



New Jersey Economic Development Authority

Notice of Funding Availability for

Matching Funds for US-EDA Build to Scale Venture Challenge Program

1. INTENT / SUMMARY:

This grant opportunity is issued by the New Jersey Economic Development Authority (NJEDA) seeking applications from potential US-EDA 2020 Build to Scale, Venture Challenge program applicants for matching funds of up to \$100,000, contingent upon successful award of a Venture Challenge grant from US-EDA.

2. PROGRAM BACKGROUND:

The annual Venture Challenge, part of the US Economic Development Administration's (US EDA's) Build to Scale (B2S) Program, seeks to spur innovation capacity-building across the US. More specifically, the program funds "technology-based economic development initiatives that accelerate high quality job growth, create more economic opportunities, and support the future of the next generation of industry leading companies."

Since its inception in 2014, the Venture Challenge, previously referred to as i6, has seen \$42 million in Federal funding awarded across 88 projects in 36 states, creating an estimated 7,160 jobs. In 2019, 26 entities received funding totaling \$17,596,714, with awards averaging \$676,797. Individual awards under the Venture Challenge program are capped at \$750,000 and require a matching share of 50%.

Information about the B2S (previously RIS) program and past i6 awardees can be found on the US-EDA website at <https://www.eda.gov/oie/ris/i6/>

In support of New Jersey applicants for the US-EDA 2020 Venture Challenge, NJEDA is offering a pilot program to provide matching funds of up to \$100,000 to a maximum of 3 recipients.

NJEDA Venture Challenge Program Summary

NJEDA is seeking to provide support to applicants seeking federal funds through the

US-EDA 2020 Build to Scale Venture Challenge program, which seeks to “strengthen economic competitiveness through new product innovation or new technology adoption, improve the commercialization of research, enhance the overall innovation capacity and resilience of a region, and/or leverage regional competitive strengths to stimulate innovation and job creation.” More specifically, the Venture Challenge program funds the development of new or expansion of existing commercialization programs which are piloting new solutions, implementing proven solutions in a new region, scaling impactful initiatives, and creating jobs.

NJEDA views this opportunity as one which encourages collaboration between NJ entities and promotes the development of innovation clusters – further accelerating the innovation economy.

Specifically, NJEDA is seeking proposals for matching funds for the US-EDA Build to Scale Venture Challenge program.

Available Funding Amount: NJEDA has available funding of up to \$300,000 which may be awarded to a maximum of three applicants, with a per/project cap of \$100,000. Actual funding will depend on the applicants’ successful award of a US-EDA Venture Challenge application and an NJEDA review of the US-EDA application to ensure alignment with the application provided to NJEDA.

3. ELIGIBLE APPLICANTS

To ensure that awardees can meet the application requirements for the Venture Challenge program, the Authority’s eligibility requirements will be aligned with those set by US-EDA. Applicants seeking a Venture Challenge support grant from the Authority must meet the following eligibility requirements:

- A) Applicants must meet the eligibility requirements of the US-EDA Venture Challenge
- B) Applicants must fit into the parameters of the Economic Recovery Fund (ERF), as per Exhibit A, as to be determined at the sole discretion of the Authority
 - I) The Authority has limited statutory authority to make grants. Grants may only be made from the Economic Recovery Fund (ERF), initially funded with bond proceeds in 1994, that may be used for limited specific purposes, as set forth in Exhibit A. Many of those purposes overlap with potential uses of B2S Venture funds, therefore as a preliminary eligibility criterion staff will work with the Attorney General's office to determine if proposed Venture Challenge projects fit within the parameters of ERF;
 - II) These potential purposes include the following and should be identified in the application:
 - (a) Real Estate Partnerships

- (b) Venture Capital Funds and the associated startup costs for businesses developing new concepts
- (c) Municipalities or counties establishing local development corporations to stimulate economic development. Projects applying as a municipal or county government supported local development corporation should include relevant agreements and memorandum of understandings with the supporting municipal or county government detailing resources provided by the local government and the obligations that project partners have to it.
- C) Applicants must be a NJ-based entity (located and registered to do business in NJ)
- D) Applicants must show \$250k in matching funds committed to the Venture Challenge project for which it is requesting Authority support
- E) Applicant must show proof of local government support.

4. APPLICATION INSTRUCTIONS AND REQUIRED DOCUMENTATION

All interested applicants must provide their submissions by 4:00 pm EST on May 19, 2020, in order to be considered. The applicant must submit applications electronically, in PDF file format, to be viewable and "read only" by Authority evaluators using Adobe Acrobat Reader software. The electronic applications must be uploaded to the Authority's ShareFile system via <https://njeda.sharefile.com/r-r44f0c5d9a2840daa>.

Furthermore, please adhere to the following guidelines:

- Include a table of contents (not counted in the stated page limits)
- Include page numbers
- Include all required documentation
- Applicants should clearly label each electronically uploaded file (Cover Sheet, Narrative, Budget, etc.) submission. (E.g. company name_Cover Page, company name_Project Narrative)

When the materials are uploaded to ShareFile, each file is automatically date/time stamped by the ShareFile software based on time of upload. Any file that is date/time stamped after the application deadline of May 19, 2020, 4:00 PM EST will not be accepted or reviewed.

Required documentation

To be considered for the program, all applicants must submit the following documentation:

A) Application Cover page (Exhibit B)**B) Project Narrative**

All applicants must provide a Project Narrative of no more than ten (10) pages with margins no less than one-half inch (0.5") using Arial, Calibri, Times New Roman, or a similar font of size no less than eleven (11) points in order to be considered for funding.

Applicants are strongly encouraged to provide a clear and concise narrative that includes a compelling justification for the project and articulates a clearly defined regional economic gap, how the proposed project will uniquely meet this need, and the expected outcome(s) that will result from the proposed project. Lengthy applications will not receive greater consideration.

The narrative should include the following sections:

- I) An executive summary that includes a project title and a summary of no more than 250 words that may be published on NJEDA's website and in other materials
- II) Location - Description of the project's location and region, including its primary service area, a description of the regional innovation cluster served (e.g., assets, financial and business resources, workforce, and infrastructure), and the communities' or region's needs and opportunities. Additionally, organizations must identify their proposed primary service area(s) by county or counties.
- III) Project information and Organizational structure - Description of the proposed project, including a clear statement of its purpose, the roles of the applicant's or applicants' key personnel, the project's essential partners, and an outreach and engagement plan
- IV) Scope - Scope of work of no more than one page linked to the project's purpose and key milestones and including deliverables, which must clearly indicate the specific activities which are part of the scope of work of the proposed project
- V) Timeline - Project timeline including an estimated project start date, key milestones with expected completion dates, and an estimated project completion date
- VI) Evaluation - Evidence- and data-based anticipated impacts, including outputs and outcomes, metrics, and tracking mechanisms
- VII) Sustainability - Sustainability plan, including anticipated challenges, potential barriers, and a forecast of post-award period operations

C) Budget, Budget Narrative & Staffing Plan

All applicants must submit a project budget, budget narrative and staffing plan.

The budget and budget narrative must clearly identify the amounts being requested from NJEDA and US-EDA in separate and distinct budget lines.

- I) Applicants may elect to use the Federal [SF-424a form](https://www.sba.gov/sites/default/files/SF-424A.pdf) and a narrative meeting the above requirements (<https://www.sba.gov/sites/default/files/SF-424A.pdf>). In lieu of the Federal SF-424a, the budget must, in separate sections, clearly show:
 - (1) Amounts and sources of expected funds (indicating level of guarantee) and totals
 - (2) Amounts and levels of staffing by position indicating salary and level of effort. (if SF-424a is used, include detailed information in the budget narrative)
 - (3) Amounts and levels of expenses in the following categories: Fringe, Travel, Equipment, Supplies, Contractual, Other, Indirect Charges
 - (4) Include totals of each section and revenues and expenses overall

- II) Budget Narrative must identify, justify and provide cost basis for each expense. Applicants may use Appendix B of the US-EDA B2S NOFO for their budget narrative. In lieu of Appendix B, applicants may submit a budget narrative of no more than four (4) pages with margins no less than one-half inch (0.5") using Arial, Calibri, Times New Roman, or a similar font of size no less than eleven (11) points in order to be considered for funding. Please indicate in the budget and/or narrative the whether revenues are committed, expected, requested, planned.

- III) The staffing plan must include position titles, maximum annual salaries, percentage of time dedicated to the project, and the total amount of annual salaries that would be charged to the project, consistent with the budget, for each project year.

- D) Proof of \$250,000 in matching funds committed to the Venture Challenge Project
Include commitment letters from all parties providing funding to the project signed by the highest authority in the institution.

- E) Proof of local government support (from all geographic areas identified in the application)
Include letters of support, signed by the highest authority in the municipality, from all necessary municipalities in the project areas.

- F) NJEDA Legal Debarment Questionnaire (Appendix C)
- G) NJ Business Registration certificate
<https://www.nj.gov/njbusiness/registration/>
- H) Tax Clearance certificate
[https://www16.state.nj.us/NJ PREMIER EBIZ/jsp/home.jsp](https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp) (Please note that the tax clearance will need to be renewed every 6 months)
- I) Certification of Application (Appendix D)
- J) NJEDA Venture Challenge Bonus Point Form (optional)

Note: Electronic Signatures will be accepted in the aforementioned documents.

5. REVIEW PROCESS AND EVALUATION CRITERIA

Applications will be accepted no later than May 19, 2020, 4:00 pm EST. To qualify for funding, applications must be complete and in full compliance with all requirements. At its discretion, NJEDA may request supplemental materials from the applicant and such materials must be received within 5 days of the date of the request or the application may be rejected.

Staff will review each application to confirm completeness and compliance with required documentation. All complete applications will be forwarded to a Review Committee comprised of qualified Authority staff to score the application against pre-set evaluation criteria that mirror those utilized by the US-EDA for the Venture Challenge (outlined below).

The Review Committee will potentially include non-scoring members from partner entities within State government. A summary of scored applications with recommendations from each reviewer will be tabulated.

The Review Committee's recommendations will be used to identify the three (3) highest scoring applications in excess of the minimum score, with grant recipients notified of the outcome via email following the application review period.

Applicants not selected to receive this grant will not be precluded from receiving a letter of support from the Authority to accompany a subsequent application to the US-EDA for a Venture Challenge grant.

Evaluation criteria

Only complete submissions will be reviewed and scored against the following criteria. Full Applications will be reviewed against the following seven equally weighted criteria by awarding between 0 and 5 points, with 0 meaning "does not address" and 5 meaning "addresses with 100% success". These criteria will be used for all competitions in this NOFO. An additional 0.5 will be added to applications addressing workforce or trade enhancement as a portion of the proposed project, with total scores not to exceed 35 points:

Summary of Criteria

- Challenge and Opportunity
- Proposed Solution
- Target Participants
- Partners
- Budget and Team
- Impacts
- Sustainability

Without bonus points, the maximum score an application can receive is 35 points, with highest overall score determining which organization(s) will be selected. However, only those applications that meet or exceed the minimum requisite score of ten (10) points, and that have a minimum score of 1 point in each criteria area, will be eligible for consideration.

Bonus Points: In the event two or more applications score the same on the Project Narrative evaluation, additional bonus points will be assigned to applications that meet the following criteria (up to 0.5 points each):

- a) Secures additional funding from a local NJ higher education institution intending to be a partner on the project
- b) Project (Regional cluster) to be located within an Opportunity Zone
- c) Intends to create Project (Regional Clusters) focused in one (or more) of nine strategic sectors (Technology, Life Sciences, Offshore Wind, Clean Energy, Advance Manufacturing, Transportation and Logistics, Food and Beverage, Finance and Professional Services, Film and Digital Media)

6. QUESTIONS AND ANSWERS

- A) Questions and inquiries concerning this Notice of Funding will be accepted through April 21, 2020 and may be submitted via e-mail to grants@njeda.com.

Phone calls and/or faxes shall not be accepted

- B) The subject line of the e-mail should state: "Notice of Funding Question: Venture Challenge"
- C) All questions received and answers given in response to this Notice of Funding will be answered in the form of a Frequently Asked Questions (FAQ) document to be posted and continuously updated on NJEDA's webpage (www.njeda.com/b2sventurechallenge)

7. OTHER TERMS AND CONDITIONS

All grant awardees must provide a copy of their federal grant submission (for review of material differences) and their successful award letter to NJEDA prior to fund dispersal.

8. CONFIDENTIALITY

Applications received will be reviewed only by NJEDA staff. All proposals submitted will be subject to requests for disclosure, including but not limited to, a request pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq. If the applicant believes that information contained in its proposal merits confidential treatment pursuant to OPRA, any such purportedly confidential information submitted to the Authority shall be specifically identified and marked by the applicant.

Exhibit A: Economic Recovery Fund (ERF)

2018 New Jersey Revised Statutes

Title 34 - LABOR AND WORKMEN'S COMPENSATION

Chapter 1B

Section 34:1B-7.13 - Use of moneys in fund.

Universal Citation: NJ Rev Stat § 34:1B-7.13 (2018)

Section: 34:1B-7.13: Use of moneys in fund.

4. The authority may use the moneys in the fund to pay principal of, premium, if any, and interest on bonds or notes, which shall be entitled "Economic Recovery Fund Bonds or Notes," as appropriate, the proceeds, or net proceeds, of which shall be deposited into the fund, or used for purposes of the fund, and moneys in the fund, including money received from the sale of bonds shall, in such manner as is determined by the authority, and pursuant to subsections d., e., and f. of this section, be used for the financing of projects as set forth in section 3 of P.L.1974, c.80 (C.34:1B-3) and to establish:

a. an economic growth account for business programs, which will invest in small and medium-size businesses that have the greatest potential for creating jobs and stimulating economic growth through such elements as a Statewide lending pool for small business, a business composite bond guarantee, a fund to further supplement the export finance program of the authority to provide direct loans and working capital necessary for New Jersey businesses to compete in the global market, real estate partnerships, a Statewide composite bond pool to assist municipalities in acquiring needed financing for capital expenditures, community-based assistance to assist municipalities in establishing local development corporations to stimulate economic development, a venture capital fund for start-up costs for businesses developing new concepts and inventions, a fund to assist businesses with expansion in such areas as manufacturing retooling to improve quality, to reduce production costs and to train employees to apply the latest technology, and a "Main Street Business Assistance Program" to provide guarantees and loans to small and mid-size businesses and not-for-profit corporations to stimulate the economy. The authority may promulgate rules and regulations for the effective implementation of the "Main Street Business Assistance Program." Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the authority may adopt, immediately upon filing with the Office of Administrative Law, such regulations as are necessary to implement the provisions of this act, which shall be effective for a period not to exceed 12 months following enactment, and may thereafter be amended, adopted, or readopted by the authority in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

b. an economic development infrastructure program account, which shall provide for the financing and development of infrastructure and transportation projects, including but not limited to ports, terminal and transit facilities, roads and airports, parking facilities used in connection with transit facilities, and related facilities, including public-private partnerships, that are integral to economic growth;

c. an account for a cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation project and tourism facilities and improvements program, which shall provide for the financing and development of cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation and tourism projects, including partnerships with public, private and nonprofit entities;

d. an account, into which shall be deposited an amount not less than \$45,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of capital facilities for primary and secondary schools in the State for the purpose of the renovation, repair or alteration of existing school buildings, the construction of new school buildings or the conversion of existing school buildings to other instructional purposes.

(1) Of the amount deposited in the account, not less than \$25,000,000 shall be deposited in the "Public School Facilities Code Compliance Loan Fund" established pursuant to section 4 of P.L.1993, c.102 (C.34:1B-7.23).

(2) Of the amount deposited in the account, not less than \$20,000,000 shall be deposited in the "Public School Facilities Loan Assistance Fund" established pursuant to section 5 of P.L.1993, c.102 (C.34:1B-7.24);

e. an environmental cleanup assistance account, into which shall be deposited an amount not less than \$10,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, to provide financial assistance to the persons and other entities entitled to apply for financial assistance pursuant to P.L.1993, c.139; and

f. an account, into which shall be deposited an amount not less than \$15,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of shore restoration, maintenance, monitoring, protection and preservation projects pursuant to the shore protection master plan prepared by the Department of Environmental Protection pursuant to P.L.1978, c.157.

L.1992, c.16, s.4; amended 1993, c.102, s.11; 1993, c.286, s.1; 2008, c.117, s.2; 2010, c.28, s.2

As retrieved from: <https://law.justia.com/codes/new-jersey/2018/title-34/chapter-1b/section-34-1b-7.13/>

Exhibit B: Application Form

New Jersey Economic Development Authority
B2S Venture Challenge Program
Application Cover Sheet

Name of Applicant Organization: _____

Public: _____ Private-For Profit: _____ Private-Non-Profit _____

Other: (specify) _____

Federal ID Number: _____ DUNS # _____

Applicant Mailing Address: _____

Applicant Website: _____

Applicant State of Incorporation: _____

Contact Person Name/Title: _____

Phone Number: _____ Email: _____

Project Title: _____

Area(s) to be Served: _____

Total Dollar Amount requested: _____

Total Project Budget: _____

Brief Project Description: _____

Authorized Representative:

(Name – Printed) Title

Signature Date