

Economic Redevelopment and Growth (ERG) Program

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information, please
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ERG](http://NJEDA.com/ERG)

ERG is an incentive for developers and businesses to address revenue gaps in development projects, defined as having insufficient revenues to support the project debt service under a standard financing scenario. It can also apply to projects that have a below market development margin or rate of return. ***The grant is not meant to be a substitute for conventional debt and equity financing, and applicants should generally have their primary debt financing in place before applying.***

Eligibility:

Commercial Projects:

Redevelopment projects that are predominantly commercial and include retail, office and/or industrial uses for purchase or lease.

You Can Apply For:

Commercial Projects

An incentive grant reimbursement of up to 20% of total project cost, with additional grant funding* possible based on project type and/or location in the two categories below. The project is provided the maximum eligible award subject to the requirements, caps and limitations of the program.

**Additional Grant Funding:*

EDA will analyze the developer's financing structure to verify a "gap" or financial need. This review may result in assistance of up to 20% of the total eligible costs, and up to 40% if the following criteria are evidenced:

1. Up to an additional 20% (i.e., a total maximum of up to 40%) if located in a one of the five Garden State Growth Zones (Atlantic City, Camden, Trenton, Paterson, and Passaic) ("GSGZ")
2. Up to an additional 10% (total max. of up to 30%) if the project is one or more of targeted project types or located in one or more of the targeted locations.

Program Limits:

The developer is required to have equity participation of at least 20% of the total project cost; the term of each approved state grant agreement may extend for up to 20 years; the annual percentage amount of reimbursement shall not exceed an average of 75% of the annual incremental state revenues, and an average of 85% of the project's annual incremental revenues in a GSGZ.

continued

Program Requirements:

- The redevelopment project must be located in a qualifying area.
- The developer must not have commenced any construction at the site prior to submitting an application, except if the EDA determines that the project would not be completed otherwise, or in the event the project is to be undertaken in phases, a developer may apply for phases for which construction has not yet commenced.
- A project financing gap must exist.
- All projects must meet Green Building Requirements.
- Any associated construction must meet prevailing wage and affirmative action requirements.
- All commercial projects are subject to a comprehensive net benefit analysis
- There are no minimum Total Project Cost requirements under the commercial component.

Application Deadline:

ERG applications for commercial projects must be submitted no later than June 30, 2019.

