have any of the firm's diversity, equity, and inclusion policies been in place for at least one year?	
3a	Does the firm have a demonstrable track record of making progress against its diversity, equity, and inclusion policy goals?	7.0/0.0
3b	If not, does the firm have a demonstrable track record of making best efforts towards achieving its diversity, equity, and inclusion policy goals?	5.0/0.0
4	Has the NJEDA been an investor in a current or prior fund with the firm?	0.5
5	Has the firm worked with other NJEDA programs or participated in NJEDA organized functions to support targeted industries and the innovation ecosystem?	0.5
6	Does the firm have a New Jersey office?	0.5
7	Has the firm made at least two investments into NJ startups from funds raised in the past five years?	0.5
8	Does at least one member of the firm's senior management team have at least 2 years of relevant experience working for a business in a targeted industry?	1.0
9	Does at least one member of the firm's senior management team have at least 5 years of relevant experience working for a business in a targeted industry?	1.0
10	Does the senior management team have at least 2 years of experience working together?	1.0
11	Does the senior management team have at least 5 years of experience working together?	1.0
12	Does the firm control sufficient assets under management such that a $5M investment would represent less than 15% of the firm's total assets under management?	1.0
13	Does the firm control sufficient assets under management such that a $10M investment would represent less than 15% of the firm's total assets under management?	1.0
14	Has the firm formally raised capital for the fund that will co-invest alongside the NJIEF in the coming year?	1.0
15	Regarding the fund that would co-invest alongside the NJIEF in the coming year, does the fund have an annual management fee less than or equal to 2.5% of capital committed by investors?	1.0
16	Regarding the fund that would co-invest alongside the NJIEF in the coming year, is the fund's incentive compensation rate (commonly referred to as carried interest rate) at or below 20% of investment profits?	1.0
17	Has the firm previously raised and invested an institutional fund?	1.0
18	Does the firm have a regional investment policy, directing at least 25% of invested capital to New Jersey or surrounding geographic areas, not to encompass more than the Mid-Atlantic region?	0.5

19	Does the firm have at least one fund, raised within the past 10 years, that has performed better than the median relative to its peer group of investors with the same strategy for the same vintage year?	1.0
20	Have all the firm's funds, raised within the past 10 years, performed better than the median relative to peer group investors with the same strategy for the same vintage years?	1.0
21	Have any of the firm's institutional funds distributed more capital back to its investors than they have invested, including fees.	1.0
22	Does the firm have an office in an incentive area in New Jersey?	0.5
23	Does the firm's senior management team agree to create policy certifying that the firm will dedicate a greater portion of Evergreen funding into businesses located in New Jersey incentive areas?	0.5
	Total Possible Points	**37.0/30.0**
	Minimum Acceptable Score	**24.0/17.0**

Applicant responses to diversity equity and inclusion policy categories will be evaluated by the Authority's Diversity, Equity, and Inclusion Department using a policy demonstration framework tool made publicly available on the Program's website, to test conformity with industry best practices. Only firms that demonstrate internal or investment diversity, equity, and inclusion policies sufficiently robust such that they meet the requirements of at least 4 out of the 10 categories included in the policy demonstration framework tool presented in Tables 3 and 4 will be rewarded the related criteria points for categories #1 and #2 outlined in Table 2. If needed, applicants may strengthen their diversity, equity, & inclusion policies and submit additional supporting documentation throughout the application process, which enables the Program to catalyze increased focus on diversity, equity, and inclusion in the innovation ecosystem.

Table 2: Venture Firm Internal DE&I Policy Demonstration Framework Tool

Criteria Number	Scoring Criteria	Score Weight
1	Does the firm track diversity metrics for the Firm/Management Company, including Ownership, Investment Committee and Professionals?	1.0
2	Does the firm have a diversity, equity, and inclusion policy that addresses recruitment and retention?	1.0
3	Does the firm have Code of Conduct/Code of Ethics, that covers harassment, discrimination, or workplace violence?	1.0
4	Does the firm have an equitable pay policy?	1.0
5	Does the firm track diversity metrics for carried interest distributions across the firm?	1.0
6	Does the firm have a formal employee engagement policy, to further the retention and advancement programs for diverse staff?	1.0
7	Does the firm have a performance appraisal policy that incorporates individuals' contributions to advancing DE&I?	1.0
8	Are the firms internal DE&I policies codified in a formal policy document available to be shared with the Limited Partners?	1.0
9	Is a member of the firm's senior management team responsible for the firm's internal DE&I policy?	1.0
10	Were the firm's internal DE&I policies in place prior to the events of June 2020?	1.0

	Total Possible Points	**10.0**
	Minimum Acceptable Score	**4.0**

Note: Applicants that demonstrate supporting documentation to satisfy 4 of the 10 categories in the internal DE&I policy demonstration framework tool will receive 8.5 points on the weighted criteria scoring awarded model through category #1 in Table 2.

Table 3: Venture Firm Investment DE&I Policy Demonstration Framework Tool

Criteria Number	Scoring Criteria	Score Weight
1	Does the firm track diversity metrics of portfolio company Senior Management?	1.0
2	Does the firm track diversity metrics of its investment pipeline?	1.0
3	Does the firm have an investment target to invest in underrepresented founders?	1.0
4	Does the firm track diversity metrics of portfolio company Board of Directors?	1.0
5	Does the firm have a DE&I target in place to improve the diversity of the Board of Directors of portfolio companies?	1.0
6	Does the firm have a policy in place to encourage portfolio companies to implement DE&I hiring and/or retention within portfolio companies?	1.0
7	Does the firm have a policy in place to encourage portfolio companies to implement DE&I policies, programs, or processes among suppliers?	1.0
8	Are the firm's investment DE&I policies codified in a formal policy document available to be shared with the Limited Partners?	1.0
9	Is a member of the firm's senior management team responsible for the firm's investment DE&I policy?	1.0
10	Were the firm's investment DE&I policies in place prior to the events of June 2020?	1.0
	Total Possible Points	**10.0**
	Minimum Acceptable Score	**4.0**

Note: Applicants that demonstrate supporting documentation to satisfy 4 of the 10 categories in the investment DE&I policy demonstration framework tool will receive 5 points on the weighted criteria scoring model awarded through category #2 in Table 2.

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: New Jersey Innovation Evergreen Fund: March 2024 Qualified Venture Firm Approval – Lumira Capital Investment Management Inc.

SUMMARY

The Members are asked to approve Lumira Capital Investment Management Inc. ("Lumira") as a Qualified Venture Firm under the New Jersey Innovation Evergreen Program. Staff finds the applicant meets all program eligibility requirements, including achieving the minimum acceptable score outlined in the cover memorandum and detailed below. The designation will allow Lumira to apply for program Qualified Investment co-investment capital to invest in eligible high-growth New Jersey-based companies. Any Qualified Investments, for which the application opened on May 23, 2023, will be presented to the Members for consideration under separate cover following eligibility review conducted by NJEDA staff.

LUMIRA CAPITAL INVESTMENT MANAGEMENT INC.

Overview
Lumira Ventures is a healthcare-focused venture capital firm headquartered in Toronto, Canada with offices in Boston, Montreal, and Vancouver. Lumira typically invests in healthcare companies in North America overlooked by other institutional investors. Lumira was formed in 2007 following the acquisition of a corporate-affiliated healthcare venture capital business, MDS Capital, that had been founded in 1989. As part of MDS's restructuring, their Limited Partners asked the current Lumira Team to take over management of the firm's 2002 vintage fund Lumira Capital I. After achieving an impressive performance turn-around, the newly formed Lumira raised two new funds in 2012, a C$121M flagship Fund II and a C$43M strategic fund anchored by pharmaceutical firm Merck. The firm differentiates itself to entrepreneurs as an investor-of-choice by assisting portfolio companies in leveraging Lumira's multi-decade team stability, global industry relationships, and lessons learned from building over 100 companies. Since inception, Lumira has raised and invested over $400M through several institutional funds, and its portfolio companies have brought to market over 40 FDA-approved therapies. Lumira is currently investing out of its fourth fund which maintains total commitments of nearly $180M. Lumira has invested $47.8 million into 12 portfolio companies out of its most recent fund.

Strategy

Lumira acts as a lead investor and active partner with its portfolio companies. The firm focuses on healthcare companies whose products offer transformative improvements to patient health outcomes and the promise of dramatic reductions in the cost of healthcare delivery. Lumira seeks out best-in-class healthcare companies in underserved, yet innovation-centric geographies in North America. Roughly 50% of the firm's investments are based in Canada. Lumira invests approximately 60% of its capital in healthcare companies undergoing mid- or late-stage clinical trials and balances its portfolio with investments split among early-stage and revenue-generating healthcare companies. The firm seeks to build portfolios with a tilt towards biotechnology companies, which represent roughly 70% of fund portfolio investments, with the remainder invested in medical technology and other healthcare-related companies.

Investment and Management Team

Lumira is managed by a team of experienced senior investment professionals who have been investing together successfully at Lumira for over 16 years. The team has invested in over 100 companies through multiple market cycles. Lumira's leadership team is comprised of three senior members in Toronto, Managing General Partner Peter van der Velden, Managing Director Dr. Benjamin Rovinski, Ph.D. and Partner Dr. Jacki Jenuth, Ph.D, one Managing Director in Montreal, Daniel Hetu, M.D., one Managing Director in Boston, Gerry Brunk, and three Venture Partners in Vancouver. Mr. Vasco Larcina serves as the firm's Chief Financial Officer. All members of the firm's senior management team noted above serve on the firm's investment committee.

Mr. van der Velden, Managing General Partner at Lumira, oversees the overall business operations of Lumira, is the lead in managing the firm's limited partner relationships, and primarily focuses on Canadian investment opportunities. Prior to joining Lumira's predecessor firm (MDS Capital Corp) in 2005, Mr. van der Velden accumulated over 17 years of venture capital, private equity, investment banking and entrepreneurial experience at VenCap Equities Alberta Ltd, Bedford Capital, Fusion Capital Partners, Hyal Pharmaceutical, and Connaught Biosciences. Mr. van der Velden has served as a longstanding policy leader for the healthcare and venture capital sectors in Canada, including as a past President and Chairperson of the Canadian Venture Capital and Private Equity Association (CVCA).

Mr. Brunk, Managing Director, focuses on investments in the medical device and biopharmaceutical sectors and manages Lumira's Waltham, Massachusetts office. With over 25 years of investment, consulting, and entrepreneurial experience, he has helped build life sciences companies at all stages of development. Prior to establishing the firm's Boston office in 2002, Mr. Brunk co-founded of two venture-backed life science companies and served as a Principal in the healthcare practice at The Boston Consulting Group. He began his career in the investment banking group at Credit Suisse First Boston.

Dr. Rovinski, Managing Director, focuses primarily on investments in mid- to late-stage private and public companies involved in drug discovery and development, biological and small molecule therapeutics, drug delivery, specialty pharmaceuticals, genomics, proteomics, and diagnostic devices. With over 30 years of investment, operational, managerial and research experience in the sector, he has helped build life sciences companies at all stages of development. Prior to joining the firm in 2001, Dr. Rovinski served for over 13 years in a variety of senior leadership positions at Sanofi Pasteur, including as Director of Molecular Virology leading R&D programs for HIV/AIDS and cancer vaccines. He has published over 25 scientific articles and is the recipient of 31 patents.

Dr. Hetu, Managing Director, has 30 years of investment banking, corporate development, licensing and investment experience. Dr. Hetu has been involved with life sciences companies at all stages of development in North America and overseas. He focuses on investments in the biopharmaceutical and medical device sectors. Before joining the firm in 2005, he served for 10 years as VP Business Development with Shire Pharmaceuticals and Biochem Pharma prior to its acquisition for $4B (the highest-valued acquisition of a Canadian biotech company), where he led licensing and M&A transactions. Previously he was part of the investment banking group of Burns Fry.

Dr. Jenuth, Chief Operating Officer, is a business executive with over 20 years of life science, IT and business development experience. Dr. Jenuth's investment focus has been primarily on early to mid-stage private companies involved in drug discovery and development, biological and small molecule therapeutics, drug delivery, specialty pharmaceuticals, genomics, proteomics. Dr. Jenuth's particular areas of interest are rare disease and neurological disease. In addition to her investment role she also directs all aspects of Lumira's information technology initiatives having architected a venture capital analytics platform. Prior to joining the firm in 2001, she worked at Base4 and Open Text where she developed and sold enterprise content management solutions targeted to the biotechnology and pharmaceutical industry.

Mr. Vasco Larcina, Chief Financial Officer, has over 20 years of senior financial management and audit experience. He collaborates closely with the firm's investment team, external auditors, and other finance professionals in leading the firm's evaluation, development and implementation of financial policies, systems and procedures developed in consideration of external reporting, risk and governance, and regulatory and tax compliance. Prior to joining Lumira in 2007, Mr. Larcina worked for the firm's predecessor company, MDS Capital Corp, and as an external auditor with KPMG.

<u>New Jersey Investment History</u>

The firm has not invested in any New Jersey-based business through funds raised in the past five years. However, the firm has previously co-led the Series A investment round for Summit, NJ-based Engage Therapeutics in 2017, which has since been acquired by UCB Pharma. Additionally, Lumira's predecessor firm, MDS Capital, was a prior investor into Pharmasset (Nasdaq: VRUS). Following Lumira's investment, Pharmasset relocated their headquarters to Princeton, NJ through support from the NJEDA, shortly before their $11.2B acquisition by Gilead Sciences.

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, designation as a Qualified Venture Firm is recommended for Lumira Capital Investment Management Inc. conditioned on execution of the Qualified Venture Firm Agreement.

Table 1: Lumira Capital Investment Management Inc.

Firm Name	Assets Under Management	HQ Location	Score	Minimum Acceptable Score*
Lumira Capital Investment Management Inc.	$404 M	Toronto	29.5	24.0

*The minimum acceptable score and total possible points increases by 7 points for applicants with a DE&I policy in place for at least one year. This approach helps ensure applicants with longstanding policies made demonstrable progress towards their policy goals.

Tim Sullivan, CEO

Prepared by:
Grace Warner – Product Officer, Venture Programs
Curtis Lee– Senior Product Officer, Venture Programs
Alexander Pachman – Manager, Venture Programs

Attachments:

Appendix A – Confidential Detailed Scoring

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: New Jersey Innovation Evergreen Fund: March 2024 Qualified Venture Firm Approval – SOSV Investments LLC

SUMMARY

The Members are asked to approve SOSV Investments LLC as a Qualified Venture Firm under the New Jersey Innovation Evergreen Program. Staff finds the applicant meets all program eligibility requirements, including achieving the minimum acceptable score outlined in the cover memorandum and detailed below. The designation will allow SOSV Investments LLC to apply for program Qualified Investment co-investment capital to invest in eligible high-growth New Jersey-based companies. Any Qualified Investments, for which the application opened on May 23, 2023, will be presented to the Members for consideration under separate cover following eligibility review conducted by NJEDA staff.

SOSV INVESTMENTS LLC

Overview

In 1995, Sean O'Sullivan founded SOSV Investments LLC ("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 approximately $1.2 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 raising capital for its fifth core fund, SOSV V LP, with a $400M fund target.

SOSV seeks to leverage three key economic trends and has created three startup programs focused on these themes. Biology used to engineer novel solutions (IndieBio), hard technology (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 biotechnology and hard technology. Many of the firm's biotechnology and hard technology investments are focused on human health and climate change.

In 2021, SOSV formed HAX LLC, the firm's Newark-based hard technology accelerator in partnership with the New Jersey Economic Development 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 accelerator program for a total of at least $25M over a 5.5-year period. This investment commitment is distinct from any New Jersey Innovation Evergreen Fund program capital managed by SOSV as a program co-investment. In April 2022, HAX was approved under the NJ Accelerate program and remains actively engaged. Over the years SOSV has been a frequent participant at the Authority's New Jersey Founders & Funders events.

SOSV's most recent core fund is the $277 million Fund IV, which closed in 2019. In 2021, SOSV also raised a $100 million Select Fund to support the expansion of follow-on investing in SOSV's portfolio. The firm is raising capital for its latest fund, SOSV V LP, and is targeting $400M in commitments, with a final close expected in 2024. SOSV V's investment program commenced in 2023. As of February 2024, SOSV V LP has commitments of over $180M.

Strategy

SOSV seeks to invest globally, in pre-Seed, Seed, Series A+, and growth-stage rounds of financing of companies operating in biotechnology, hard technology, and emerging and frontier markets cross-border technologies. SOSV typically makes initial investments of up to $500,000 through a combination of investment capital and in-kind services 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 eleven individuals located across China, the United States, and Europe. Firm-wide SOSV employs over 120 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. William Bao Bean, General Partner, SOSV and Managing Director at Orbit Startups is responsible for SOSV's cross border internet portfolio, including the MOX and Chinaccelerator Programs. Mr. Bao Bean joined SOSV from SingTel Innov8 Ventures where he was Managing Director supporting China investments.

Mr. Oscar Ramos, General Partner, SOSV and Managing Director at Orbit Startups. Mr. Ramos has expertise ranging from product development to corporate strategy, he leads the Orbit Startups program in Shanghai from recruitment to program delivery and oversees development of the Orbit Startups ecosystem of mentors, founders, investors, and partners.

Mr. Bill Liao, General Partner, SOSV supports, mentors, and invests in companies and startups at all stages of growth. Mr. Liao founded SOSV's life sciences practice in Europe, running the first complete life sciences startup development program in Cork, Ireland, SynBioaxlr8r (later IndieBioEU Cork and then RebelBio at Imperial College London). The program focused on entrepreneurs building technologies in or around the field of synthetic biology.

Mr. 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 on financial and business operations with 1,000+ companies in the SOSV portfolio. 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 15 Newark, New Jersey-based businesses through funds raised over the past five years. These businesses are: XN Health (2021), Portable Diagnostics Systems – (2022), Lura Health (2019, 2020, 2021), PONS (2022), MetalLight (2022), Tandem (2022), Dia (fka E-Sentience) (2022), Still Bright (2022), OpenShelf (2023), Amatec (2023), Algoma Homes (2023), Mimic (2023), Arculus (2023), Verdex (2023), TrelliSense (2023).

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, designation as a Qualified Venture Firm is recommended for SOSV Investments LLC, conditioned on execution of a Qualified Venture Firm Agreement.

Table 1: SOSV Investments LLC

Firm Name	Assets Under Management	HQ Location	Score	Minimum Acceptable Score*
SOSV Investments LLC	$1.2B	NJ	33.5	24.0

*The minimum acceptable score and total possible points increases by 7 points for applicants with a DE&I policy in place for at least one year. This approach helps ensure applicants with longstanding policies made demonstrable progress towards their policy goals.

Tim Sullivan, CEO

Prepared by:
Grace Warner – Product Officer, Venture Programs
Curtis Lee– Senior Product Officer, Venture Programs
Alexander Pachman – Manager, Venture Programs

Attachments:

Appendix A – Confidential Detailed Scoring

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: New Jersey Performing Arts Center Corporation ("NJPAC") PROD-00313324

PROJECT USERS: NJPAC and TS 2 Development Corporation

PROJECT LOCATION: NJPAC is located at 1 Center Street, Newark, Essex County, New Jersey and is part of a complex that includes the adjacent New Jersey Performing Arts Center for Arts Education located at 24 Rector Street, Newark, NJ and the facility to be acquired and renovated located at 31 Mulberry Street, Newark, NJ.

APPLICANT BACKGROUND:

NJPAC is a not-for-profit corporation that incorporated in 1988 and is organized under the laws of New Jersey and is generally exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. NJPAC is the state's anchor cultural institution and America's foremost urban presenter of arts and entertainment, a creative and effective leader in arts education for children, a convener of useful and enlightening civic engagement events, and a catalyst for economic development in its home city of Newark. NJPAC has served an audience of over 11 million people since opening its doors in 1997, including over 2 million students and families. NJPAC is the largest provider of arts education in the state, reaching roughly 100,000 students, educators, and families each year.

The bonds will be Qualified 501(c)(3) bonds issued under IRC § 145 to finance property owned by NJPAC (and perhaps a QALICB or TS 2 Development Corporation), an organization described in IRC § 501(c)(3) as an exempt organization. The capital expenditure limitation is irrelevant to 501(c)(3) bonds, though there is a $150M nonhospital bond cap.

OTHER NJEDA SERVICES:

PROD: 185020 $210,517 Hazardous Discharge Site Remediation Grant, Status: Closed 7/10/19
PROD: 303063 $2,000,000 NJ Arts and Innovation Festival Challenge Grant, Status: Closed 10/14/22
PROD: 312678 $49,974.40 Hazardous Discharge Site Remediation Grant, Status: Pre-Closing
PROD: 312280 $199,690,465 Aspire Tax Credit Incentive, Status: Pre-Closing
PROD: 188275 $25,000 Hazardous Discharge Site Remediation Grant, Status: In-Progress
PROD: 312537 $1,500,000 Activation Revitalization and Transformation Grant, Status: In-Progress
PROD: 313879 $3,000,000 NJ Arts and Innovative Festival Challenge Grant, Status: In-Progress

APPROVAL REQUEST:
NJEDA assistance will enable financing of this project consisting of (i) the development of a new Cooperman Family Arts, Education and Community Center, (ii) renovations and improvements to the New Jersey Performing Arts Center and Chambers Plaza, (iii) acquisition and renovation of 31 Mulberry Street, Newark NJ, (iv) renovations to the New Jersey Performing Arts Center for Arts Education at 24 Rector Street, Newark, NJ and (v) payments of certain costs of issuance of the bonds. This bond issue is not subject to volume cap limitations.

This project is being presented for final approval.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank N.A. (Direct Purchase)

AMOUNT OF BOND: $50,000,000 Tax-Exempt Bond

TERMS OF BOND: 10-year term, up to 36-month construction period converting to 7-year term loan
Interest only during construction, then converting to principal and interest payments based on a 20-year amortization.
Fixed interest rate, to be locked in a few days prior to closing, currently estimated at 5.75%

ENHANCEMENT: N/A

PRODUCT COSTS:

Acquisition and Renovations	$18,000,000.00	Soft Costs	$12,900,000.00

Construction of New Building	$55,600,000.00

TOTAL COSTS: $86,500,000.00

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
110	40	110	190

PUBLIC HEARING: March 7, 2024

BOND COUNSEL: McCarter & English

DEVELOPMENT OFFICER: Saurin Parikh

UNDERWRITER OFFICER: Angela Kiel

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: NACT Somerset, Inc. PROD-00314376

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 92 Cortelyous Lane Franklin Township Somerset

APPLICANT BACKGROUND:

NACT Somerset, Inc. (the “Borrower”), established in 2022, a subsidiary of North American Camp Trust, Inc. (“NACT Parent”), was created to purchase and operate a summer day camp in Franklin Township, Somerset County, New Jersey known as Oak Crest Day Camp.

NACT Parent is a 501(c)(3) not-for-profit established in 2016. The organization was formed for the charitable purposes of preserving and expanding the traditional day and overnight children’s summer camp experience by owning and operating children’s summer camp facilities.

NACT Somerset, Inc. is a 501(c)(3) not-for-profit entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

OTHER NJEDA SERVICES:

NACT Parent - $7,180,000 Tax-exempt Series A Bond / $705,000 Taxable Series B Bond, approved December 11, 2018.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire a 20 building, 10.6 acre summer day camp for children known as Oak Crest Day Camp in Somerset, New Jersey. The Camp also leases 10 adjacent acres from the State of New Jersey. The Camp includes a commercial kitchen next to a large tent used for dining, an office, three classroom/activities buildings, a pool house, a new field house, several day bunks and miscellaneous storage/maintenance buildings. The site also includes several ball fields including a football field with goal posts, two tennis courts, two full court basketball courts, four swimming pools, a rock wall, high ropes course, playground and two covered pavilions.

This project is being presented for preliminary and final approval.

FINANCING SUMMARY:

BOND PURCHASER:	Invesco Ltd. (Private Placement)
AMOUNT OF BOND:	$11,500,000
TERMS OF BOND:	30.5 years; Fixed interest rate of 7.00%.
ENHANCEMENT:	N/A

PRODUCT COSTS:

Acquisition of Land	$2,100,000.00	Debt Service Reserve Fund	$913,050.00
Acquisition of Existing Building	$5,010,000.00	Intangible Property and Customer Lists	$5,500,000.00
Finance Fees	$686,750.00	Contingency	$250,200.00
		Fixtures & Equipment, Furniture	$1,140,000.00

TOTAL COSTS: $15,600,000.00

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
0	4	4	0

PUBLIC HEARING: March 7, 2024

DEVELOPMENT OFFICER: Saurin Parikh

BOND COUNSEL: M. Jeremy Ostow, Esq.

UNDERWRITER OFFICER: Steven Novak

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: March 7, 2024

Subject: Council on the Green Economy Memorandum of Understanding (MOU) – New Jersey Economic Development Authority (NJEDA) and New Jersey Department of Environmental Protection

Summary:

Members of the Board are requested to approve a Memorandum of Understanding (MOU) between the New Jersey Economic Development Authority (NJEDA) and the New Jersey Department of Environmental Protection (NJDEP). This MOU enables the NJDEP to provide $5 million in funding to NJEDA to support the continued efforts of the Governor's Council on the Green Economy.

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

Background:

In February 2021, Governor Murphy announced the creation of the Council on the Green Economy (Green Council), convening cross-sector leaders in New Jersey's growing green economy to harness the opportunity created by our state's robust climate and clean energy policy accomplishments. Members of the Council include representatives from State departments, as well as leaders from chambers of commerce, organized labor, industry, utilities, green business, environmental justice communities, academia, small business, workforce development, and environmental advocacy.

The Council was tasked with delivering a Future of Green Jobs Report to define the pathways for green job creation, development of workforce capacity, and support for an innovation ecosystem critical for a nation-leading green economy. The report, published in September 2022 as a culmination of the Council's first phase of work, outlined several strategies to meet the objectives of the Green Council and to grow New Jersey's green economy in a sustainable and inclusive way. The Council subsequently launched the Clean Buildings Work Group to focus on developing a blueprint for achieving emissions reduction in the state's building sector, including an in-depth assessment of the landscape of building decarbonization workers, and workforce projections associated with retrofitting the state's current building stock to zero emissions technology.

MOU Description:

The MOU will provide $5 million in funding to NJEDA to support the continued efforts of the Green Council. The funding will support the following activities:

- Procurement of consulting services to continue targeted research on employment projection and staffing analyses for occupations in the green economy, including but not limited to renewable energy, electric vehicles, offshore wind, green infrastructure and clean buildings and production public facing reports that synthesis research findings
- Implementation of a grant challenge to support workforce training programs focused on green economy occupations, including but not limited to renewable energy, electric vehicles, offshore wind, green infrastructure and clean building

The MOU includes a $150,000 cap (equaling 3% of the total funding amount) for administrative expenses tied to the implementation of Green Council initiatives covered in the MOU.

The MOU has a term of two (2) years, but NJEDA staff intends to utilize the funding provided through the MOU as timely as possible.

The MOU includes requirements for the NJEDA staff to provide the NJDEP staff with annual reports detailing the status of the Green Council initiatives.

Recommendation:

The Members of the Board are requested to approve the MOU between the NJEDA and the NJDEP, attached as Appendix A, that enables the NJEP to provide $5 million in funding to NJEDA to support the continued efforts of the Governor's Council on the Green Economy.

Tim Sullivan, CEO

Prepared by: Jen Becker

Exhibit A: Memorandum of Understanding Between NJEDA and NJDEP for Council on the Green Economy

Exhibit A: Memorandum of Understanding Between NJEDA and NJDEP for Council on the Green Economy

COUNCIL ON THE GREEN ECONOMY
MEMORANDUM OF UNDERSTANDING
BETWEEN THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AND THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of this _______ day of _________ 2024, by and between

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, with its principal office at 36 West State Street, Trenton, New Jersey 08625 (hereinafter "NJEDA"), and

THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, with its principal office in the Department of Environmental Protection Building, 401 East State Street, Trenton, New Jersey 08625 (hereinafter "NJDEP");

NJEDA and the NJDEP are collectively referred to herein as the "Parties," with each individually referred to as a "Party."

WHEREAS, NJEDA is an independent State agency, in but not of the Department of Treasury, that serves as the State's principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy; and

WHEREAS, NJDEP serves as the State’s principal agency for protecting against climate threats, in addition to protecting air, water, land, and natural historic resources; and

WHEREAS, in February of 2021, Governor Murphy announced the creation of a Council on the Green Economy (hereinafter “the Green Council”), staffed by the Governor’s Office of Climate Action and the Green Economy, to convene cross-sector State leaders to harness the opportunity created by the State’s robust climate and clean energy policy accomplishments; and

WHEREAS in September of 2022, the Green Council issued the “Green Jobs for a Sustainable Future” report, which defined pathways for green job creation, development of workforce capacity, and support for an innovation ecosystem critical for a nation-leading green economy; and

WHEREAS, on June 30, 2023, Governor Murphy signed into law the Fiscal Year 2024 Appropriations Act (P.L.2023, c.74) (hereinafter “the Budget”); and

WHEREAS, the Budget appropriated five million dollars ($5,000,000) to NJDEP in support of the Council on Green Jobs; and

WHEREAS, the Parties have a history of partnering with each other in the furtherance of clean energy and environmental sustainability economic development; and

WHEREAS, the Parties have agreed that NJEDA is best positioned to deploy the 2024 funds appropriated to the Council on Green Jobs (hereinafter the "Green Council Funds") in a timely manner; and

WHEREAS, the Parties agree that this MOU is in the best interests of the public; and

WHEREAS, NJDEP has agreed to provide NJEDA with five million dollars ($5,000,000) from the Green Council Funds for NJEDA to further the objectives outlined in the "Green Jobs for a Sustainable Future" report by continuing targeted workforce research and supporting the development of workforce training programs for green economy occupations; and

WHEREAS, this MOU will advance the priorities outlined in the Green Jobs for Sustainable Future report; and

WHEREAS, the Parties, under the powers vested to them by N.J.S.A. 52:14-2, have determined that it is in their mutual interest to enter into this MOU.

NOW, THEREFORE, the Parties agree as follows:

1. **INCORPORATION**: The recitals set forth above are hereby incorporated into and made part of this MOU.

2. **PURPOSE OF MOU**: The Parties 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. **TERM:** This MOU shall become effective on the date of the last signature of the Parties hereto (hereinafter the "Effective Date"). This MOU, unless terminated sooner as set forth in Section 10 ("TERMINATION") below, shall remain in effect: (i) for two (2) years from this MOU's Effective Date; or (ii) until the Green Council Funds are fully expended, whichever occurs first. The Parties may extend the MOU by mutual consent, provided that such consent is in writing and signed by the authorized representative of each Party.

4. **SUBJECT TO THE AVAILABILITY OF FUNDING:** NJDEP's obligations under this MOU are subject to appropriations and the availability of funds. NJEDA hereby acknowledges that funding availability may impact the amount of Green Council Funds that NJDEP may provide to NJEDA under this MOU.

5. **DUTIES OF THE PARTIES:** To achieve the goals of this MOU, the Parties hereby agree as follows.

a. NJDEP will transfer the Green Council Funds, a total of $5,000,000, to NJEDA within fifteen (15) business days of the Effective Date of this MOU.

b. NJEDA will dedicate the Green Council Funds to the following programs (hereinafter "Proposed Programs"):

1) Procurement of consulting services to continue targeted research on employment projection and staffing analyses for occupations in the green economy that will be shared with the Green Council, including but not limited to renewable energy, electric vehicles, offshore wind, green infrastructure, and clean buildings, and the production of public-facing reports that synthesize research findings.

2) Implementation of a competitive grant program (also known as a "grant challenge") to support workforce training programs focused on green economy occupations, including but not limited to those involving renewable energy, electric vehicles, offshore wind, green infrastructure, and clean building, similar to the grant program NJDEP implemented with the 2023 legislative appropriation for the Green Council.

c. If NJEDA chooses to not pursue one or more of the Proposed Programs, NJEDA shall notify NJDEP no later than thirty (30) business days after such determination and shall propose alternatives for NJDEP's consideration and approval.

d. NJEDA will provide to NJDEP annual written reports that include: the progress of each of the Proposed Programs; Proposed Programs that are completed; any issues encountered in implementing the Proposed Programs and their resolution or proposed resolution; committed and paid expenditures to date; and plans for the following year with respect to each of the Proposed Programs.

5. **ADMINISTRATION FEE:** NJEDA may utilize up to three percent (3%) of the Green Council Funds to support the administrative, personnel, and overhead costs of implementing the Proposed Programs.

6. **THIRD-PARTY BENEFICIARIES:** This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status. The rights, duties and obligations contained herein shall operate only between the Parties and shall inure solely to the benefit of the Parties. The provisions of this MOU are intended only to assist the Parties in determining and performing the obligations set forth herein.

7. **AMENDMENT:** This MOU may be amended, supplemented, changed, modified, or altered only by mutual agreement of the Parties in writing that shall be effective as of the date stipulated therein.

8. **ASSIGNMENT:** This MOU may not be assigned by a Party without the prior written consent of the other Party.

9. **DISPUTE:** If there are any disputes among the Parties concerning this MOU, the

Commissioner of NJDEP and the CEO of NJEDA, or their authorized representatives, shall confer to resolve the dispute.

10. **TERMINATION:** Either Party may terminate this MOU with or without cause upon thirty (30) business days' written notice to the other Party of such intention to terminate. In the event of termination, the Parties agree to conduct a final accounting within sixty (60) business days of the termination effective date. At the termination or expiration of this MOU, NJEDA will return to NJDEP any unexpended Green Council Funds remaining after all costs, direct or indirect, incurred by NJEDA under the terms of this MOU have been paid, or, alternatively, with written consent from NJDEP, rollover any uncommitted funds to future MOUs regarding the subject matter of this MOU.

11. **NOTICE:** All correspondence and notices 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.

    For NJDEP:

    Elizabeth Dragon
    Assistant Commissioner, Community Investment & Economic Revitalization (CIER)
    New Jersey Department of Environmental Protection
    401 East State St, PO Box 401, Trenton, NJ 08625
    Elizabeth.Dragon@dep.nj.gov

    For NJEDA:

    Jen Becker
    Vice President, Offshore Wind
    New Jersey Economic Development Authority
    36 West State Street, PO Box 990, Trenton, NJ 08625
    Jen.becker@njeda.gov

12. **APPLICABLE LAW**: The Parties shall retain all the respective 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.

13. **PUBLICITY AND PUBLIC ANNOUNCEMENTS**: Each Party agrees to obtain the written permission of the other Party before using the name of the other Party in any public announcement or other publicity related to this MOU.

14. **ENTIRE AGREEMENT:** This MOU contains the entire understanding of the Parties and supersedes any prior understandings of the Parties, oral or otherwise, regarding the subject matter of this MOU. All negotiations, oral agreements, and understandings are merged herein.

15. **AUTHORITY:** By the signatures below, the Parties execute this MOU and confirm that they are mutually bound by and fully authorized and empowered to enter into and bind their organization by all provisions contained herein.

16. **COUNTERPARTS:** This MOU may be signed in counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument.

17. **SIGNATURES:** The terms and conditions of this MOU have been read and understood by the persons whose signatures appear below, and the Parties agree to comply with the terms and conditions set forth on the preceding pages. 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.

[This space intentionally left blank; signature page follows]

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

For NJEDA	For NJDEP
Name: Tim Sullivan	Name: Elizabeth Dragon
Title: Chief Executive Officer	Title: Assistant Commissioner, CIER
Signature:	Signature:
Date:	Date:

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

RE: Memorandum of Understanding with the Capital City Redevelopment Corporation

Request

The Members are asked to approve a Memorandum of Understanding ("MOU") between the New Jersey Economic Development Authority ("Authority" or "NJEDA") and the CCRC as an inter-department governmental agreement confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority's support services to the CCRC. This MOU was approved by the CCRC at its Annual Board of Directors meeting on February 21, 2024.

Background

CCRC was created in 1987 as an instrumentality of the State pursuant to N.J.S.A. 52:9Q-9 et seq to plan, coordinate, and promote the public and private development within a Capital District defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located. CCRC is governed by a Board of Directors consisting of the Commissioner of Community Affairs, the Commissioner of Transportation, the State Treasurer, and the Mayor of the City of Trenton, all ex-officio, and seven public members, four of whom are appointed by the Mayor of the City of Trenton and three of whom are appointed by the Governor. CCRC has redevelopment powers, including the authority to manage redevelopment projects and act as a municipal redevelopment entity or redeveloper for the City of Trenton, as well as limited bonding authority in support of economic development.

The original MOU regarding support services between the CCRC and the Authority was executed in 2014 and has been renewed by mutual consent annually whereby the Authority provides staff support services to the CCRC. In 2022, the CCRC Board approved an updated version of the MOU with substantially similar terms. The Members are requested to extend the MOU for a one-year term as provided by the terms of the agreement.

In recognition of the Authority's capacity and interest in the revitalization of Trenton, the Authority will continue to provide support services as outlined in the attached MOU as the Corporation currently has no dedicated full-time staff. In particular, the Authority will provide staff and administrative services in support of CCRC including but not limited to board governance, public information, and Board support, legal services through the Attorney General's office, and policy and development assistance.

The Authority will work with CCRC and the City of Trenton to support specific project development. In these efforts, the Authority will partner with additional state and county agencies and other stakeholders in support of the overall revitalization of the Capital District. Future transactional real estate activity may result in fee for service work, as agreed to by the parties, and consistent with how the Authority's Real Estate Division customarily charges for its assistance.

Staff and administrative services in support of the CCRC will be primarily provided by Danielle Esser, Director of Governance and Strategic Initiatives, Muneerah Sanders, Board Liaison, and Hector Serrano, Project Officer, with the NJEDA Governance Team.

The MOU shall remain in effect for one year and may be extended for one year upon mutual consent indefinitely and will become effective upon execution by both parties.

Recommendation

The Board Members' consent is requested to execute a Memorandum of Understanding between the Authority and CCRC confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority's support services to CCRC.

Tim Sullivan, CEO

Prepared by: Danielle Esser
Attachment: MOU between CCRC and EDA

MEMORANDUM OF UNDERSTANDING BETWEEN THE CAPITAL CITY REDEVELOPMENT CORPORATION AND THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Memorandum of Understanding (MOU), made as of ***DATE*,** will confirm the mutual understanding and intention between the Capital City Redevelopment Corporation ("CCRC") and the New Jersey Economic Development Authority ("NJEDA", and collectively, CCRC and NJEDA are the referred to as the "Parties") as to the following:

WHEREAS, CCRC was created pursuant to N.J.S.A. 52:9Q-9 et seq. (the "CCRC Act") to plan,coordinate, and promote the public and private development within a capital district defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located; and

WHEREAS, NJEDA was created pursuant to N.J.S.A. 34:lB-1 et seq. to issue tax exempt and taxable bonds, make direct loans and guarantees, operate a real estate development program, among other things, for the purpose of promoting employment and increasing tax ratables in the State of New Jersey (the "State"); and

WHEREAS, in support of the purposes of CCRC and in an effort to assist CCRC, NJEDA will provide office staff and support services required to carry out the policies set forth by CCRC; and

WHEREAS, NJEDA staff has expertise in financial analysis, loan review, loan closing, real estate project development, marketing services and other related activities necessary to CCRC carrying out its mission; and

WHEREAS, NJEDA staff has provided loan review, closing, and post-closing services from time to time to CCRC; and

WHEREAS, it is in the best interest of the Parties to enter into this MOU regarding the provision of NJEDA staff and administrative services in support of CCRC; and

WHEREAS, it is CCRC's intent to continue its existing MOU with the State Department of the Treasury ("Treasury") under which Treasury provides accounting and financial reporting support to CCRC including, but not limited to procurement of an independent auditor and necessary insurance; and

WHEREAS, the Parties enter into this MOU as an inter-department governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

NOW, THEREFORE, NJEDA and CCRC, in order to effectively and efficiently carry out their respective statutory mandates, agree to the following:

1. NJEDA will make available on an as-needed basis NJEDA staff who will utilize a portion of their time as follows:

    a. Carrying out the. policies and directions of CCRC with respect to activities for which CCRC has statutory authority, including, but not limited to, undertaking activities as a municipal redevelopment entity or redeveloper, and

    b. Providing administrative and support services to meet the needs of CCRC, including but not limited to, corporate governance and public information support services such as CCRC Board meeting support, liaison with Governor's Office and Authority's Unit, records custodian and assistance with Open Public Records Act information requests, guidance on ethics matters and liaison with State Ethics Commission, media outreach and management, and legislative support.

2. As part of the services provided by NJEDA in paragraph 1 above, in addition to any Deputy Attorney General assigned to CCRC, NJEDA will provide legal services to CCRC from NJEDA-assigned Deputy Attorneys General.

3. NJEDA agrees to provide written reports as needed, and upon request, to the CCRC Board detailing any staff services provided for in paragraph 1 above. Both Parties anticipate that the CCRC Board will meet on a bi-monthly basis unless more frequent meetings become necessary.

4. It is the intent of the Parties that CCRC will not compensate NJEDA for the costs incurred on behalf of CCRC for the services provided for in paragraph l.b. above. Any compensation for NJEDA for the costs incurred on behalf of CCRC for the services provided for in paragraph 1.a will be mutually agreed upon in writing before beginning the activity. When NJEDA assists CCRC in undertaking real estate and/or project related work, it is understood and agreed that NJEDA shall be reimbursed for costs incurred including but not limited to title searches, insurance, marketing, appraisals, environmental studies, other required consultants or professionals, and legal costs as well as for NJEDA’s administrative fees for managing the project related work and compliance with project related obligations.

5. NJEDA will cooperate with Treasury's accounting and financial reporting support for CCRC, including, but not limited to, completing all necessary audits of CCRC.

6. Staff services set forth in paragraph 1 will be conducted from NJEDA's main or satellite offices or as otherwise allowed by NJEDA policy for NJEDA personnel.

7. NJEDA will make available conference room(s) at NJEDA's main or satellite offices for regular and special meetings of the CCRC Board and will provide conference room space at NJEDA's main or satellite offices so that CCRC Board members may transact the business of CCRC.

8. NJEDA will identify a NJEDA staff who will be the primary contact staff for the public and the CCRC Board regarding CCRC matters.

9. The CCRC Board, as constituted by statute, will continue to function as the exclusive entity empowered to make discretionary decisions for CCRC, including the selection of independent auditors, except as delegated from time to time.

10. All expenses related to the Capital City Redevelopment Loan and Grant Fund and all other assets carried on the CCRC balance sheet will be paid for by CCRC and will be reflected in CCRC's financial statements.

11. Nothing in this MOU shall be construed as providing NJEDA an exclusive right to support CCRC and CCRC shall have the ability to seek these services from any other government entity, including but not limited to the New Jersey Department of the Treasury.

12. This MOU shall not take effect unless approved by the Boards of the NJEDA and CCRC and executed by the authorized representatives of NJEDA and CCRC. This MOU becomes effective immediately upon execution by all parties and shall remain in effect for two (2) years, unless terminated sooner pursuant to Section 13 below. This MOU may subsequently be extended for one year at a time upon mutual written consent of the Parties.

13. The Parties are entering into this MOU for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the provision of NJEDA support services to CCRC. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees. This MOU may also be terminated by the Board of either Party upon 60 days prior written notice to the other. There are no third-party beneficiaries of this MOU.

14. The Parties acknowledge that they are both public entities of the State of New Jersey. Therefore, the Parties agree that each entity shall be liable for its own conduct and any claims against it without indemnification from the other.

15. All notices, demands or communications to any party to this MOU shall be sent to the addresses set forth below or as may be otherwise modified in writing:

NJEDA: ______________________________
____
____
____

CCRC: ______________________________
____
____

16. This MOU may be signed in counterparts, which, when taken as a whole, shall constitute one and the same document.

IN WITNESS HEREOF, NJEDA and CCRC have executed this MOU on the dates below:

For the New Jersey Economic Development Authority:

Name: ______________________________

Signature: ______________________________

Title: ______________________________

Date: ______________________________

For the Capital City Redevelopment Corporation:

Name: ______________________________

Signature: ______________________________

Title: ______________________________

Date: ______________________________

MEMORANDUM

TO: Members of the Authority

FR: Tim Sullivan
Chief Executive Officer

DA: March 7, 2024

RE: Recommendation for Award
M4010 – Business and Information Technology Consulting and Advisory Services

Summary

The members of the Board are asked to approve the award of a contract for Business and Information Technology Consulting and Advisory Services to McKinsey & Company, Inc. Washington, D.C. (McKinsey) for a total of $2,857,000 for six months of support across the following workstreams: Human Resources (HR), Accounting and Financial Reporting (A&FR), and the Office of the Chief Executive.

Background

In July of 2022, the Board approved entering into a Strategic Management Consulting Services contract with McKinsey and Company for six months, with two three-month extensions valued at $3,352,302. During this support period, McKinsey provided consulting services for the Authority's Product Development, Information Technology (IT), and A&FR departments.

Over the past several years, the Authority has transformed itself from a "transaction-oriented bank" into a comprehensive economic development organization. As part of this transformation, the NJEDA has significantly expanded the number of new programs it launches each year, the number and types of programs it runs, the types of industries it supports and entities with which it engages, and the number and types of services it procures. During that same time, the NJEDA has reorganized several of its internal functions and reallocated responsibilities for others. Given the significant expansion in activity, several of the Authority's centralized functions have faced dramatic increases in demand. In response, the Authority issued a request seeking to retain a management consulting company to provide additional operational and implementation services for the following internal Authority business functions:

- Human Resources
    - Determine highest priority changes needed to update NJEDA's processes for the new organization's size, including capability building, and talent development and training.
    - Develop new ways of working and materials to support HR.
    - Provide sustained implementation/staff augmentation support to execute new processes.
- Information Technology
    - Support the launch of new IT processes and cadences, specifically FTF, IT leadership meetings, roadmap review, and coach on core capabilities (ex: Agile). Support roadmap implementation for the new IT strategy.

    - Design and pilot a data and analytics function for strategic performance management, including one to two test cases of program evaluation.
- Accounting and Financial Reporting Implementation Support
    - Advance next iteration of managerial reporting.
    - Support process improvement working team, including on implementing workload rebalancing, digitization, and other identified interventions.
    - Provide onboarding support for 3-4 new roles, including candidate identification.
    - Launch a new budget process and cadence.
- Office of the Chief Executive
    - Creation of an Authority wide strategic plan, with a specific focus on program evaluation, organizational direction, and staffing.

Procurement Process

The Division of Purchase and Property (DPP) within the NJ Department of the Treasury procured and awarded State Contract M4010 – Business and Information Technology Consulting and Advisory Services to several vendors, of which, Authority staff submitted a request through DPP's Central Intake process, as set forth in the Method of Operation (MOO), and received responses from three vendors on the M4010 contract. Those vendors were Berry Dunn McNeil & Parker, LLC, the Boston Consulting Group, Inc, and McKinsey & Company, Inc. Washington D.C.

Proposals were evaluated by a committee of staff members, with a team of four staff reviewing the technical submissions contained in the proposals for the IT scope, and then a team of three reviewing for the HR, A&FR, and the Office of the CEO scopes. The technical evaluation was based on the following criteria established by the MOO: (1) approach to the project and prior experience on similar projects, (2) project timetable which includes a project start date, periodic check-ins, draft report, and final report, and (3) summary of qualifications and experience of key personnel involved with the project.

Pursuant to the MOO, the committee reviewed and evaluated the engagement responses based on the above criteria detailed in the Mini-Bid request, and reached a consensus on which respondents to recommend across all four workstreams. Upon review of all three proposals, staff determined that BerryDunn could not satisfy the full requirements of the scope of work, only responding to partial components, and was removed from consideration, with the committee only scoring and ranking McKinsey and BCG. The evaluation for the IT workstream is still under review and any recommendation for selection will be presented to the Board on a later date. The evaluation committee determined that McKinsey was the highest ranked for the A&FR, HR, and Office the CEO tasks, due to their expertise with similarly related Authorities in people operations and organizational behavior, accounting, and strategy work. The committee's scores for each workstream are as follows:

Work Stream	McKinsey	Boston Consulting Group
Human Resources	1	2
Accounting & Financial Reporting	1	2
Office of the CEO	1	2

The MOO includes the proposed budget with fully burdened hourly rates as a fourth criteria for evaluation and authorizes the Authority to negotiate pricing reductions. As such, Authority staff issued Best and Final Offer (BAFO) requests and corresponded with all three vendors as to various price reductions according to the scope of work. There were two (2) rounds of same with the vendors..

After several back-and-forth communications for the vendors' best and final offers (BAFOs), the total price from McKinsey and Company (the highest ranked vendor) for each workstream is as follows: $1,950,000 for Human Resources, $378,000 for A&FR and $529,000 for Office of the Chief Executive.

The evaluation committee, and the Chief Executive Officer, concluded that the pricing was reasonable given the work to be performed and the proposed deliverables. Thus, the evaluation committee, with concurrency by the Chief Executive Officer, recommends awarding three components of the scope of work to McKinsey as the most advantageous to the NJEDA, price and other factors considered.

Recommendation

Staff recommends that the Authority award the contract for three workstreams for Business and Information Technology Consulting and Advisory Services - Human Resources, Accounting & Financial Reporting and Office of the CEO - to McKinsey and Company, for a total of $2,857,000 for six months of service.

____

Tim Sullivan, CEO

Prepared by: E. Corrado, T. Fanikos, and D. Albin

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: March 7, 2024

SUBJECT: Economic Security Products
Delegated Authority Approvals, Declinations, and Other Actions in Q4 2023
For Informational Purposes Only

Child Care Facilities Improvement Pilot Program – Phase 1

The Child Care Facilities Improvement Program – Phase 1 provides grants for total project costs between $50,000 and $200,000 to licensed child care providers to make improvements to their child care facility. Phase 1 was approved by the NJEDA Board in May 2022. The program provides funding to businesses—including many minority- and women-owned businesses and those in Opportunity Zone eligible census tracts—that otherwise may not have access to resources to fund facility improvements. It also targets resources to communities of greater need due to historic disinvestment, through a 40% set-aside for providers located in Opportunity Zones and includes the requirement that providers serve low-income children receiving child care assistance subsidies.

Child Care Facilities Improvement Pilot Program – Phase 1 – Q4 2023 Review

The online application for Phase 1 opened in November 2022 and closed on October 20, 2023, with a total of 749 applications submitted requesting a total of $151 million (including a 15% reserve for cost overruns). The 749 child care centers that have applied enroll more than 60,000 children and employ more than 15,000 staff, across all 21 counties in New Jersey. In the fourth quarter of 2023, 35 applications have been approved, for a total of $7.1 million (including a 15% reserve for cost overruns). These 35 child care centers serve more than 3,200 children and employ nearly 800 staff. In the fourth quarter, 14 applications were declined for non-discretionary reasons.

See Appendix A for a detailed list of all Child Care Facilities Improvement Program applications that were approved under delegated authority during the fourth quarter of 2023.

Food Retail Innovation in Delivery Grant (FRIDG)

The Food Retailer Innovation in Delivery Grant ("FRIDG") will utilize up to $1,100,000 of the Food and Agriculture Innovation funds to improve food access in FDCs by providing grants to food retailers to purchase self-contained, temperature-controlled lockers and install them in FDCs, which will facilitate food delivery into FDCs to allow residents to access high quality groceries, including fresh produce. Refrigerated lockers represent an innovative solution to give FDC residents the ability to order online and have groceries delivered to a convenient central location without having to travel long distances to reach food retailers, as many FDC residents without a nearby grocer are currently forced to do. Under this model, FDC residents will be able to avail themselves of this new and innovative solution to the last mile of grocery delivery.

FRIDG – Q4 2023 Review

The FRIDG program application is currently open. The program received one application from Brookdale ShopRite, Inc. on August 21, 2023, to place a temperature-controlled food locker in the Newark South Food Desert Community. This application was approved on December 22, 2023 for $250,000. Staff continue to do outreach to eligible food retailers to encourage additional applications.

Food Desert Relief Tax Credit Auction

The Food Desert Relief Act (FDRA), part of the Economic Recovery Act of 2020, was signed into law by Governor Murphy on January 7, 2021. The FDRA allocates to NJEDA $40 million in tax credits per year for six years. These tax credits may be awarded to incentivize development and operations of new supermarkets in food desert communities designated by NJEDA in coordination with the Departments of Community Affairs and Agriculture. Alternatively, NJEDA may sell all or portion of these tax credits through a competitive auction process or a publicly advertised solicitation for offers and dedicate the proceeds to provide grants and loans consistent with requirements set by FDRA. The statute sets the minimum price at which NJEDA may sell the tax credits at 85% of the tax credit amount.

Food Desert Relief Tax Credit Auction – Q4 2023 Review

The 2023 auction closed on October 18, 2023. Eight bids were submitted. One was withdrawn by the applicant before the auction close and replaced with an updated bid. Of the remaining seven bids, three were declined and four were approved under delegated authority. The bids submitted by the following tax credit purchasers were approved on December 27 and 28, 2023:

- Verizon Communications, Inc.
- Rockefeller Group Development Corporation
- United States Fire Insurance Company
- New Jersey Manufacturers Insurance Company

Food Desert Relief Tax Credit Program

The Food Desert Relief Act (FDRA), part of the Economic Recovery Act of 2020, was signed into law by Governor Murphy on January 7, 2021. The FDRA allocates to NJEDA $40 million in tax credits per year for six years. These tax credits may be awarded to incentivize development and operations of new supermarkets in food desert communities designated by NJEDA in coordination with the Departments of Community Affairs and Agriculture. Regulations for the Food Desert Relief Tax Credit Program were approved by the Authority on April 12, 2023.

Food Desert Relief Tax Credit Program – Q4 2023 Review

Development of an online application for the program (to be known publicly as the Food Desert Relief Supermarket Tax Credit Program) was completed, with application launch on December 20, 2023. No applications have been submitted to date, but staff have held a webinar on the Supermarket Initial Operating Cost Tax Credit and continue to engage with potential applicants (supermarket developers and operators) to increase awareness and understanding of the program.

____

Tim Sullivan, CEO

Attachment:

Appendix A: Approved Grant Awards in Child Care Facilities Improvement Program

Appendix A: Approved Grant Awards in Child Care Facilities Improvement Program

Grantee	Award (Including 15% Reserve for Cost Overruns)
Acorn Landing Children's Center	$143,359.20
AVS Learning LLC	$229,680.53
Bayonne Jewish Community Center	$224,300.60
Beginners First Academy LLC	$224,997.50
Breece Haven inc.	$229,039.52
Building Blocks Enterprise Limited Liability Company	$185,959.36
Cinnamon Sticks Learning Center, Inc.	$209,178.15
Grace Day Care LLC	$212,694.80
GUIDOM I LLC	$139,287.39
GUIDOM II LLC	$157,623.84
Happy Days Child Daycare	$229,494.00
JKM Childcare Corp	$229,965.03
Jump & Learn Childcare Center	$217,775.02
K & M EARLY CHILDHOOD LEARNING CENTER, L.L.C.	$228,636.86
Kids First of Voorhees, LLC	$80,152.31
Kids Kare INC	$229,532.66
Kids Zone Inc	$229,130.60
Little ABC INC	$140,530.00
Little Harvard LLP	$228,530.88
Mommy's Best Friend II LLC	$223,482.95
Mount Phoenix Inc	$206,684.52
New Millennium Childcare II, LLC	$148,695.00
Playmate Tree, Inc.	$215,992.52
Rutherford Kids LLC	$225,987.33
SK Henry Co LLC	$227,453.51
SMS Learning LLC	$229,982.19
Sundance Kids of Hopewell LLC	$229,538.31
Sundance Kids of Tinton Falls LLC	$218,794.11
Sung Star LLC	$229,830.61
Tara's Tots, LLC	$227,727.60
Teded Ventures LLC	$229,988.01
The Early Learning Center NJ LLC	$227,922.92
The Playbook LLC	$221,359.58
Three Stages Learning Center	$193,321.90
Three Stages Learning Center	$84,131.70
TOTAL	**$7,110,760.97**

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: March 7, 2024

SUBJECT: Economic Transformation Products
Delegated Authority Approvals, Declinations, & Other Actions Q4 2023
For Informational Purposes Only

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 2023 Review

In the fourth quarter of 2023, the Authority approved 186 ATC investor applications with twenty-seven (27) emerging technology businesses benefiting from the ATC program. Of the 27 different companies receiving investments, four (4) of these were new companies to the program (noted below). Additionally, investors in nine (9) companies qualified to receive an additional 5% bonus, which represents approximately 33% of companies for this quarter.

Five (5) were state-certified Minority/Women Business Enterprises, and four (4) businesses based their operations in an Opportunity Zone or New Market Tax Credit census tract.

In addition, four (4) applications were declined in Q4 2023. In total, $9,383,036 in Angel Investor Tax Credits were awarded incentivizing $58,272,051 in private investments in NJ emerging technology businesses.

Sector	Investment Amount	Tax Credit Amount	Applications	# of Companies	% of Total Invested	% of Total Applications
Life Sciences	$38,874,959	$5,275,490	112	11	66.7%	40.7%
Technology	$15,597,147	$3,277,560	70	14	26.8%	51.9%
Clean Technology	$3,799,945	$829,986	4	2	6.5%	7.4%
Total	**$58,272,051**	**$9,383,036**	**186**	**27**	**-**	**-**

The following twenty-seven (27) companies were awarded tax credits in Q4 2023:

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, is a technology company that 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).**

BioAegis Therapeutics Inc., based in North Brunswick, is a private company commercializing groundbreaking discoveries in inflammation and infection.

CLMB, Inc., based in Basking Ridge, is a technology company focused on corporate wellness. They are creating both hardware and software to combat the sedentary work life while either working in the office and/or working from home. Their current product, "The Climber" is designed as a lightweight treadmill linked to your desk, used to aid in reducing the amount of time sitting at a desk, while minimizing stress, anxiety, and mental tension **(new company in Q4 2023).**

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.

Enalare Therapeutics Inc., based in Princeton, is a life sciences company developing novel treatments for patients suffering from life-threatening respiratory and critical care conditions. Enalare's first major pharmaceutical compound, ENA-001, is patented and currently performing well in the clinical trial phase. It is a respiratory stimulant that utilizes a unique mechanism of action – the body's own ventilation control pathways – to improve breathing and is intended for use in patients suffering from a variety of medical conditions including post-operative respiratory distress, COPD, drug overdose, and apnea in premature infants.

Eos Energy Storage, LLC, based in Edison, is a clean energy company that develops novel, low-cost energy storage solutions for the electric utility and transportation industries. Eos' mission is to produce cost effective energy storage solutions that are projected to be not only less expensive than other battery technologies, but less expensive than the most economical alternatives used today to provide the same services.

Equallent Therapeutics Inc., based in Monmouth Junction, is a life sciences company that is a joint venture of Liposeuticals and AptaPharma, and is a specialty pharmaceuticals research firm focused on the development of next-generation proprietary formulations of pharmaceutical products in the field of applications for cardiovascular diseases and oncology.

EV Edison Inc., based in Kearny, is developing and commercializing software solutions for its proprietary control systems in which it is building mobile IoT solutions and platforms using RFID, sensors & actuators, and wireless technologies. This technology will be implemented for the Energy Management System which controls EV chargers, battery systems and any other clean energy resource all integrated in one platform. EV Edison plans to install high-capacity electric vehicle charging infrastructure known as fleet development, by combining its charging and battery technology. These mobile charging hubs are intended to service critical infrastructure for large-scale fleets awaiting permanent EV charging infrastructure **(investors qualify for a bonus for operations based in an Opportunity Zone or New Markets Tax Credit Census Tract).**

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.

FinOptSys, Inc., based in Hoboken, is a technology service and consulting provider which is fully customizable, providing a completely modular enterprise. They provide a state of the art, cloud-based software-as-a-service (SaaS) financial resources management platform. The platform is designed for use by the financial industry to provide peer-peer financing, quantitative intelligence, and data science. They have developed the first pre-trade analytics and decision-making platform combining artificial intelligence (AI), machine learning, analytics, and patented algorithms. The company strives to optimize collateral, increase efficiency, intelligent decision making, and increase asset utilization. **(new company in Q4 2023).**

Genomic Prediction Inc., based in North Brunswick, provides advanced genetic testing for in-vitro fertilization. The company has developed a novel, genome-wide molecular genotyping methodology for pre-implantation genetic testing for embryos. Their Preimplantation Genetic Testing (PGT) is a clinical treatment for infertility and used to reduce disease risk.

GeoAcl, LLC dba Rainbow Secure, based in Old Bridge, is a cybersecurity technology company that has developed a new method of multi-factor authentication to protect against today's threats. They have deployed solutions backed by three approved patents. GEOACL's authentication plug-in is customizable and compatible with more than 500 Cloud and SaaS platforms. Their multi-dimensional technology provides strong protection for user access management, business transactions, and regulatory data fields. The company initially targeted small- and medium-sized businesses and is now building towards enterprise solutions **(is a new company in Q4 2023 and**

investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise).

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).**

Ionic H20 Inc., based in Hamilton, is a clean technology company and is developing and commercializing a proprietary method of water purification and desalination which uses electrical voltage to capture and wash away ionic contaminants, as well as a method for reusing carbon in the cleaning process **(investors qualify for a bonus as the business is based in an Opportunity Zone or New Markets Tax Credit Census Tract).**

Lambent Data Inc, based in Princeton, is a technology company that has been designing and building a collaborative software platform and app, with data analytics, to equip social services and healthcare providers -- and empower the families they serve.

Logie Inc., based in Union, is a B2B technology company pioneering the use of AI and machine learning for sales and marketing. Logie specializes in software publishing, data analysis, custom programming services, and system design. Using AI to reverse-engineer the effectiveness of product campaigns, Logie's proprietary systems can analyze and tailor them to improve customer response as well as scale for larger markets. The Logie toolkit uses integrated AI robots and graphics generators to create product art, track and evaluate success via the Logie dashboard, and automate ecommerce payment systems **(investors qualify for a bonus as the business is based in an Opportunity Zone or New Markets Tax Credit Census Tract).**

MEMX LLC, based in Jersey City, is a technology company that seeks to transform the equity market and promote transparency, innovation, and competition. MEMX was founded by leading market constituents, with the common goal of improving the equity market for all investors.

Neumentum, Inc., based in Summit, is a biotechnology company dedicated to becoming a leading non-opioid analgesic and neurology pharmaceutical company with 6 novel non-opioid products in development to treat pain. The Company aims to address shortfalls of current pain management treatments by developing and commercializing effective and safe, non-opioid options, without the risks of abuse, misuse, and diversion seen with opioids, or the opioid-induced side effects, including potentially life-threatening respiratory depression.

Nevakar Inc., based in Bridgewater, is a specialty pharmaceutical company focused on developing innovative products in the injectable and ophthalmic space

Onconox, Inc., based in Monmouth Junction, focuses on the development and commercialization of pharmaceutical and biotechnology products for novel treatment of lung cancers. Lung cancer is the deadliest cancer worldwide, and for patients who are not candidates for surgery, the outlook is dire. Onconox is working to substantially increase the cure rate of lung cancer and improve the quality of life for lung cancer patients undergoing treatment. Onconox currently has two proprietary products, OCN001 and OCN002. OCN001 is a proprietary drug-device combination product which is used in tandem with current therapies to improve outcomes. OCN002 is a proprietary biological molecule, the first of its kind, that inhibits tumor growth

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 is based in an Opportunity Zone or New Markets Tax Credit Census Tract).**

Primo Pharmatech, LLC., based in Somerset, is a technology company that develops novel drug delivery systems for pharmaceutical companies. Primo has developed a portfolio of drug delivery platform technologies including transdermal delivery platform, oral suspension/taste-masking formulation, Oral Thin Film (OTF) technology and suppository delivery technology **(new company in Q4 2023 and investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise).**

Shinkei Therapeutics, Inc., based in Princeton, is a clinical stage CNS (Central Nervous System) disorders focused pharmaceutical company using the 505(b)2 regulatory strategy to repurpose existing pharmaceutical products for faster and better patient outcomes.

SunRay Scientific Inc., based in Eatontown, is a global technology company providing novel adhesive conductive solutions for advanced electronic packaging, including semiconductors packaging **(the investors qualify for a bonus as the business is a certified Minority/Women Business Enterprise).**

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 2023 in Exhibit A.

Angel Investor Tax Credit Program- 2023 Year End Review

Sector	Investment Amount	Tax Credit Amount	Applications	# of Companies	% of Total Invested	% of Total Applications
Life Sciences	$77,284,914	$10,857,478	285	15	54.9%	59.4%
Technology	$54,349,218	$8,565,890	163	27	38.6%	34%
Clean Technology	$9,212,625	$1,867,034	32	3	6.5%	6.6%
Total	**$140,846,757**	**$21,290,402**	**480**	**45**	**-**	**-**

The majority of applications approved in calendar year 2023 were in the life sciences sector, though the percentage decreased from 69.4% in 2022 to 59.4% in 2023. There was an increase in applications in the technology sector from 28.7% in 2022 to 34% in 2023. There was also an increase in applications in the clean technology sector from 1.1% in 2022 to 6.5% in 2023.

The average investment amount per application in the life science sector was $271,175, while the average investment per application in the technology sector was $333,430. Lastly, the average investment amount per application in the clean technology sector was $287,894.

Of note, 27 applications approved in calendar year 2023 were for investments over $1,000,000 each, and the largest single investment was $15,000,000. There were 4 declinations in calendar year 2023; these applications were from program year 2022 and were declined in Q4 2023.

Since the ATC program inception in 2013 through Q4 of 2023, NJEDA has approved 3,195 applications and awarded $113,814,773 in Angel Investor Tax Credits incentivizing $991,993,819 in private sector investments in 161 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. Updated Regulations for the NJ Ignite Legislative Program created by the ERA are anticipated but their generation is subject to the availability of the NJEDA Legal Affairs department resources.

NJ Ignite Program – Q4 2023 and 2023 Year End Review

In addition, there were 2 new Tenant company approvals for NJ Ignite in 2023, as detailed in the table below. There were no new Workspaces approvals in 2023.

From program inception in 2018 through Q4 of 2023, the Authority approved 25 co-working spaces of which 7 subsequently withdrew. In addition, the Authority approved 19 Tenant applications, for a total approved amount of $197,851.90 of the $1.5 million allocated to the program.

Tenant Name	Workspace Name	NJEDA Grant	Approval Date
Linus Biotechnology, Inc.	NJ Bioscience Center Incubator	$15,000	03/10/2023
Zena Therapeutics, Inc.	NJ Bioscience Center Incubator	$8,052	08/15/2023

NJ Accelerate Program

On February 11, 2020, the NJEDA Board approved the NJ Accelerate pilot program, with a total program budget of $2.5 million. Through NJ Accelerate, the 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 program provides up to $250,000 of direct loan funding and up to six months of free rent to Approved Accelerator Graduates located in New Jersey. 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 of up to $100,000 to hold events in NJ to encourage their on-the-ground engagement in the State. Also, 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 Authority began accepting applications to become an approved accelerator during the fourth quarter of 2020. On November 12, 2020, Morgan Stanley Inclusive Ventures Lab (fka Multicultural Innovation Lab), became the first approved accelerator. The Authority approved Cleantech Open Northeast on April 13, 2021, becoming the second approved accelerator, followed by VentureWell's Aspire program which was approved on May 14, 2021. In the third quarter of 2021, University City Science Center's Launch Lane Accelerator was approved to participate in the Program on September 1. In the second quarter of 2022, HAX LLC was approved for participation in NJ Accelerate on April 4. In the second quarter of 2023, XRC Ventures was approved on June 12. Most recently, in the third quarter of 2023, the following accelerators were approved: Merck Digital Sciences Studio on August 16, Lair East Labs on September 12, LearnLaunch Fund + Accelerator on September 20, and Entrepreneurs Roundtable Accelerator on September 21.

NJ Accelerate Program – Q4 2023 Review

Reviews and discussions with accelerator programs and their company participants continued during the fourth quarter of 2023, as well as outreach to new accelerators. No new accelerators were approved to participate in the fourth quarter.

In Q4 2023, 4 applications for the matching loan benefit were received, and 1 was approved for a total amount of $157,500.

Applicant Name	Approved Amount	Approval Date	Closing Date
SciMar One, Inc. (Merck Digital Sciences Studio)	$157,500.00	11/30/2023	01/11/2024

In addition, in Q4, 1 accelerator event sponsorship request was approved for $3,644.22, of which the NJEDA matches 50%, amounting to $1,822.31.

Applicant Name	Approved amount	Approval Date	Closing Date
Merck Digital Sciences Studio	$1,822.31	11/01/2023	TBD

NJ Accelerate Program- 2023 Year End Review

In 2023, a total of 5 new Accelerators were approved under the Program: XRC Ventures, Merck Digital Sciences Studio, Lair East Labs, LearnLaunch Fund+ Accelerator, and Entrepreneurs Roundtable Accelerator. In total, 10 accelerators are approved for NJ Accelerate as of Q4 2023 and continues to generate interest from best-in-class accelerators.

For graduates of approved Accelerator programs, 1 application for the matching loan benefit was approved for $157,500 to SciMar One.

In the third and fourth quarters of 2023, 3 event sponsorship requests from 2 Accelerators were approved for $12,982.81; the NJEDA matches 50% of the approved amount, plus the Diversity and Inclusion bonus of 5% which was applicable to 2 of the 3 requests, bringing the total commitment of the NJEDA to $6,958.28.

Applicant Name	Approved Reimbursement	Approval Date	Closing Date
VentureWell -Aspire Program	$1,655.54	09/22/2023	TBD
VentureWell -Aspire Program	$3,480.43	09/22/2023	TBD
Merck Digital Sciences Studio	$1,822.31	11/01/2023	TBD

From Program inception in 2021 through Q4 of 2023, a total of 6 matching loan applications were approved for investment, of which, 2 were closed and funds disbursed for a total amount of $207,500, while 4 applications were withdrawn after approval and did not close or disburse funds. Additionally, 3 Sponsorship Event Requests were approved for a total amount of $6,958.28 but have not closed or funds been disbursed.

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 Accelerator	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

NJ Accelerate Program – List of Approved Loan Benefits

Applicant Name	Approved Amount	Approval Date	Closing Date
SciMar One, Inc. (Merck Digital Sciences Studio)	$157,500.00	11/30/2023	01/11/2024
EnvoyatHome, Inc (UCSC – Launch Lane)	$50,000.00	02/09/2022	09/20/2022

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 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 investments must be in the form of preferred equity with a defined share 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

Angel Match Program – Q4 2023 Review

Since the Program's launch, discussions were initiated with various groups as well as the wider NJ startup and investor community. The Program has also been featured in many public presentations and has received significant interest from companies with the potential to leverage the program.

In the fourth quarter of 2023, the Authority approved 1 Angel Match Program application for Princeton Identity Holding Company, Inc., for the amount of $500,000. A description of the company can be found below.

Company	External Investments	EDA Approved Funding	Approval Date	Commitment Date	Closing Date
Princeton Identity Holding Company, Inc.	$1,012,999	$500,000	12/22/2023	12/26/2023	2/9/2024

Princeton Identity Holding Company, Inc., is biometric identity management that makes security accurate, reliable, and convenient. Using iris recognition and other biometric technologies, Princeton Identity enables businesses, global organizations, and borders to simplify identity management, resulting in improved safety and protection.

Angel Match Program – 2023 Year End Review

Since the Program's launch in 2023, Staff approved 4 applications for a total of $2,000,000. Funding was disbursed to 3 approved applicants in 2023, amounting to $1,462,500. The fourth fully closed in Q1 2024. NJEDA's approval of the applicants spurred their closing of external investments for a total of $2,796,569. A list of approved applications can be found below.

Company	Approved Amount	Approval Date	Match Investment	Disbursed Amount	Closing Date
TLA Innovation, Inc.	$500,000	06/06/2023	$537,000	$500,000	09/28/2023
vipHomeLink Holdings, Inc.	$500,000	08/18/2023	$462,500	$462,500	10/12/2023
AlphaROC, Inc.	$500,000	09/15/2023	$784,979	$500,000	12/08/2023
Princeton Identity Holding Company, Inc.	$500,000	12/22/2023	$1,012,999	$500,000	2/9/2024

<u>New Jersey Zero-emission Incentive Program (NJ ZIP)</u>

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, greater Newark, New Brunswick, greater Camden, and the Greater Shore Area.

New Jersey Zero-emission Incentive Program Phase 2 – Q4 2023

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 and 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, October 18, 2022, thru November 22, 2022, the program received 32 vendor applications that were reviewed and approved on a rolling basis. In Q4 2023, 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. In Q4 2023, the Program approved 15 applications for a total of $13,279,200 in vouchers. These vouchers will support adoption of 84 new, zero emission vehicles operating in the State of New Jersey.

New Jersey Zero-emission Incentive Program Phase 2 – Q4 2023

Please find a detailed list of all purchaser applications that were approved for NJ ZIP Phase 2 under delegated authority during the third quarter of 2023, in Exhibit C.

New Jersey Zero-emission Incentive Program – 2023 Year End Review

When NJ ZIP Phase 2 launched in April 2023, NJZIP Phase 2 received 216 new applications. Within 2023, NJ ZIP approved 92 applications with 35 remaining applications in review in 2024. The program's 92 approvals for $41,043,200 will support 300 electric medium and heavy-duty vehicles from 18 vendors (260% increase in active vendors from Phase 1). In 2023, NJ ZIP Phase 2 Vouchers supported 69% small businesses and 32% minority-, women-, or veteran- owned businesses. In addition, 54% or 58% of approved applicants will operate and/or register their vehicles within an environmental justice community.

All remaining Phase 1 applications were approved in 2023. In 2023, the Program disbursed $8,155,750 of Phase 1 approved vouchers deploying 91 vehicles across 45 applications, 95% of which were small business. These vouchers for medium duty vehicles will support the estimated 5,886.17 tons of CO_2 avoided annually, and an estimated 88,292.56 short tons of CO_2 emissions avoided over the project's lifetime.

<u>New Jersey Film and Digital Media Tax Credit Program</u>

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 2023 Results

In the fourth quarter of 2023, there were 7 film applications approved under delegated authority for a total of $13,897,147.

FILM TAX CREDITS				
	Applicant Name	**PROD #**	**Award Amount**	**Approval Date**
1	Miller Hill Inc	PROD-00311851	$801,502	10/10/2023
2	Eric Productions Inc	PROD-00311395	$5,698,989	11/9/2023
3	Your Business Monster LLC	PROD-00310369	$1,109,990	11/13/2023
4	Apparitions-DE Incorporated	PROD-00312589	$665,049	12/18/2023
5	Exhibiting Forgiveness, Inc	PROD-00312975	$2,768,243	12/20/2023
6	Not The Funeral Home LLC	PROD-00310234	$273,144	12/18/2023
7	RR Productions, Inc	PROD-00313084	$2,580,230	12/22/2023
		FILM TOTAL	**$ 13,897,147**	

New Jersey Film and Digital Media Tax Credit Program- 2023 Year End Review

From Q1 through Q4 of calendar year 2023, the Authority approved 40 applications for $187,928,335 million in tax credits. A summary of prior year tax credits and unallocated balances is provided in Exhibit D.

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 woman, minority, veteran owned businesses (WMVB), 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 (NJ MVP) – Q4 2023 Results

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 that were placed on a waitlist, are being processed 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 the NJ MVP, New Jersey Manufacturing Voucher Program Phase 2.

Below is a detailed list of all NJ MVP applications that were approved under delegated authority during the fourth quarter of 2023:

Applicant Name	Approval Date	Approved Amount
Criterion Acoustics Limited Liability Company	10/4/2023	$142,800.00
Vee Dennis Manufacturing Co.	10/5/2023	$34,950.00
Oakflower Brewing Company LLC	10/5/2023	$9,495.00
Buono Vita, Inc.	10/13/2023	$250,000.00
Snack Innovations Inc	10/16/2023	$250,000.00
Wythe Windows Inc.	10/17/2023	$250,000.00
Angel's Bakery USA LLC	11/1/2023	$250,000.00
Geri-care Pharmaceuticals Corp.	11/13/2023	$250,000.00
The Challenge Printing Company, Inc.	11/13/2023	$146,668.20
GenScript Probio USA Inc.	11/13/2023	$250,000.00
Sage Custom Designs LLC	12/1/2023	$89,667.82
Trucco, Inc.	12/8/2023	$206,916.50
Verde Nutra Corporation	12/11/2023	$165,462.50
Ce De Candy, Inc.	12/12/2023	$250,000.00

INTECH CASES INCORPORATED	12/13/2023	$150,444.30
KB FOOD ENTERPRISES, LLC	12/22/2023	$250,000.00
Kontos Foods, Inc. and related entities	12/26/2023	$17,887.80
Total		**$2,964,292.12**

New Jersey Manufacturing Voucher Program- 2023 Year End Review

A total of 220 applications were approved under delegated authority in 2023 for a combined voucher amount of $30,692,194.32. Of these applications, 7 were withdrawn post approval, amounting to a combined voucher sum of $308,924.

NJ Entrepreneur Support Program (NJESP)

On March 26, 2020, the NJEDA Board approved the NJ Startup 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. The total program budget was $5 million.

The Program was open from April 22, 2020, until February 12, 2021. A total 97 applications were submitted, from which 47 applications were approved by the Authority staff under delegated authority. The guarantee amount in total was $2.036 million for $2.545 million of note investments. This represents investments in 13 unique businesses with a total of 85 full-time NJ employees. Additionally, 28 applications were withdrawn, and 22 applications were declined. There was 1 guarantee payment made to 1 investor in 1 company for $60,000. The guaranteed loan was assigned to the NJEDA and is currently with SLM for collection.

Entering into 2023, the effects stemming from the pandemic continue 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 a run at Silicon Valley Bank. 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 NJESP in March of 2023. Then, 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 2023 and 2023 Year End Review

Following the Program's launch, announcements were made through various communications 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 2023, Staff continued to receive significant inbound interest from companies. Multiple companies have the potential to leverage the Program and will be monitored for possible application submissions.

In the fourth quarter of 2023 (and as of 2023 year end), the Authority approved 1 application for a guarantee of 80% ($92,000) on a $115,000 convertible note. Details on the company can be found below.

Investor	Company	Amount of Guarantee	Approval Date
Daniel Lewis	TLA Innovation, Inc.	$92,000	11/03/2023

TLA Innovation, Inc., develops solutions for individuals and enterprises in the cybersecurity, privacy, and regulatory industries. The Company's SaaS cybersecurity platform protects against identity-driven attacks and uses advanced biometrics and AI to assure identities and facilitate cleaner, more efficient business processes. TLA Innovation was founded in 2020 and is headquartered in Paramus.

<u>New Jersey Clean Energy Loans (NJ CELs)</u>

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 federal 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.

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 2023 Review

In Q4 2023, 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, attendance and presentations at conferences and events, and targeted outreach to key industry groups and stakeholders.

In the fourth quarter, 1 new application was submitted for NJ CELs, but was subsequently withdrawn due to obtaining alternative financing for the project. This application brought the total number of NJ CELs applications to three.

No applications were approved in Q4 2023.

New Jersey Clean Energy Loans (NJ CELs)- 2023 Year End Review

In 2023, NJ CELs received 3 applications in total, 2 of which were withdrawn and 1 of which is under review.

While no applications have been approved under the NJ CELs program as of Q4 2023, the Program is gaining significant traction and is expected to receive several additional applications in Q1-Q2 2024. Additional continued outreach efforts will be maintained and built upon to further strengthen the pipeline of prospective applicants and financial institutions serving as co-lenders.

<u>New Jersey Innovation Fellows</u>

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 EDA "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 venture 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 Cohort 1- Q4 2023 Review and 2023 Year End Review

The Authority published the Notice of Funding Availability (NOFA) for the NJIF program on March 7, 2023. The application period opened March 14, 2023, through June 19th, 2023, saw 43 accepted applications submitted from 133 individual would-be entrepreneurs.

On November 16, 2023, the Board of the Authority approved 10 teams of entrepreneurs representing an aggregate award amount of $3.6 million in the form of income replacement grants. A list of approved applications can be found below.

A total of 22 applications were declined by staff for non-discretionary reasons under delegated authority; details can be found under Exhibit E. Furthermore, a total of 2 applications were declined by the Board for discretionary reasons under delegated authority. A total of 9 applications, that represent an aggregate amount of $3.4M of additional funding, were declined and then subsequently appealed.

NJ Innovation Fellows 2023 Approvals			
Applicant ID	**Business Name/Proposed Business Name**	**Entrepreneur(s)**	**Award Amount**
NJIF-00300	AbilityHUB	Rohit Mathur, Shirin Mathur, Roli Vaish	$350,000
NJIF-00189	AnataMed	Caroline Yu, Kaitlin Khanna, Kevin Kumar	$350,000
NJIF-00115	Fire Start Productions	Juliani Bonilla, Salvatore Brenhuber, Devin Scheck	$250,000
NJIF-00111	Helloboss	Juhee Ko, Hyunji Kim, Jihye Soriano	$350,000
NJIF-0036	Klick Studios	Jennifer Craig, Jasmine Gardner, Tiana Hawkins	$400,000
NJIF-0063	Liv Again Wellness LLC	Christine Graves, Jazmine Jones, Jenae Padilla	$350,000
NJIF-00212	My FitPlate	Loraina London Calderon, Rashmi Naik, Peter Thorson Andrews Jr.	$400,000
NJIF-0064	Planthopper Corp	Chelsea McAuliffe, Thomas Steen, Austin McAuliffe	$350,000

NJIF-00169	Quarks Advantage	Jose Gabriel Carrasco Ramirez, Noiralih Nohemi Guere Castellanos, Gabriel Alejanddro Carrasco Bonilla	$400,000
NJIF-00167	Thrivio Health	Vanessa Ezamadu, Joshua Ezemadu, Emmanuella Francois	$400,000
Total			**$3,600,000**

Tim Sullivan, CEO

Angel Investor Tax Credit Prepared by:
Christopher Shyers

NJ Ignite Prepared by:
Sara Caddedu

NJ Accelerate Prepared by:
Sara Caddedu

New Jersey Zero-emission Incentive Program Prepared by:
Olivia Barone

New Jersey Film and Digital Media Tax Credit Program Prepared by:
Matthew Sestrich

New Jersey Manufacturing Voucher Program Prepared by:
Ivan Mendez

Angel Match Program Prepared by:
Monika Athwal

NJ Entrepreneur Support Program Prepared by:
Monika Athwal

New Jersey Clean Energy Loans Prepared by:
Marta Cabral

NJ Innovation Fellows Prepared by:
Michelle Martinez

Memo Prepared by:
Fariha Sheikh
Clark Smith

EXHIBIT A

Q4 2023 Delegated Approvals - Angel Investor Tax Credit

Applicant	Employees in NJ	Company	Investment	Tax Credit
DANA SEMMEL		Aspargo Laboratories, Inc.	$29,999	$6,000
Christina Brudner		Aspargo Laboratories, Inc.	$25,000	$5,000
Carleen and Dominick Lombardi JT WROS		Aspargo Laboratories, Inc.	$25,000	$5,000
Dominick J Gatto		Aspargo Laboratories, Inc.	$100,000	$20,000
Alice and William Keefe		Aspargo Laboratories, Inc.	$150,000	$30,000
Samuel Nicoleau Jr		Aspargo Laboratories, Inc.	$40,000	$8,000
Frank Piperno		Aspargo Laboratories, Inc.	$50,000	$10,000
Tashauna E Jackson & Juana M Rodriguez		Aspargo Laboratories, Inc.	$30,000	$6,000
Raymond A. Haunsz and Patricia M. Haunsz		Aspargo Laboratories, Inc.	$20,000	$4,000
9	NJ: 2 Total: 2	Aspargo Laboratories, Inc.	$469,999	$94,000
Arlynn S. Bock Irrevocable Trust		Beable Education, Inc.	$300,000	$75,000
The Susan Gertler 2014 Family Trust		Beable Education, Inc.	$200,000	$50,000
RL 2012 Family Trust		Beable Education, Inc.	$350,000	$87,500
The Susan Gertler 2014 Family Trust		Beable Education, Inc.	$150,000	$37,500
Saki Dodelson		Beable Education, Inc.	$1,000,000	$250,000
Saki Dodelson 2014 Remainder Trust		Beable Education, Inc.	$1,550,000	$387,500
Daniel A. Bock & Arlynn S. Bock		Beable Education, Inc.	$100,000	$25,000
Daniel Lemberg		Beable Education, Inc.	$300,000	$75,000
Daniel Lemberg		Beable Education, Inc.	$300,000	$75,000
Daniel A. Bock Spousal Trust		Beable Education, Inc.	$300,000	$75,000
Lincoln Street Investments LLC		Beable Education, Inc.	$300,000	$75,000

11	NJ: 38 Total: 44	Beable Education, Inc.	$4,850,000	$1,212,500
Salvador and Martha Gonzalez		BioAegis Therapeutics, Inc.	$125,000	$25,000
Joost Gout		BioAegis Therapeutics, Inc.	$40,000	$8,000
Theo Hoogland		BioAegis Therapeutics, Inc.	$25,000	$5,000
Prudent Hedging LLC		BioAegis Therapeutics, Inc.	$49,975	$9,995
4	NJ: 10 Total: 11	BioAegis Therapeutics, Inc.	$239,975	$47,995
Kenneth S. Silbert		CLMB, INC.	$25,000	$5,000
SRD Capital Management LLC		CLMB, INC.	$25,000	$5,000
2	NJ: 3 Total: 3	CLMB, INC.	$50,000	$10,000
Ali El-Mohandes		Elucida Oncology	$100,000	$20,000
The Ravel Family Revocable Tr		Elucida Oncology	$225,400	$45,080
Vahan Janjigian Noone Janjigian JT TEN		Elucida Oncology	$18,062	$3,612
A&B Capital Investments LLC		Elucida Oncology	$175,000	$35,000
B. KRISTINE JOHNSON TRUST UAD 08/13/08 B. KRISTINE JOHNSON TT		Elucida Oncology	$75,000	$15,000
B. KRISTINE JOHNSON TRUST UAD 08/13/08 B. KRISTINE JOHNSON TT		Elucida Oncology	$100,000	$20,000
Stephen M Trauber Leticia F Trauber JT Ten		Elucida Oncology	$1,250,000	$250,000
Stephen B Connor		Elucida Oncology	$12,500	$2,500
Taylor W. Lawrence Family Trust UAD 10/23/09		Elucida Oncology	$475,000	$95,000
Hoyt David Morgan		Elucida Oncology	$490,000	$98,000

The Kenneth M. Sutin, MD. Revocable Trust UAD 01/21/12		Elucida Oncology	$80,400	$16,080
Joyson Joseph Karakunnel		Elucida Oncology	$425,000	$85,000
Gaylord Kent Conrad and Lucy Jean Calautti		Elucida Oncology	$162,500	$32,500
Zachary S. Handelman		Elucida Oncology	$12,500	$2,500
Charles Keefe		Elucida Oncology	$24,700	$4,940
The Robert L Bahr Revocable Trust - 1985		Elucida Oncology	$38,000	$7,600
PEAS Trust, dtd 12/27/2012		Elucida Oncology	$175,000	$35,000
Bruce A Burskey		Elucida Oncology	$363,000	$72,600
Oliver Ian Chrzan		Elucida Oncology	$1,000,000	$200,000
Charles A Bancroft		Elucida Oncology	$250,000	$50,000
Joshua Gregg Berkowitz		Elucida Oncology	$37,500	$7,500
Henry Scovern and Laura Pakarow Tenants by the Entirety		Elucida Oncology	$29,450	$5,890
Samir Mammadov		Elucida Oncology	$200,000	$40,000
Trust u/w/o Lenore O. Stern f/b/o James A. Stern		Elucida Oncology	$125,000	$25,000
GOUTHAM KRISHNA GORTI		Elucida Oncology	$76,000	$15,200
The Michael Cantacuzene Revocable Trust ud11/26/19		Elucida Oncology	$250,700	$50,140
Nola Holdings, LLC		Elucida Oncology	$150,000	$30,000
The Bahr Family Limited Partnership		Elucida Oncology	$58,900	$11,780
Kim A Lopdrup Lillian Cathryne Lopdrup JT TEN		Elucida Oncology	$200,000	$40,000

29	NJ: 20 Total: 26	Elucida Oncology	$6,579,612	$1,315,922
Whale Island Limited Partnership		Enalare Therapeutics, Inc.	$250,000	$50,000
Isaac A. Yedid		Enalare Therapeutics, Inc.	$50,000	$10,000
Kantstraat LLC		Enalare Therapeutics, Inc.	$500,000	$100,000
MIBIT Capital Holding Company		Enalare Therapeutics, Inc.	$200,000	$40,000
4	NJ: 5 Total: 6	Enalare Therapeutics, Inc.	$1,000,000	$200,000
AltEnergy Storage Bridge, LLC		EOS Energy Storage LLC	$300,000	$30,000
AltEnergy Storage Bridge, LLC		EOS Energy Storage LLC	$500,000	$50,000
2	NJ: 55 Total: 59	EOS Energy Storage LLC	$800,000	$80,000
Prahlad M Patel		Equallent Therapeutics, Inc	$300,000	$60,000
Sarath B Kodali		Equallent Therapeutics, Inc	$100,000	$20,000
Rakesh Amin		Equallent Therapeutics, Inc	$200,000	$40,000
Srinivasa Rao Jonnalagadda		Equallent Therapeutics, Inc	$100,000	$20,000
Damodhar Neelagiri & Harini Neelagiri		Equallent Therapeutics, Inc	$100,000	$20,000
NextGen Innovations LLC		Equallent Therapeutics, Inc	$360,000	$72,000
Satya Prasad Devarasetty		Equallent Therapeutics, Inc	$100,000	$20,000
VENKATA KAMALAKAR RAO SWAMI		Equallent Therapeutics, Inc	$100,000	$20,000
Amar Bandaru		Equallent Therapeutics, Inc	$200,000	$40,000
Raja Shekar R Chirra		Equallent Therapeutics, Inc	$100,000	$20,000
Madhu Chunduru		Equallent Therapeutics, Inc	$100,000	$20,000
Fazilka LLP		Equallent Therapeutics, Inc	$250,000	$50,000
12	NJ: 57 Total: 57	Equallent Therapeutics, Inc	$2,010,000	$402,000
Tilly LLC		EV Edison, INC.	$2,000,000	$500,000
Saud bin Khalid Al Faisal Al Saud		EV Edison, INC.	$999,945	$249,986
2	NJ: 4 Total: 4	EV Edison, INC.	$2,999,945	$749,986

Dal 1802 Educazione Cultura Salute Ambiente Tecnologia S.r.l.		Evergreen Theragnostics, INC.	$546,000	$109,200
Novacapital srl		Evergreen Theragnostics, INC.	$2,499,960	$499,992
Ariel Sacerdoti		Evergreen Theragnostics, INC.	$43,001	$8,600
MitulKumar Narendrabhai Shah		Evergreen Theragnostics, INC.	$21,075	$4,215
Eyal Pais		Evergreen Theragnostics, INC.	$250,000	$50,000
Alon Tako		Evergreen Theragnostics, INC.	$99,996	$19,999
Matthias Obermayer		Evergreen Theragnostics, INC.	$117,000	$23,400
Gerard, jose, Ber		Evergreen Theragnostics, INC.	$500,000	$100,000
Yacov Gamburg		Evergreen Theragnostics, INC.	$200,000	$40,000
SAM FRACKOWIAK & ANETA FRACKOWIAK		Evergreen Theragnostics, INC.	$50,006	$10,001
Be Zmora		Evergreen Theragnostics, INC.	$21,996	$4,399
HNF S.p.A.		Evergreen Theragnostics, INC.	$439,951	$87,990
Simona Spriano		Evergreen Theragnostics, INC.	$90,301	$18,060
Ofer Amar		Evergreen Theragnostics, INC.	$799,999	$160,000
Jason & Hijin Angela Park		Evergreen Theragnostics, INC.	$10,000	$2,000
Boaz Yakov Gershon		Evergreen Theragnostics, INC.	$749,963	$149,993
Alexandra Nagar		Evergreen Theragnostics, INC.	$99,996	$19,999
Pietro Bubba Bello		Evergreen Theragnostics, INC.	$77,980	$15,596
Ibrahim Jammaz Aljammaz		Evergreen Theragnostics, INC.	$109,996	$21,999
Amir Zmora		Evergreen Theragnostics, INC.	$21,996	$4,399
Reis BG LLC		Evergreen Theragnostics, INC.	$180,000	$36,000
Sharon Roded		Evergreen Theragnostics, INC.	$499,996	$99,999
Marco Toledo		Evergreen Theragnostics, INC.	$186,334	$37,267
MAC 2020 srl		Evergreen Theragnostics, INC.	$499,996	$99,999
Tomaso Spingardi		Evergreen Theragnostics, INC.	$300,000	$60,000
Enrico Toledo		Evergreen Theragnostics, INC.	$164,837	$32,967
Victor G Paulus		Evergreen Theragnostics, INC.	$49,998	$10,000
Josef Ast		Evergreen Theragnostics, INC.	$99,996	$19,999
28	NJ: 41 Total: 45	Evergreen Theragnostics, INC.	$8,730,373	$1,746,073
SSB Investments, Inc.		FinOptSys, Inc.	$2,199,996	$439,999

1	NJ: 7 Total: 9	FinOptSys, Inc.	$2,199,996	$439,999
John Dittler Schulman		Genomic Prediction Inc	$225,000	$45,000
Brian Max Berger		Genomic Prediction Inc	$100,000	$20,000
Metaplanet Holdings OÜ		Genomic Prediction Inc	$999,999	$200,000
3	NJ: 23 Total: 29	Genomic Prediction Inc	$1,324,999	$265,000
Paresh Shah		GEOACL LLC	$10,000	$2,500
1	NJ: 2 Total: 2	GEOACL LLC	$10,000	$2,500
Anil Shah		Halcyon Still Water, LLC	$100,000	$20,000
Joseph Manning		Halcyon Still Water, LLC	$300,000	$60,000
Anshumali Koirala		Halcyon Still Water, LLC	$50,000	$10,000
Alvin M Shah		Halcyon Still Water, LLC	$400,000	$80,000
The Luby Family Trust		Halcyon Still Water, LLC	$175,000	$35,000
Gerard P. Melia Traditional IRA		Halcyon Still Water, LLC	$200,000	$40,000
Thomas G. Miglis Revocable Trust		Halcyon Still Water, LLC	$300,484	$60,097
Joseph Manning		Halcyon Still Water, LLC	$100,000	$20,000
Kashif Iqbal Tajani		Halcyon Still Water, LLC	$100,000	$20,000
Christopher Spagnuola		Halcyon Still Water, LLC	$250,000	$50,000
Arthur K Mark		Halcyon Still Water, LLC	$150,000	$30,000
John R. Panichello		Halcyon Still Water, LLC	$50,000	$10,000
12	NJ: 11 Total: 12	Halcyon Still Water, LLC	$2,175,484	$435,097
NDTCO as Custodian FBO Abhijeet Joshi Trad IRA		ImageProVision, Inc.	$100,000	$25,000
Rushikesh Kulkarni		ImageProVision, Inc.	$25,000	$6,250
Lomesh Shah and Anita Shah Living Trust		ImageProVision, Inc.	$20,000	$5,000
3	NJ: 1 Total: 1	ImageProVision, Inc.	$145,000	$36,250
Sherif El Maghraby		Ionic H2O Inc	$499,900	$124,975
Hawthorne 2014 LLC		Ionic H2O Inc	$200,000	$50,000

2	NJ: 3 Total: 4	Ionic H2O Inc	$699,900	$174,975
Andrew T Reago		Lambent Data Inc.	$5,000	$1,000
Robert Keith Lem		Lambent Data Inc.	$5,000	$1,000
Stephen P Ban		Lambent Data Inc.	$25,000	$5,000
3	NJ: 2 Total: 2	Lambent Data Inc.	$35,000	$7,000
Gotham Venture Partners llc		Logie Inc.	$25,000	$6,250
Joel Gottehrer		Logie Inc.	$25,000	$6,250
Israel Schaya		Logie Inc.	$50,000	$12,500
Stanley Bateman		Logie Inc.	$14,980	$3,745
4	NJ: 3 Total: 3	Logie Inc.	$114,980	$28,745
Virtu Investments LLC fka Virtu Getco Investments		MEMX LLC	$3,300,000	$500,000
1	NJ: 50 Total: 52	MEMX LLC	$3,300,000	$500,000
Robert Masters		Neumentum, Inc.	$25,000	$5,000
Richard Smith		Neumentum, Inc.	$450,000	$90,000
Josiah Austin		Neumentum, Inc.	$50,000	$10,000
John Bruce McKissock		Neumentum, Inc.	$35,000	$7,000
4	NJ: 2 Total: 2	Neumentum, Inc.	$560,000	$112,000
SWAPNA SUNKARA		Nevakar Inc.	$100,000	$20,000
NDTCO as Custodian FBO Krishnan Ramaswamy IRA		Nevakar Inc.	$100,000	$20,000
Vishal Muni		Nevakar Inc.	$50,000	$10,000
RAJIV SHARMA		Nevakar Inc.	$1,000,000	$200,000
Mukund Chari		Nevakar Inc.	$100,000	$20,000
David and Tripti Burt		Nevakar Inc.	$1,000,000	$200,000
Sekhar and Madhavi Vemparala		Nevakar Inc.	$50,000	$10,000
Ram Potti		Nevakar Inc.	$250,000	$50,000
Ram Potti		Nevakar Inc.	$250,000	$50,000
Sriram Ramanathan		Nevakar Inc.	$250,000	$50,000
Anjali Mody		Nevakar Inc.	$100,000	$20,000

New Direction Trust Company as Custodian FBO Jawaid A. Chaudhri Roth IRA		Nevakar Inc.	$100,000	$20,000
Surendra Kankariya Living Trust		Nevakar Inc.	$150,000	$30,000
Nilesh Jariwala		Nevakar Inc.	$100,000	$20,000
SS 2018 Trust		Nevakar Inc.	$500,000	$100,000
15	NJ: 44 Total: 53	Nevakar Inc.	$4,100,000	$820,000
SUDHAKAR PAMIDIMUKKALA		Onconox, Inc.	$50,000	$10,000
Shankar Yalamanchili		Onconox, Inc.	$50,000	$10,000
Ajay Kumar Paladugu		Onconox, Inc.	$25,000	$5,000
Naga Venkateswara Rao Bandreddi		Onconox, Inc.	$25,000	$5,000
Surendra Paladugu		Onconox, Inc.	$25,000	$5,000
5	NJ: 3 Total: 3	Onconox, Inc.	$175,000	$35,000
GWF Management, LLC		POM Partners, Inc.	$50,000	$12,500
1	NJ: 7 Total: 7	POM Partners, Inc.	$50,000	$12,500
Lang Lu		Primo Pharmatech LLC	$10,000	$2,500
1	NJ: 1 Total: 1	Primo Pharmatech LLC	$10,000	$2,500
Micro Labs USA, Inc.		SHINKEI THERAPEUTICS INC	$15,000,000	$500,000
1	NJ: 3 Total: 3	SHINKEI THERAPEUTICS INC	$15,000,000	$500,000
Donna Suzanne Litwin		SunRay Scientific, Inc.	$25,000	$6,250
Anantha Narayanan Desikan		SunRay Scientific, Inc.	$10,000	$2,500
Bjoern Niklas Jemsby		SunRay Scientific, Inc.	$25,000	$6,250
Kalliam Capital LLC		SunRay Scientific, Inc.	$25,000	$6,250

Matus Knoblich		SunRay Scientific, Inc.	$20,000	$5,000
The Field Holding Company LLC		SunRay Scientific, Inc.	$20,000	$5,000
Stephen Leigh Bauer		SunRay Scientific, Inc.	$10,900	$2,725
Joseph X Palermo		SunRay Scientific, Inc.	$10,000	$2,500
H.F. Tuna LLC		SunRay Scientific, Inc.	$25,000	$6,250
Birch Lane Holdings LLC		SunRay Scientific, Inc.	$15,000	$3,750
Kathleen Brunner		SunRay Scientific, Inc.	$10,000	$2,500
David Gross		SunRay Scientific, Inc.	$30,000	$7,500
Spirit Angel Ventures LLC		SunRay Scientific, Inc.	$12,500	$3,125
Baerbel Maria Freye		SunRay Scientific, Inc.	$32,085	$8,021
Luiz Garcia Vieira Jr.		SunRay Scientific, Inc.	$15,260	$3,815
Mary Ann Elliott		SunRay Scientific, Inc.	$100,000	$25,000
Mohan NextGen Ventures, LLC		SunRay Scientific, Inc.	$15,001	$3,750
Darren Schulman		SunRay Scientific, Inc.	$10,000	$2,500
Dudley Molina		SunRay Scientific, Inc.	$10,001	$2,500
Istvan Nadas		SunRay Scientific, Inc.	$20,000	$5,000
Lorana Quintero		SunRay Scientific, Inc.	$12,001	$3,000
Eric Buckman		SunRay Scientific, Inc.	$15,000	$3,750
Raja Bachu		SunRay Scientific, Inc.	$25,000	$6,250
23	NJ: 12 Total: 13	SunRay Scientific, Inc.	$492,748	$123,186
Jeffrey R Grayzel		XLINK LLC	$49,680	$9,936
James DuBroff		XLINK LLC	$49,680	$9,936
James DuBroff		XLINK LLC	$49,680	$9,936
3	NJ: 3 Total: 3	XLINK LLC	$149,040	$29,808
186			**$58,272,051.00**	**$9,383,036**

EXHIBIT B

Q4 2023 Program Summary - Angel Investor Tax Credit

Program Year	# of 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	17 withdrawn/4 declined	467	30	$35,000,000.00	$16,767,257	$18,232,743.00	Open
2023	4 withdrawn	119	18	$35,000,000.00	$6,921,610	$28,078,390.00	Open

EXHIBIT C

Q4 2023 Purchaser Approvals- New Jersey Zero-emission Incentive Program Phase 2

Name of Applicant	Vendor	Purchaser Location	SBE	MBE	WBE	VBE	Driving in an EJ Community	# of vehicles	Total Voucher $
Dape Consulting, Inc.	Hudson County Motors, Inc	Elizabeth	Yes	No	No	No	Yes	2	$472,500.00
Dape Consulting, Inc.	Hunter Keystone Peterbilt, L.P.	Elizabeth	Yes	No	No	No	Yes	2	$472,500.00
Commuter Foods Corp	Rivian LLC	Newark	Yes	No	No	No	No	2	$50,000.00
Current Trucking Connect LLC	Gabrielli Kenworth of New Jersey, LLC	Morristown	No	No	No	No	No	9	$1,575,000.00
United Parcel Service, Inc.	Orange EV, LLC	Lawnside	No	No	No	No	No	4	$700,000.00
United Parcel Service, Inc.	Orange EV, LLC	Secaucus	No	No	No	No	No	4	$700,000.00
United Parcel Service, Inc.	Orange EV, LLC	Parsippany	No	No	No	No	No	4	$700,000.00
333 RT 46 SOLAR NG LLC	Endera Motors, LLC	Marlton	No	No	No	No	No	15	$1,218,750.00
Exel Inc.	Orange EV, LLC	Robinsville	No	No	No	No	No	1	$175,000.00
Exel Inc.	Orange EV, LLC	Robinsville	No	No	No	No	No	1	$175,000.00
Wright Enterprise Logistic	Envirotec h Vehicles Inc	Swedesboro Borough	Yes	Yes	Yes	No	No	1	$92,950.00
Zeem Solutions, LLC	Hudson County Motors, Inc	Elizabeth	Yes	No	No	No	Yes	2	$472,500.00
Penske Truxk	Orange EV, LLC	Newark	No	No	No	No	No	3	$525,000.00

Leasing Co., Limited Partnership									
Shore Point Distributing Company Incorporated	Alta Electric Vehicles, LLC	Feeehold	No	No	No	No	No	17	$2,975,000.00
Future Truck Rental and Leasing LLC	Orange EV, LLC	North Brunswick	No	No	No	No	No	17	$2,975,000.00

EXHIBIT D

Summary of 2023 Film Tax Credits

Awards approved by the Authority's Board of Directors are marked with an asterisk (*).

	Applicant	Product Number	Award Amount	Approved Date
1	Happy Birthday Productions Inc	PROD-00302199	$799,414.00	2/3/2023
2	Moon Shot Productions	PROD-00306447	$5,023,204.00	2/8/2023
3	Breed of Greed 1 LLC	PROD-00308520	$1,341,474.00	2/8/2023
4	Sweethearts LLC	PROD-00304034	$6,569,140.00	2/10/2023
5	Sourdough Productions LLC	PROD-00308516	$2,780,013.00	2/21/2023
6	Big Indie Musica, Inc	PROD-304904	$7,822,817.00	3/14/2023
7	Dope King, LLC	PROD-00304834	$283,659.00	3/27/2023
8	Lucky 8 TV, LLC	PROD-00305570	$2,257,929.00	4/13/2023
9	Mallard Films LLC	PROD-00309903	$694,221.00	4/13/2023
10	Little Films LLC	PROD-00310388	$5,666,976.00	4/24/2023
11	Muriel Is Alive Inc	PROD-00305635	$838,630.00	4/26/2023
12	PonyboiFilms LLC	PROD-00310229	$1,789,700.00	4/27/2023
13	LAMF Rob Peace Inc	PROD-00308886	$3,982,289.00	4/28/2023
14	It Ends With Us Movie LLC	PROD-00310658	$12,211,253.00*	5/10/2023
15	ONS Movie LLC	PROD-00310255	$833,443.00	5/23/2023
16	Paramount Pictures Corp Inc	PROD-00310527	$22,477,204.00*	6/14/2023
17	Paramount Pictures Corp Inc	PROD-00308961	$13,023,212.00*	6/14/2023
18	Universal Television LLC	PROD-00310675	$2,941,342.00	7/5/2023
19	Beverly Crest Productions LLC	PROD-00309641	$2,281,992.00	7/21/2023
20	Honor Films LLC	PROD-00310841	$179,336.00	7/21/2023
21	DAY OF THE FIGHT, INC	PROD-00309648	$2,638,018.00	7/25/2023
22	Viacom International Inc	PROD-00310670	$18,147,229.00*	7/26/2023
23	Nonnas Productions, Inc.	PROD-00311388	$7,060,561.00	7/27/2023
24	Good Grief Film LLC	PROD-00311190	$794,163.00	7/28/2023
25	Guns Up the Film Inc	PROD-00311389	$2,819,948.00	8/4/2023
26	Apophenia, LLC	PROD-00305764	$421,524.00	8/23/2023
27	Paradise Films LLC	PROD-00311198	$1,578,561.00	8/25/2023
28	Silver Star Film LLC	PROD-00310526	$386,778.00	8/31/2023
29	Fallout the Movie LLC	PROD-00308559	$603,014.00	9/6/2023
30	Alright Productions Inc	PROD-00311360	$5,225,942.00	9/7/2023
31	Ocarina Incident LLC	PROD-00310811	$4,847,645.00	9/7/2023

32	Miller Hill Inc	PROD-00311851	$801,502.00	10/10/2023
33	Eric Productions Inc	PROD-00311395	$5,698,989.00	11/9/2023
34	Your Business Monster LLC	PROD-00310369	$1,109,990.00	11/13/2023
35	Stalwart Productions LLC	PROD-00310671	$24,543,329.00*	12/14/2023
36	Apple Studios LLC	PROD-00311174	$11,167,228.00*	12/14/2023
37	Apparitions-DE Incorporated	PROD-00312589	$665,049.00	12/18/2023
38	Not The Funeral Home LLC	PROD-00310234	$273,144.00	12/18/2023
39	Exhibiting Forgiveness, Inc	PROD-00312975	$2,768,243.00	12/20/2023
40	RR Productions, Inc	PROD-00313084	$2,580,230.00	12/22/2023
		Total	**$187,928,335**	

EXHIBIT E

NJ Innovation Fellows Recommended Non-Discretionary Declinations (22)

Appeals currently under review are noted with an asterisk (*)

Declination Reason: Application does not demonstrate the requirement that a minimum of 50% of the team be first-time entrepreneurs.

Applicant ID	**Business Name/Proposed Business Name**	**Entrepreneur**	**Entrepreneur**	**Entrepreneur**
NJIF-00272*	Stack Wallet, Inc.	David Talarico	Robert Blau	Karen Talarico

Declination Reason: Application does not demonstrate the proposed business venture has not been operational within the past 12 months.

Applicant ID	**Business Name/Proposed Business Name**	**Entrepreneur**	**Entrepreneur**	**Entrepreneur(s)**
NJIF-00117	WellEd Labs Corp DBA The SAT Crash Course	Dong Ha (Chris) Kim	David Lee	Hyeonchan (Hayden) Lee
NJIF-00333	The Cabaret IV Club	Cherel Gyamfi	Ashley Josephs	Brittney Donaldson
NJIF-00123	Preventia Care	Adam Hofmann	Michael Gardiner	Alexandra Rosenblat
NJIF-00102	Pre-Cancer Diagnosis LLC	Yibo Zhou	Nabil Husni	Ayush Tarafder, Xiaoqun Li
NJIF-0067	Real Me Apparels LLC	Mimoza Xhaferri	Peter Bassil	Christine Bassil
NJIF-00200	Design UR Own Travel	Dama Abdul-haqq Powell	Jomol Powell	Tracey Ransome
NJIF-00331*	Shutterbug Exchange Inc	Frank Jackson	Deborah Philip	Archana Prasad
NJIF-00210*	Med Clinical Research Partners LLC	Olufunke Davies	Olasubomi Ajayi	Durodolu Ajayi
NJIF-00126*	Chang Venture Group LLC	Bharo Chang	Heejae Chang	Seroh Chang
NJIF-00158*	CD Community-Based OT Services, LLC dba Blue Dot: Social and Community Wellness	Kaylin Torres	Lauren Payer	Christen D'Amico
NJIF-00195*	BioDome Inc.	Jerah Siegal	Scott Siegal	Bayaan Oluyadi
NJIF-00105*	Bantr Collective Incorporated	Leon Wilson	Kenneth Colangelo	David Caneparo
NJIF-00213*	Areaga Chemicals LLC	Samuel Arellano	Kellys Oyaga	Betty Chacon, Frank Arellano

Declination Reason: Application does not demonstrate entrepreneur leaders paid New Jersey gross-income tax at the time of Application or within the last 60 days within application submission.

Applicant ID	Business Name/Proposed Business Name	Entrepreneur	Entrepreneur	Entrepreneur
NJIF-00203	Testing & Holistic Extraction Laboratory	Leon Gordon	D'Quan Young	Noelle Fancois
NJIF-0038	Greenlogical LLC	Lyla Karkat	Kamlhe Karkat	Rebhi Karkat
NJIF-00177	Haraka Software Solutions	Denise Tate	Sekou Abdus-Shakur	Dingsiwayo Shakur
NJIF-00303	PrepNerds	Yeonsoo Kim	Yujin Chung	Dongeun Kim
NJIF-0060	Renew Jersey Environmental	Ricky Mccardell	Jessica Gonzalez	Ivan Rangel
NJIF-00286*	H2Hemp Inc.	Yanming Guo	Haiting Jiang	Zijun Ji

Declination Reason: Application did not demonstrate the minimum 3 full-time entrepreneur leaders.

Applicant ID	Business Name/Proposed Business Name	Entrepreneur	Entrepreneur
NJIF-0086	Macro Provider LLC	Emmanuel Thomas	Gerard Georges
NJIF-00271	Well Heard	Joseph Flanagan	Allison Eglow

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: March 7, 2024

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses for Fourth Quarter 2023 ***For Informational Purposes Only***

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in October 2023, November 2023, and December 2023:

LEASES

TENANT	LOCATION	TYPE	TERM	S.F.
Chrom-Matrix	Bioscience Center Incubator	Renewal Letter	12 months	931sf
Lactiga US	Bioscience Center Incubator	Renewal Letter	12 months	152sf
Linus Biotechnology	Bioscience Center Incubator	Lease Extension	Amendment	152sf
Fidelis Health	NJBC Step Out Labs	New Lease	3 years	420sf

The following approvals were made pursuant to Delegated Authority for Procurement. Including the issuance of Task Orders, in October 2023, November 2023 and December 2023:

DATE EXECUTED	ENTITY	PROJECT	TYPE	TERM	CONSIDERATION
11/17/23	National Consulting Company	Linden NJT Property Appraisal	Procurement (Including Task Orders)		$2,400.00
11/29/23	Jones Lang LaSalle	Supermarket Location Analysis	Procurement (Including Task Orders)		$43,305.00

12/1/2023	Vanassen Hangen Bruslin	Property Assemblage, Trenton	Procurement (Including Task Orders)	Environ mental Task Order	$10,500.00
12/1/2023	Montrose Environmental	Property Assemblage, Linden	Procurement (Including Task Orders)	Environ mental Task Order	$8,500.00
12/14/23	Stewart Title Agency	Title Search-NJT Trenton	Procurement (Including Task Orders)		$7,142.30
12/15/23	Stewart Title Agency	Title Search-NJT Linden	Procurement (Including Task Orders)		$3,438.30

The following approvals were made pursuant to Delegated Authority for Rights-of Entry/License Agreements, in October 2023, November 2023 and December 2023:

None to report for fourth quarter, 2023.

Tim Sullivan, CEO

Prepared by Cyndi Costello