



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Timothy Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Agenda for Board Meeting of the Authority September 14, 2022

**Notice of Public Meeting**

**Roll Call**

**Approval of Previous Month's Minutes**

**CEO's Report to the Board**

**Authority Matters**

**Offshore Wind**

**Incentives**

**Loans/Grants/Guarantees**

**Real Estate**

**Board Memoranda**

**Public Comment**

**Adjournment**

# NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

July 13, 2022

## MINUTES OF THE MEETING

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

Members of the Authority present in person: Noreen Giblin, Executive Representative; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Public Members: Charles Sarlo, Vice Chairman; and Robert Shimko, First Alternate Public Member.

Members of the Authority present via conference call: Chairman Kevin Quinn; Commissioner Marlene Caride of the Department of Banking and Insurance; Elizabeth Dragon representing Commissioner Shawn LaTourette of the Department of Environmental Protection; Public Members: Aisha Glover, Marcia Marley, Philip Alagia, and Rosemari Hicks, Second 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: State Treasurer Elizabeth Muoio of the Department of Treasury; Public Members Virginia Bauer, Fred Dumont, and Massiel Medina Ferrara.

Mr. Quinn called the meeting to order at 10:00am.

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.

## MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the June 8, 2022 meeting minutes. A motion was made to approve the minutes by Commissioner Caride, and seconded by Mr. Shimko, and was approved by seven (7) voting members present.

Commissioner Angelo abstained because he was not present.

**FOR INFORMATION ONLY:** The next item was the presentation of the Chairman's Remarks to the Board.

Ms. Hicks joined the meeting at this time.

**FOR INFORMATION ONLY:** The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

Mr. Alagia joined the meeting at this time.

Mr. Sullivan recognized Diane Wong, Director of Internal Process Management for her 33 years of service during her tenure at the NJEDA. Mr. Sullivan also read a letter from Governor Phil Murphy thanking Ms. Wong for her service to the NJEDA and to the State of New Jersey.

Ms. Glover joined the meeting at this time.

### **ECONOMIC TRANSFORMATION**

**ITEM: NJ ZIP, the New Jersey Zero Emission Incentive Program: Second Phase of the Voucher Pilot**

**REQUEST:** To approve an expansion to the New Jersey Economic Development Authority's existing zero-emission commercial-use vehicle voucher pilot, the New Jersey Zero-emission Incentive Program (NJ ZIP), and delegated authority to the Chief Executive Officer (CEO) for related program administration.

**MOTION TO APPROVE:** Ms. Dragon      **SECOND:** Mr. Shimko      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

### **COMMUNITY DEVELOPMENT**

**ITEM: USEPA FY22 Brownfield Assessment Cooperative Agreement**

**REQUEST:** To authorize the Chief Executive Officer, at the CEO's discretion, to execute a cooperative agreement with the USEPA for the Brownfields Assessment Grant, and to execute any other documents necessary to effectuate the grant, provided the agreement is in substantially the same form as the attached FY21 USEPA Brownfield Assessment Cooperative Agreement.

**MOTION TO APPROVE:** Ms. Dragon      **SECOND:** Mr. Sarlo      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

### **PROCUREMENT**

**ITEM: 2021-RFP-IPM-137 (Rebid) Offshore Wind Research & Development Facility Feasibility Study**

**REQUEST:** To approve NJEDA entering into a contract to conduct a feasibility study for a flagship offshore wind research and development (R&D) testing facility in New Jersey and a budget utilizing funding available through the Offshore Wind Initiatives MOU between NJEDA and the NJ Board of Public Utilities dated July 14, 2021.

**MOTION TO APPROVE:** Mr. Sarlo      **SECOND:** Ms. Giblin      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

**ITEM: Strategic Management Consulting Services**

**REQUEST:** To approve the award of the Strategic Management Consulting Services contract.

**MOTION TO APPROVE:** Mr. Shimko      **SECOND:** Ms. Giblin      **AYES: 9**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

**NO:** Commissioner Angelo and Ms. Hicks

## INCENTIVES

### RULES

**ITEM: Approval of the Adoption of and Proposed Amendments to the Specially Adopted and Concurrently Proposed New Rules and for the Aspire Program, N.J.A.C. 19:31-23, et seq.**

***THIS ITEM HAS BEEN WITHHELD FROM CONSIDERATION***

### GROW NJ

**ITEM: United States Fire Insurance Company (d/b/a Crum & Forster) Grow New Jersey Assistance Program (“Grow NJ”) – COVID-Related Termination - P#42217 (PROD-00183915)**

**REQUEST:** To approve US Fire’s request to terminate its Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 (ERA), P.L.2020, c. 156.

**MOTION TO APPROVE:** Commissioner Angelo **SECOND:** Ms. Marley **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**

**ITEM: iCIMS, Inc. Grow New Jersey Assistance Program (“Grow NJ”) – COVID-Related Termination P#42594 (PROD- 00183962)**

**REQUEST:** To approve iCIMS, Inc.’s request to terminate its Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 (ERA), P.L.2020, c. 156.

**MOTION TO APPROVE:** Ms. Dragon **SECOND:** Mr. Shimko **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

## LOANS, GRANTS, GUARANTEES

**ITEM: Small Business Emergency Assistance Loan Program Phase 2- Additional Funding**

**REQUEST:** To approve additional funding from the Economic Recovery Fund to support loan approvals in the Small Business Emergency Assistance Loan Program – Phase 2. The funding would be used for the approval of applications that are successful in the appeal process and meet program specifications, as well as for administrative costs incurred from retention of temporary staff.

**MOTION TO APPROVE:** Ms. Marley **SECOND:** Ms. Dragon **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 7**

### Hazardous Discharge Site Remediation Fund (HDSRF)

**ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.**

**MOTION TO APPROVE:** Ms. Dragon **SECOND:** Commissioner Angelo **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 8**

**PROJECT:** Perth Amboy Waterfront Park PROD. #00301874  
**LOCATION:** Perth Amboy City, Middlesex County  
**PROCEEDS FOR:** Remedial Action  
**FINANCING:** \$1,222,511.75

### **BONDS**

**ITEM: Adoption of Written Post-Issuance Compliance Procedures with Respect to the Authority’s State Lease Revenue Bonds (State House Project) 2017 Series B: PROD-00128451)**

**REQUEST:** To approve the adoption of the resolution entitled “Resolution Authorizing Adoption of Written Post-Issuance Compliance Procedures And Other Matters With Respect To The Authority’s State Lease Revenue Bonds (State House Project)” authorizing, among other things, the adoption of the Written Procedures and the appointment of Tax Compliance Officers. The Members are also asked to authorize the use of CSG as Bond Counsel and authorize the Authorized Officers of the Authority to take any and all necessary actions incidental to the adoption and implementation of the Written Procedures, subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

**MOTION TO APPROVE:** Ms. Marley      **SECOND:** Mr. Alagia      **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 9**

**ITEM: Adoption of Written Post-Issuance Compliance Procedures with Respect to the Authority’s State Lease Revenue Bonds (State Government Buildings) 2018 Series A and 2018 Series C: PROD-00152563**

**REQUEST:** To approve the adoption of the resolution entitled “Resolution Authorizing Adoption of Written Post-Issuance Compliance Procedures And Other Matters With Respect To The Authority’s State Lease Revenue Bonds (State Government Buildings)” authorizing, among other things, the adoption of the Written Procedures and the appointment of Tax Compliance Officers. The Members are also asked to authorize the use of CSG as Bond Counsel and authorize the Authorized Officers of the Authority to take any and all necessary actions incidental to the adoption and implementation of the Written Procedures, subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

**MOTION TO APPROVE:** Ms. Giblin      **SECOND:** Ms. Marley      **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

### **REAL ESTATE**

**ITEM: New Jersey Wind Port – Purchase of 109-acre property from NDEV LLC**

**REQUEST:** To approve the purchase of a 109.486 property (known as “Parcel B”) from NDEV LLC, a wholly-owned subsidiary of PSEG Power, subject to the terms of the Purchase Agreement, and to approve an amendment to NJEDA’s existing road access easement agreement with PSEG Nuclear.

**MOTION TO APPROVE:** Commissioner Angelo      **SECOND:** Ms. Marley      **AYES: 10**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 11**

Ms. Dragon abstained because the DEP will oversee permitting on the property.

**BOARD MEMORANDA**

**FYI ONLY:** Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses for 2nd Quarter, 2022

**PUBLIC COMMENT**

There was no public comment.

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, Director  
Governance & Strategic Initiatives  
Assistant Secretary



## MEMORANDUM

**To:** Members of the Authority

**From:** Tim Sullivan

**Date:** September 14, 2022

**Re:** September 2022 Board Meeting

At a time when New Jersey's economic momentum continues to be incredibly strong, I'm proud that the programs and services offered by the New Jersey Economic Development Authority (NJEDA) are driving progress toward Governor Phil Murphy's vision for a stronger, fairer New Jersey economy.

Several notable milestones involving NJEDA programs took place this summer. These events also highlighted some partnerships that have been pivotal in advancing the Murphy administration's economic development goals.

On July 21, the NJEDA hosted an event to announce the expansion of the New Jersey Zero Emission Incentive Program (NJ ZIP), which aides New Jersey businesses in purchasing new, zero-emission medium-duty vehicles. We had the pleasure of celebrating this expansion alongside the Statewide Hispanic Chamber of Commerce of New Jersey (SHCCNJ), and several of their members who recently received vehicles they purchased with support from NJ ZIP. The \$45 million expansion, which is supported by the NJEDA's Regional Greenhouse Gas Initiative (RGGI) allocation, will double the amount of funding dedicated to the program. In addition, two significant eligibility changes from the earlier phase will now include financing for heavy-duty vehicle classes and expanding eligibility beyond the four pilot communities in the first phase to businesses anywhere in the state.

In August, SOSV's HAX hard tech accelerator startup announced they had signed a ten-year lease for a 35,000-square-foot space at 707 Broad Street in Newark. The facility will serve as the U.S. headquarters for SOSV's HAX hard tech startup accelerator program. This news followed Governor Murphy's announcement in 2021 that the Authority would match SOSV's \$25 million investment in its Newark headquarters, bringing funding for the project to \$50 million. In return for the investment, SOSV committed to taking 100 companies through the HAX program over the next five years. In making its decision, SOSV cited New Jersey's legacy in innovation and Newark's ideal location for early-stage companies as two of its many reasons for its choice. The establishment of operations at this location is expected to create more than 2,500 permanent jobs and drive significant economic activity in Newark and the state for many years to come.

On August 25, the Authority announced that it is accepting applications for the New Jersey Asset Activation Planning Grant Program. The program offers grants to communities and stakeholder groups throughout the state to fund early-stage planning work focused on catalytic redevelopment and the adaptive reuse of vacant and underutilized public assets. With an award pool of up to \$400,000, the Program offers New Jersey public, private, and nonprofit entities grants of up to \$50,000 for innovative projects that both revitalize community assets and drive equitable community growth. Applications will be accepted through October 24, 2022.

Last month the Authority also launched the next phase of the New Jersey Innovation Evergreen Fund (NJIEF) by opening up the first of up to five annual New Jersey Corporate Tax Credit Auctions that will fuel the fund. Under the NJIEF, the State of New Jersey will become an equity investor in startups deploying up to \$600 million into companies alongside professional venture capital groups. Professional venture capital



firms will later match the funds invested into high-growth, early-stage businesses across the Garden State. This strategic investment will help to ensure that more companies start, grow, and stay in the state. Applications for the tax credit auction are being accepted until October 7, 2022.

We also saw a good example of the broad potential impact of the NJEDA's new programs enacted under the Economic Recovery Act. Fiserv, which was approved under the Emerge program last fall, has teamed up with Rutgers Newark to form the Fiserv-RU-N Program for Inclusive Innovation. This partnership will create an on-site center that will serve as an incubation and research space for the school community and local businesses. Fiserv-Rutgers Newark will also provide annual scholarships for undergraduate students over a five-year time span and help students find their way through specific career path programs that offer support career modules that lead to internships and jobs.

Diversity was a particular focus throughout the month of August, as the NJEDA celebrated Black Business Month through a robust campaign consisting of social media posts, engagement with business leaders, and participation in events celebrating the contributions of Black-owned businesses to the state's economy. This included a roundtable on August 30, at Newark-based =space, a collaborative co-working and incubation space focused on multicultural businesses. The NJEDA co-hosted the roundtable with Black entrepreneurs, which was moderated by the Authority's Chief Community Development Officer, Tai Cooper. During the conversation, NJEDA's Managing Director of Community Development & Small Business Services, Christina Fuentes, and other economic development experts discussed the challenges facing small minority owned businesses throughout New Jersey and informed entrepreneurs of the resources available now to help their businesses grow. Starting tomorrow, September 15, we will highlight the contributions of Hispanic business owners in celebration of Hispanic Heritage Month. There are more than 120,000 Hispanic-owned small businesses in New Jersey, up by 31.6 percent since 2012.

Finally, expanding upon Governor Murphy's Clean Energy Offshore Wind goals, the Authority is proud to announce a new Offshore Wind Activity Book for children aged 5-12. The Activity book will be distributed to libraries and schools throughout the state and was created to raise awareness regarding Offshore Wind and explain to children the considerable impact it will have on their future, as well as on the future of the state. This generation of children will be among the first to enter the careers created by the offshore wind industry in the years to come. Copies of the book are available at the front desk during today's meeting, and also by emailing [media@njeda.com](mailto:media@njeda.com).

I truly appreciate the support of this Board and our shared commitment to see New Jersey continue to grow and create a more robust and more diverse, business-focused New Jersey.

A handwritten signature in black ink, appearing to be "Tai Cooper", is written above a solid horizontal line. The signature is fluid and cursive, with a long horizontal stroke at the end.

## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Kevin A. Quinn  
Chairman

**DATE:** September 14, 2022

**RE:** Annual Organizational Meeting

### **Summary**

The New Jersey Economic Development Authority's By-Laws provide that an annual reorganization meeting be held in September of each year.

The Members are asked to consider the following recommendations associated with the annual reorganization meeting:

### **Officers**

Charles Sarlo has been serving in the role of Vice Chairman, and it is recommended that the Members approve Charles Sarlo to continue to serve in the position of Vice Chairman.

Traditionally, the position of the Board Treasurer has been held by the New Jersey State Treasurer, who serves on the EDA Board in an ex-officio capacity. To remain consistent with that practice, it is recommended that the Members approve the position of Board Treasurer to be held by State Treasurer Elizabeth Maher Muoio.

As per the By-Laws, Tim Sullivan, in his role of CEO, will serve as Board Secretary. The By-Laws also authorize the appointment of Assistant Secretaries to the Board to act in place of the Secretary in the Secretary's absence or at the request of the Secretary. It is recommended that the Members approve Chris Baker, Bruce Ciallella, Fred Cole, Lori Matheus, Richard LoCascio and Danielle Esser to serve as Assistant Secretaries.

### **Committees**

Per the By-Laws, the Authority has five committees that meet throughout the year. Additionally, in the wake of the COVID-19 pandemic, the Board authorized the creation of an ad hoc committee known as the COVID-19 Response Committee. I am requesting that the Members approve the following Members to participate in the following committees, with the appointment of individual Members to Chair each committee as indicated:

## NJEDA COMMITTEES - SEPTEMBER 2022

### **AUDIT COMMITTEE**

**Chair:** Kevin A. Quinn  
Charles Sarlo  
State Treasurer Elizabeth Maher Muoio (or designee)  
Virginia Bauer

**Charge:** The Audit Committee monitors the financial operations of the Authority including the review of the annual operating budget and those responsibilities outlined in the committee Charter. The committee will meet quarterly and at such other times as determined by the Chair.

### **DIRECTOR'S LOAN REVIEW COMMITTEE**

**Chair:** Marcia Marley  
Marlene Caride (or designee), Commissioner of the Department of Banking and Insurance  
Robert Asaro-Angelo (or designee), Commissioner of the Department of Labor and Workforce Development  
State Treasurer Elizabeth Maher Muoio (or designee)  
Fred Dumont  
Rosemari Hicks

**Charge:** The DLRC will meet monthly to review all non-real estate development Authority exposure requests, including, but not limited to, direct and loan guarantee requests.

### **REAL ESTATE COMMITTEE**

**Chair:** Charles Sarlo  
Fred Dumont  
Shawn LaTourette (or designee), Commissioner of the Department of Environmental Protection  
State Treasurer Elizabeth Maher Muoio (or designee)  
Robert Asaro-Angelo (or designee), Commissioner of the Department of Labor and Workforce Development  
Robert Shimko

**Charge:** The Real Estate Committee reviews all monthly real estate matters with Authority exposure prior to the Board meeting.

## **POLICY COMMITTEE**

**Chair:** Kevin A. Quinn  
Charles Sarlo  
State Treasurer Elizabeth Maher Muoio (or designee)  
Virginia Bauer  
Aisha Glover  
Marcia Marley

**Charge:** The Policy Committee provides advice on policy matters, the formulation of the Authority's annual strategic business plan and marketing strategy. The committee will meet monthly and at such other times as determined by the Chief Executive Officer (CEO) in consultation with the Chair.

## **INCENTIVES COMMITTEE**

**Chair:** Virginia Bauer  
Kevin A. Quinn  
Noreen Giblin, Executive Representative (or designee)  
State Treasurer Elizabeth Maher Muoio (or designee)  
Robert Asaro-Angelo (or designee), Commissioner of the Department of Labor and  
Workforce Development  
Rosemari Hicks

**Charge:** The Incentives Committee will meet monthly to review all significant non-direct exposure incentive requests, including but not limited to tax credits.

## **COVID-19 RESPONSE AD HOC COMMITTEE**

**Chair:** Aisha Glover  
Kevin A. Quinn  
State Treasurer Elizabeth Maher Muoio (or designee)  
Robert Asaro-Angelo (or designee), Commissioner of the Department of Labor and  
Workforce Development  
Rosemari Hicks  
Marcia Marley

**Charge:** The COVID-19 Response Committee will meet as needed to review COVID-19 related Authority programs and related board actions to ensure thorough and timely program development and response to support the needs of New Jersey's business community.

## **Staff Appointments**

The Members are requested to reaffirm the appointment of Marcus Saldutti as the Authority's Records Custodian and to appoint a new Assistant Records Custodian, Shamira Alvarez.

The Members are also requested to reaffirm the appointment of Fred Cole as the Authority's Ethics Liaison Officer.

## **Board Schedule**

The Members are requested to approve the attached Calendar of Board Meetings through September 2023.

## **Recommendation:**

By resolution, the Board will be adopting the attached schedule of Board Meeting dates from October 2022 through September 2023.

The Members' approval is requested for the following actions:

- 1) Election of a Vice Chair and Treasurer;
- 2) Appointment of Assistant Secretaries;
- 3) Committee appointments as noted herein;
- 4) Reaffirmation of the Authority's Records Custodian, appointment of a new Assistant Records Custodian and reaffirmation of the Authority's Ethics Liaison Officer; and
- 5) Adoption of the Calendar of Meetings through September 2023.



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Kevin A. Quinn

Attachment

Prepared by: Danielle Esser



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**  
**BOARD MEETING DATES 2022 - 2023**

**Wednesday, October 12, 2022**

**Wednesday, November 9, 2022**

**Wednesday, December 14, 2022**

**Wednesday, February 8, 2023**

**Wednesday, March 8, 2023**

**Wednesday, April 12, 2023**

**Wednesday, May 10, 2023**

**Wednesday, June 14, 2023**

**Wednesday, July 12, 2023**

**Wednesday, September 20, 2023 (Annual Meeting)**

**All meetings begin at 10:00 AM and are held both in person and virtually until further notice.**

**SCHEDULE IS SUBJECT TO CHANGE**



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Contract Award for Auditing and Job Certification Review Consulting Services

**REQUEST:**

Consent to the Authority entering into a contract with Mercadien P.C. to perform auditing and job certification reviews for the Authority's incentives Programs and delegate authority to the Chief Executive Officer (or his delegate) to exercise one or both options to extend the contract.

The contract award is based on an annual budget of \$150,000 for a review of the certification documents and eligibility requirements for approximately 20% of the overall tax credits issued each year with an initial contract term of three (3) years with two (2) options to extend the contract for one (1) year each. The extension options will be at the sole discretion of Authority and will be at the same prices, terms, and conditions as the first three (3) years of the contract.

**BACKGROUND:**

The Authority has reviewed over 160 completed Grow NJ projects for which the Division of Taxation has issued overall tax credits. Beginning in 2017, the Authority engaged an independent CPA firm to perform auditing and job certification reviews of certification documents and eligibility requirements for completed projects in the Grow NJ Program. Initially the contract was for \$100,000 per yearly review cycle for approximately 10% of the issued tax credits, but the Board approved an increase of the contract to \$150,000 per yearly review cycle for approximately 20% of the issued tax credits beginning in 2019. Mercadien P.C. was awarded the prior contract and reviewed a total of 29 completed projects.

The Authority issued a new Request for Proposal (RFP) for auditing and job certification reviews for the Authority's incentives Programs on April 12, 2022. The RFP indicated that Grow NJ would be the primary Program on which the requested services would be performed but noted that the Grow NJ Program was winding down its new overall tax credit issuances so future Programs could be added to the RFP with similar review requirements as needed. Additionally, the contract

allows for the scope of work and budget allocation to be reduced at any time at the sole discretion of the Authority.

The Authority received one (1) responsive bid to the RFP from Mercadien P.C. An RFP scoring committee consisting of four (4) members was assembled from staff familiar with the review of project completion certifications. The scoring committee utilized the scoring criteria contained in the RFP, reviewed Mercadien P.C.'s RFP and scored Mercadien P.C.'s RFP above the minimum score required. As such, the scoring committee recommends the selection of Mercadien P.C. to fulfill the requirements of the RFP for auditing and job certification reviews for the Authority's incentives Programs.

**RECOMMENDATION:**

Consent to entering into a three (3) year contract with two (2) options to extend the contract for one (1) year each with Mercadien P.C. to perform auditing and job certification reviews for the Authority's incentives Programs and delegate authority to the Chief Executive Officer (or his delegate) to exercise one or both options to extend the contract. The extension options will be at the sole discretion of the Authority and will be at the same prices, terms, and conditions as the first three (3) years of the contract. The final contract will be subject to the approval of the Chief Executive Officer and review as to form by the Attorney General's Office.



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Tim Sullivan, CEO

Prepared by: John J. Rosenfeld



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**RE:** NJ Offshore Wind Workforce and Skills Development Grant Challenge

### **Summary**

The Members are requested to approve the creation of the Offshore Wind Workforce and Skills Development Grant Challenge (Grant Challenge), a competitive program that will award grants to selected applicants that will aid in launching or expanding innovative workforce training and skills programs focused on strengthening and diversifying the NJ offshore wind workforce. A total of \$3,725,000 will be available through this program, with minimum and maximum award amounts set at \$100,000 and \$1,000,000, respectively. Priority in this grant challenge will be given to applicants or applicant teams that propose initiatives supporting training and job access for residents of Overburdened Communities. Grants will be awarded to proposals that achieve the highest overall scores based on the scoring criteria set forth in the attached product specifications.

### **Background**

Governor Murphy's economic development plan, "The State of Innovation: Building a Stronger and Fairer NJ Economy," identifies offshore wind as one of the strategic sectors for accelerating growth in New Jersey's economy. Offshore wind represents a unique opportunity to meet the State's clean energy goal of reaching 100 percent clean energy usage by 2050. A key step towards this goal is the State's target of generating 7,500 megawatts of offshore wind energy by 2035.

NJEDA is supporting the development of the yet to be established NJ Wind Institute for Innovation and Training (the "Wind Institute") as an independent entity created through legislation that will coordinate and deploy resources to advance offshore wind workforce development, research, and innovation in the state. This grant challenge complements work currently underway including: the construction of a Global Wind Organization safety training facility at Atlantic Cape Community College; the development of a wind turbine technician training program at Rowan College of South Jersey; the expansion of welding and painting programs for offshore wind at Gloucester County Institute of Technology and Salem County Vocational Technical School; and the launch of an offshore wind research fellowship program for juniors, seniors and graduate students at Rutgers University, Rowan University, Montclair State University, and the NJ Institute of Technology. The current Wind Institute-related programs are funded through MOUs signed in September 2020 and July 2021 between NJEDA and the NJ Board of Public Utilities (NJBPU). A total of \$11.5 million has been

provided to NJEDA by NJBPU through these two MOUs. The Grant Challenge will utilize \$3,725,000 of the \$7,000,000 provided through the July 2021 MOU.

To guide the next set of offshore wind workforce programs including this Grant Challenge, NJEDA and the NJ Council on the Green Economy<sup>1</sup> conducted an analysis of the offshore wind employment to be generated as a result of the State's goal of generating 7,500 MW of offshore wind energy by 2035. The analysis identified the highest growth occupations as well as the occupations that are expected to have the greatest gap in labor supply. This analysis informed the occupations eligible for this training challenge and are reflected in Appendix A.

The Grant Challenge will build on existing offshore wind workforce development efforts in New Jersey by offering a competitive funding opportunity to entities that can create or expand programs that will strengthen the workforce opportunities for NJ residents, with a particular focus on driving diversity, equity, and inclusion. The Grant Challenge will build on programs already underway at NJEDA to accelerate the development of a robust and diverse workforce that can meet the needs of the offshore wind industry. NJEDA envisions that these programs will be administrated by the Wind Institute, once established. NJEDA is anticipating applications from a broad range of applicants and expects to make multiple awards through this challenge.

### **Program Details**

The Grant Challenge is a competitive program for applicants that can provide skill development, workforce training, job placement, and other related services to develop, implement, or expand workforce development initiatives in offshore wind. A total of \$3,725,000 is available for programs under this Grant Challenge. The minimum and maximum amounts for individual awards are set at \$100,000 and \$1,000,000 respectively. NJEDA anticipates making multiple awards in this grant challenge.

#### *Eligibility*

The Grant Challenge will be open to entities that can design and execute workforce and skills training programs. Such entities can include, but are not limited to, community-based organizations, workforce training organizations, labor unions, workforce placement intermediaries, technical high schools, community colleges, universities, non-profit organizations, regional workforce development boards, and private companies.

NJEDA will enter into a grant agreement solely with the primary applicant, and the primary applicant will be held solely responsible for complying with the terms of the grant. However, applicants must adhere to the following guidance on collaboration with other entities to develop and support robust workforce training programs. Guidance for such collaborations include:

- Required: All applications must include at least one Community-Based Organization with demonstrated experience serving a New Jersey Overburdened Community, as defined by New

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<sup>1</sup> The New Jersey Council on the Green Economy was established to develop a blueprint for expanding the green economy and build a diverse workforce to support New Jersey's clean energy and climate goals. The Council is overseen by the Office of Climate Action and the Green Economy, and is comprised of members from State entities, the business community, organized labor, utilities, environmental justice communities and organizations, and workforce development groups.

Jersey's Environmental Justice Law. The Community-Based Organization must either be the primary applicant or, in the alternative, a strategic collaborator with the primary applicant. All applications that include the Community-Based Organization as a strategic collaborator must clearly define the Community-Based Organization's role and specifically its alignment with the CBO's mission and/or services and the amount of the grant request allocated to the Community-Based Organization for the agreed upon role on the applicant team.

- For the purposes of this training challenge, a Community-Based Organization is defined as a 501(c)(3) non-profit organization that provides direct services or supports to a specific geographic NJ community(ies) or specific segments of a New Jersey community(ies).<sup>2</sup> For the purposes of this Challenge, government entities, K-12 schools, and institutions of higher learning do not qualify as Community-Based Organizations. However, these entities may be the primary applicant or an additional collaborator on the applicant team.
- NJ's Environmental Justice Law, N.J.S.A 13:1D-157, defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency.
- Encouraged: Applicants may collaborate with additional entities, including for-profit or non-profit entities, to design and implement the training program as needed.

In addition to the eligibility parameters already stated above, the primary applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection (DEP) to participate in the program. The primary applicant must provide a current tax clearance certificate as part of the application to demonstrate the applicant is properly registered to do business in New Jersey and in good standing with the NJ Division of Taxation.

### *Proposal Scope*

Applicants must submit proposals that outline compelling plans to:

- Develop or expand a program that will allow New Jerseyans to access workforce opportunities in the offshore wind industry by providing tangible skill development and/or job-readiness training. Components of programs must include direct workforce training/skill development, and, where relevant, support services such as access to career services, mentorship, family services, counseling, transportation, etc. Proposed initiatives must focus on one or more of the following occupation areas as defined by Standard Occupation Codes (SOC)<sup>3</sup> (see detailed list in Appendix A):
  - Operations Specialties Managers (SOC 11-3000)
  - Construction Trade Workers (SOC 47-5000)
  - Extraction Workers (SOC 47-5000)

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<sup>2</sup>Per the NJ Division of Taxation, a 501(c)(3) Organization refers to a nonprofit organization that has received a determination letter from the Internal Revenue Service (IRS) stating that the organization is exempt from federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. The term also may refer to a church or ministry that may qualify for an IRS 501(c)(3) determination letter, even though it does not intend to apply for an IRS determination.

<sup>3</sup>The 2018 Standard Occupational Classification (SOC) system is a [federal statistical standard](#) used by federal agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data.

- Other Installation, Maintenance, and Repair Occupations (SOC 49-9000)
- Assemblers and Fabricators (SOC 51-2000)
- Metal Workers and Plastic Workers (SOC 51-4000)
- Plant and System Operators (SOC 51-8000)
- Other Production Occupations (SOC 51-9000)
- Water Transportation Workers (SOC 53-5000)
- Material Moving Workers (SOC 53-7000)
- Engage with industry and other stakeholders to design and implement a program that prepares and/or connects participants with job opportunities in offshore wind.
- Develop and/or utilize outreach, recruitment practices, program design approaches, and wraparound supports as needed such as mentorship, transportation, and childcare that target and support a diverse and inclusive pool of training participants to successfully complete the program.
- Execute the project efficiently and on schedule, achieving well-defined milestones to complete the proposed initiative.

Virtual training programs operated in New Jersey or other states are eligible under this grant challenge so long as the program includes a clear approach to make the training accessible for and targeted to NJ residents and is linked to NJ employment opportunities in offshore wind.

### *Diversity, Equity, and Inclusion*

One of the core objectives for Wind Institute programs is to accelerate the development of a robust and diverse offshore wind workforce, and as such the Grant Challenge prioritizes the development or programs that can increase the inclusion of historically marginalized and disadvantaged communities into the offshore wind workforce. As stated above, all applicant teams must include a Community-Based Organization that serves a NJ Overburdened Community with a clear and defined role on the team and is proposed to receive a specified funding amount of the requested grant.

In addition, the challenge's scoring criteria includes up to 25 points for applications that demonstrate an ability to serve an Overburdened Community, including an approach to providing wrap around services and the ability to offer affordable training to participants (see Exhibit B).

### *Eligible Funding Uses and Grant Disbursement*

Eligible uses of grant funding include costs associated with planning (e.g., staff costs for program development), soft launch (e.g., outreach and recruitment materials and related costs), capital costs (e.g., procurement, construction or renovation of program space, equipment, and material purchases), and/or implementation costs (e.g., instructor time, facility fees, participant equipment or materials, delivery of support services). No more than ten percent (10%) of the grant amount may be used on indirect costs such as general administration and overhead.

Capital costs will be subject to labor compliance, including New Jersey affirmative action and prevailing wage requirements. Applicants who identify capital costs as an expected use of funding will acknowledge as part of the application that they understand the grant is subject to these requirements and documentation may be audited.

Applicants must provide a detailed budget that demonstrates how the grant will be used to cover costs related to the proposed program. Program collaborators must be included in the application budget, and identified for their role in the project, and status as a Community-Based Organization, non-profit, or for-profit.

Selected applicants will enter into a grant agreement with NJEDA, and funds will be disbursed according to the following schedule:

- 50 percent of the grant will be disbursed upon execution of a grant agreement between NJEDA and the selected applicant
- 25 percent of the grant will be disbursed upon the applicant's submission of the mid-program report, the exact timing to be determined based on the grantee's implementation plan and reflected in the grant agreement
- 25 percent of the grant amount will be disbursed upon the launch of the program (for applicants seeking funds for program design) or completion of the grant period, expected to be no later than two (2) years following the date of the grant agreement execution (for applicants seeking funds for program implementation)

### *Application Process*

Applications will be accepted during a defined application window, which the Authority will make all potential applicants aware of through a Notice of Funding Availability and other information posted to the Authority's website. There will be a defined window for potential applicants to submit questions and receive answers, including if a particular organization would be considered a Community-Based Organization for the purposes of this challenge. To support collaborations, particularly with Community-Based Organizations, during the application window but with a sufficient amount of time before the window is closed, NJEDA will host an informational webinar and an optional opportunity for interested entities to complete a form indicating their interest in participating, and the types of services they are positioned to provide as part of an applicant team. All forms will be shared with all parties that submit this form by a defined date.

After the defined application window is closed, NJEDA staff will first review all proposals for completeness and compliance with required documentation. All compliant applications will be evaluated, scored, and ranked by an Evaluation Committee comprised of staff from NJEDA. Staff from The NJ Department of Labor & Workforce Development and the Office of the Secretary of Higher Education shall serve as Subject Matter Experts (SMEs) and advise the evaluation committee. During the completeness check process or during the evaluation scoring process, NJEDA staff may request clarifying information from respondents and such information must be received within a to-be-specified period of time. All complete responses will be reviewed by the Evaluation Committee.

Proposals will be evaluated based on five primary criteria:

- Program design and the ability of the initiative to meet the need of the offshore wind industry
- Ability to serve NJ's Overburdened Communities
- Ability to provide wraparound supports and affordable training
- Prior experience creating similar programs and the applicant team's capacity to implement the proposed initiative

- Justification for the proposed use of funds with a reasonable budget to implement the proposed training program.

The minimum score required to be considered for an award is 80 points, with the highest score possible being 100 points. Within the application, applicants will be required to identify which of the priority occupation groups (Appendix A) will be the focus of their initiative.

To maximize the total amount of funding allocated through this challenge, NJEDA may opt to request revisions to the proposed budgets or scopes per the following protocol: NJEDA will fully fund the top scoring proposals within the funding cap of \$3,725,000. If the next highest scoring applicant has a budget request that would exceed the funding cap, NJEDA may request that they revise their budget and/or scope to fit within the funding cap. That applicant would then have the right to decline or accept the budget revision option. If this applicant declines, NJEDA may make the same offer to the next highest scoring applicant; this process may continue until a qualifying applicant either fits within the funding cap or accepts the offer to revise its budget to fit within the funding cap. Any applicant that accepts the offer to revise its budget will have the revised application evaluated by NJEDA to determine if the revision would lower their proposal's ranking to an extent that they are no longer the next highest scoring applicant. If so, NJEDA may request additional changes to the revised scope.

Applicants whose applications are declined will have the right to appeal. All declinations based on discretionary reasons will be brought to the NJEDA board for approval.

NJEDA will be responsible for overseeing the application process, applicant selection, and the disbursement of funding to the selected entities. Upon the anticipated establishment of the Wind Institute, NJEDA expects to assign responsibility for management of this grant to the Wind Institute. The grant recipients will be accountable to NJEDA and the Wind Institute by submitting quarterly reports. The reports will detail budgetary information, progress against milestones and metrics, any emergence of challenges or impediments to the development of the program, and data on program participants (e.g., number of applicants, number of trainees, demographics of trainees, retention and employment placement, etc.). For programs that begin training participants after the final disbursement (i.e., grant funds cover program design costs, but not the training itself), grant recipients must submit, for an additional three (3) years, quarterly reports that include data on program participants.

NJEDA will engage with the grant awardees to support connections to industry and other stakeholders that can provide insights on program development, offshore wind trends, and ways to promote diverse and inclusive participation in the program. NJEDA and/or the Wind Institute, once established, will coordinate a community of practice for all grant challenge winners, whereby all awardees will be required to come together periodically to share best practices and lessons learned.

Further details on proposal requirements, scoring criteria, and disbursement structure are outlined in the attached product specifications.

### **Program Funding**

The \$3,725,000 for this Grant Challenge will utilize funding from the Offshore Wind Sector Initiatives Memorandum of Understanding between NJEDA and NJBPU as approved by the Members on July 6, 2021, and executed on July 14, 2021, to fund the NJ Offshore Wind Workforce and Skills

Development Grant Challenge.

**Recommendation**

The Members are asked to approve the creation of Offshore Wind Workforce and Skills Development Grant Challenge, a competitive grant program to establish workforce and skills development programs to strengthen and diversify New Jersey’s offshore wind workforce



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Tim Sullivan, CEO

Prepared by: Jen Becker

**Attachments**

Exhibit A – Eligible Occupation Groups for Grant Challenge

Exhibit B – NJ Offshore Wind Workforce and Skills Development Grant Challenge Program Specifications

**Appendix A – Eligible Occupation Groups for Grant Challenge**

<b>Eligible Occupation Groups for Grant Challenge</b>	
<b>Occupation Groups</b>	<b>Occupations</b>
Operations Specialties Managers (SOC 11-3000)	Administrative Services Managers, Industrial Production Managers, Transportation Managers, Storage Managers, and Distribution Managers, Human Resources Managers, Financial Managers, Purchasing Managers
Construction Trades Workers (SOC 47-2000)	Electricians, Construction Laborers, Operating Engineers, Structural Iron Workers, Steel Workers, Cement Masons, Concrete Finishers, Reinforcing Iron and Rebar Workers
Extraction Workers (SOC 47-5000)	Excavating and Loading Machine and Dragline Operators, Continuous Mining Machine Operators
Other Installation, Maintenance, and Repair Occupations (SOC 49-9000)	Maintenance and Repair Workers, Helpers (Installation, Maintenance, and Repair Workers), Industrial Machinery Mechanics, Riggers, Commercial Divers, Electrical Power-Line Installers and Repairers
Assemblers and Fabricators (SOC 51-2000)	Fabricators, Structural Metal Fabricators and Fitters, Engine and Machine Assemblers, Electrical, Electronic, and Electromechanical Assemblers, Except Coil Winders, Tapers, Finishers, Team Assemblers
Metal Workers and Plastic Workers (SOC 51-4000)	Welders, Cutters, Solderers, Brazers, Plating Machine Setters, Operators, Metal-Refining Furnace Operators, Metal Workers and Plastic Workers, Machinists, Cutting, Punching, and Press Machine Setters
Plant and System Operators (SOC 51-8000)	Plant and System Operators, Stationary Engineers, Boiler Operators
Other Production Occupations (SOC 51-9000)	Inspectors, Testers, Sorters, Samplers, Weighers, Computer Numerically Controlled Tool Programmers, Machine Setters/Operators/ and Tenders (Crushing, Grinding, and Polishing),
Water Transportation Workers (SOC 53-5000)	Captains, Mates, Pilots, Sailors, Marine Oilers, Ship Engineers
Material Moving Workers (SOC 53-7000)	Stockers and Order Fillers, Laborers, Freight/Stock/Material Movers, Crane/Tower/Hoist and Winch Operators, Packers and Packagers

**Appendix B – NJ Offshore Wind Workforce and Skills Development Grant Challenge Program Specifications**

**NJ Offshore Wind Workforce and Skills Development  
Grant Challenge  
Proposed Program Specifications**

<b>Funding Source</b>	\$3,725,000 from the Offshore Wind Sector Initiatives Memorandum of Understanding between NJEDA / NJBPU dated July 21, 2021
<b>Program Purpose</b>	The aim of the NJ Offshore Wind Workforce and Skills Development Grant Challenge is to strengthen and diversify the New Jersey offshore wind workforce by funding innovative workforce development programs through a competitive grant challenge.
<b>Eligible Applicants</b>	<p>Eligible applicants include all entities that can develop and implement a workforce development program such as community-based organizations, workforce training organizations, labor unions, workforce placement intermediaries, technical high schools, community colleges, universities, nonprofit organizations, community-based organizations, regional workforce development boards, private companies, and other related entities.</p> <p>Applicants must include a Community-Based Organization<sup>4</sup> partner that has demonstrated experience serving a NJ Overburdened Community as defined by NJ’s Environmental Justice Law<sup>5</sup> unless the primary applicant identifies as such.</p> <p>The Primary Applicant must be in good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection (DEP) to participate in the program. The primary applicant must provide a current tax clearance certificate as part of the application to demonstrate the applicant is properly registered to do business in New Jersey and in good standing with the NJ Division of Taxation.</p>
<b>Eligible Uses</b>	Grant to be used to support costs associated with planning and implementation of the proposed initiatives. This can include planning (e.g., staff costs for program development), soft launch (e.g., outreach and recruitment materials and related costs), capital costs (e.g., procurement, construction or renovation of program space, equipment, and material purchases), and/or implementation

<sup>4</sup> For the purposes of this training challenge, a Community-Based Organization is defined as a 501(c)(3) non-profit organization that provides direct services or supports to a specific geographic NJ community(ies) or specific segments of a New Jersey community(ies). For the purposes of this Challenge, government entities, K-12 schools, and institutions of higher learning do not qualify as Community-Based Organizations..

<sup>5</sup> NJ’s Environmental Justice Law, N.J.S.A 13:1D-157 defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency.

**NJ Offshore Wind Workforce and Skills Development  
Grant Challenge  
Proposed Program Specifications**

	<p>costs (e.g., instructor time, facility fees, participant equipment or materials, delivery of support services). Within the application, teams will be required to identify which of the eligible occupation groups (Appendix A) will be the focus of their initiative.</p> <p>For applicants utilizing the grant for capital costs, prior to executing the grant agreement and the start of any construction, the grantee will coordinate with NJEDA to ensure labor compliance, including compliance with prevailing wage and Affirmative Action requirements.</p>
<p style="text-align: center;"><b>Grant Amounts</b></p>	<p>\$3,725,000 will be available through this grant challenge. Grants will be subject to minimum and maximum amounts of \$100,000 and \$1,000,000, respectively.</p>
<p style="text-align: center;"><b>Scoring Criteria</b></p>	<p>The minimum score requirement to be considered for an award is 80 points, with the highest score possibility being 100 points. Applications to be scored by an Evaluation Committee based on the following criteria:</p> <p><b>Highest Score Possibility: 100 points</b> <b>Minimum Score Requirement: 80 points</b></p> <p>In general, applicants will have the opportunity to receive the points outlined below based on the following criteria:</p> <ul style="list-style-type: none"> <li>• Compelling plan and ample evidence of ability to execute – Full Credit/Points</li> <li>• Moderately compelling plan and/or minimal evidence of ability to execute – Partial Credit/Points</li> <li>• No compelling plan and/or no evidence of ability to execute – No Credit/Points</li> </ul> <p><b>Criteria 1 – Ability to meet the needs of the offshore wind</b></p>

**NJ Offshore Wind Workforce and Skills Development  
Grant Challenge  
Proposed Program Specifications**

**industry (Up to 35 points)**

- Details a compelling and innovative program concept that will fulfill a workforce-related need in the NJ offshore wind industry and position New Jerseyans to enter the offshore wind workforce (up to 20 points)
- Outlines a clear strategy to engage industry employers (up to 15 points)

**Criteria 2 – Ability to serve NJ’s Overburdened Communities (Up to 10 points)**

- Details a clear approach to recruit and serve members of overburdened communities (Up to 10 points)

**Criteria 3 – Ability to provide wraparound supports and affordable training (Up to 15 points)**

- Clearly defines wraparound supports that will be needed by program participants and an approach to provide these services (Up to 10 points)
- Outlines an approach to offer affordable training to participants (Up to 5 points)

**Criteria 4 – Prior experience creating and ability to implement the program (Up to 30 points)**

- Details a track record of related experiences operating workforce development programs, including experience recruiting, training, and/or providing services to a diverse group of participants (Up to 10 Points)
- Has a team with the qualifications and experience required to implement the program (Up to 5 Points)
- Provides a realistic implementation plan, including strategies to mitigate anticipated challenges (Up to 10 Points)
- Describes an approach to conduct ongoing program evaluation and improvement (Up to 5 Points)

**Criteria 5 – Resources required (Up to 10 points)**

- Clearly details a realistic budget for the program (Up to 10 Points)

**NJ Offshore Wind Workforce and Skills Development  
Grant Challenge  
Proposed Program Specifications**

	<p>To maximize the total amount of funding allocated through this challenge, NJEDA may request revisions to the proposed budgets or scopes of select high-scoring proposals that if awarded would bring the allocation above the funding cap. These changes may result in some applicants not receiving the full amount of their requested grant award.</p>
<p><b>Funding Disbursement</b></p>	<p>The grant will be disbursed according to the following milestones:</p> <ul style="list-style-type: none"> <li>• 50 percent of the grant will be disbursed upon execution of a grant agreement between NJEDA and the selected applicant;</li> <li>• 25 percent of the grant will be disbursed upon the applicant’s submission of the mid-program report, the exact timing to be determined based on the grantee’s implementation plan and reflected in the grant agreement; and</li> <li>• 25 percent of the grant amount will be disbursed upon the launch of the program (for applicants seeking funds for program design) or completion of the grant period, expected to be no later than two years following the date of the grant agreement execution (for applicants seeking funds for program implementation).</li> </ul>



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Technology Business Tax Certificate Transfer Program:  
2022 Program Approvals

**BACKGROUND**

The Technology Business Tax Certificate Transfer (NOL) Program allows technology and biotechnology companies with fewer than 225 employees in the U.S. and with a certain minimum number of full-time employees in the State to sell their net operating losses and/or research and development tax credits to profitable corporate entities. Proceeds from those sales are required to be re-invested in the seller's business.

**2022 PROGRAM CYCLE**

This year marks the 23rd anniversary of the Technology Business Tax Certificate Transfer (NOL) Program. Over the last two decades, more than 575 companies have been awarded a total benefit amount of more than \$1.246 billion. In January 2021, the Economic Recovery Act (ERA) increased the annual pool of tax benefit from \$60 million to \$75 million, which is available for distribution in the 2022 NOL program year. Of this \$75 million, \$15 million is reserved exclusively for eligible companies operating within the boundaries of the State's three Innovation Zones (technology clusters fostering business-university collaboration located in Camden, Newark and the Greater New Brunswick Area), companies operating in opportunity zones (program update from the ERA), as well as companies certified by the State of New Jersey as woman or minority owned at the time of program application (program update from the ERA). Additionally, the lifetime cap for companies is \$20 million (program update from the ERA).

For the 2022 Program Year, the Authority received applications from 28 companies requesting a total benefit amount of \$101,841,129.

Program highlights for this year include:

- The number of received applications (28) is lower than last year (37), most likely due to circumstances surrounding the pandemic (i.e., lower employee counts, etc.)
- In this year's program there are 8 applicants (29%) that have identified themselves as technology companies, while the remaining 20 applicant companies (71%) identified as biotechnology companies
- 10 private companies comprised 36% of the applicant pool, while the remaining 18 (64%) are publicly traded companies
- Included in this year's applicant pool, were 2 companies located in an Opportunity Zone and 3 companies located in an Innovation Zone
- 11 applicants included DE&I self-disclosed information evidencing applicant company diversity
- There were 23 returning applicants from last year, 0 applicants returning after a gap of at least one year away from the program, and 5 companies new to the program

Attachment A provides information on the 24 applicants that are recommended for approval in September for the 2022 Program. These applicants requested \$76,174,595 in total benefits, which includes adjustment for companies whose requested amounts were higher than the program's lifetime award cap of \$20 million. Since the program caps the annual pool of tax benefit at \$75 million, the allocation of tax benefit to each approved applicant will be apportioned in accordance with the program rules Section 19:31-12.7 Allocation of tax benefits. In 2022, the 24 companies recommended for approval are estimated to receive \$75,000,000 (the program ceiling for 2022), resulting in an approximate average award of \$3,125,000 per applicant. The final award amounts are subject to final verification by New Jersey Division of Taxation.

The threshold eligibility items for an application are specified in Attachment B. In 2022, no applicants were recommended for declination due to a lack of evidence to meet the legislative requirements. However, 4 companies elected to withdraw their applications from the program during the due diligence process.

### **RECOMMENDATION:**

Based on evaluations by Authority staff, approval is recommended for the listed applicants on Attachment A, which have been evaluated according to the criteria established by the legislation.



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Tim Sullivan, CEO

Prepared by:

Christopher Shyers  
Senior Innovation Product Officer  
Innovation Programs

<b>Attachment A:</b>			
<b>Recommended Approvals</b>		<b>Business Description</b>	<b>NJ HQ / Base of Operations</b>
1	Acuitive Technologies, Inc	Acuitive Technologies is a technology company devoted to pursuing material technologies to improve medical device performance and patient outcomes.	Allendale
2	Advaxis, Inc.	Advaxis is a biotech company focused on the development and commercialization of Lm based antigen delivery products.	Monmouth Junction
3	AIM ImmunoTech, Inc	AIM ImmunoTech. fka Hemispherx Biopharma, is a biotech company focused on research and development of therapeutics to treat multiple types of cancers, various viruses and immune-deficiency disorders.	New Brunswick
4	Angel Medical Systems, Inc.	Angel Medical Systems is a biotech company that has developed the first ever implantable, patient alerting system for the early detection and prevention of heart attacks.	Eatontown
5	Bellerophon Therapeutics, Inc	Bellerophon Therapeutics is a biotech company focused on developing innovative products that address significant unmet medical needs in the treatment of cardiopulmonary diseases.	Warren
6	Brilliant Light Power, Inc.	Brilliant Light Power is a technology company creating a nonpolluting, new primary source of energy from the conversion of hydrogen into a prior undiscovered, more stable form of hydrogen called "Hydrino" that releases two hundred times more energy than burning hydrogen.	Cranbury
7	Caladrius Biosciences, Inc.	Caladrius Biosciences is a biotech company dedicated to the development and commercialization of cellular therapies designed to reverse disease and/or promote the regeneration of damaged tissue.	Basking Ridge
8	Celsion Corporation	Celsion Corporation is a biotech company that Focuses on creating innovative treatments like DNA-immunotherapies, vaccines and chemotherapies through clinical trials and later commercialization.	Lawrenceville

9	Citius Pharmaceuticals, Inc.	Citius Pharmaceuticals, Inc. is a biopharmaceutical company dedicated to development and commercialization of first-in-class critical care products, with a focus on oncology, anti-infectives in adjunct cancer care, unique prescription products, and stem cell therapies.	Cranford
10	Cytosorbents Corp. (DBA Cytosorbents Medical, Inc.)	Cytosorbents Medical is a biotech company focused on immunotherapy using blood purification to treat deadly inflammation in hospitalized patients around the world, with the goal of preventing or treating multiple organ failure in life-threatening illnesses and cardiac surgery.	East Princeton
11	ElectroCore, Inc.	ElectroCore is a biotech company that Developed gammaCore, a patient administered, handheld treatment for migraine and cluster headaches.	Rockaway
12	Hepion Pharmeceuticals, Inc.	Hepion Pharmaceuticals is a biotech company focused on the development of targeted therapies for liver disease arising from non-alcoholic steatohepatitis (NASH) and chronic hepatitis virus infection (HBV, HCV, HDV).	Edison
13	IoTecha Corp	IoTecha is a technology company that is a developer of a hardware, software and cloud integrated platform designed for the Electric Vehicle smart charging infrastructure.	Cranbury
14	IVERIC Bio, Inc.	Iveric Bio is a biotech company focused on creating treatments for retinal diseases with unmet medical needs.	Parsippany
15	Matinas BioPharma Holdings Inc	Matinas BioPharma is a biotech company focused on advancing a lipid nano-crystal (LNC) drug delivery platform to solve complex challenges relating to the delivery of small molecules, gene therapies, vaccines, proteins, and peptides.	Bedminster
16	Ocean Power Technologies, Inc	Ocean Power Tech is a technology company that provides ocean data collection and reporting, offshore communications, marine power, Maritime Domain Awareness ("MDA") and consulting products and services.	Monroe Township
17	OncoSec Medical Inc	OncoSec is a biotech company focused on developing cytokine-based intra-tumoral immunotherapies to stimulate the body's immune system to target and attack cancer.	Pennington
18	Palatin Technologies, Inc.	Palatin Technologies is a biotech company developing first-in-class medicines based on	Cranbury

		molecules modulating activity of melanocortin and natriuretic peptide receptor systems.	
19	PDS Biotechnology Corporation	PDS Biotechnology Corporation fka Edge Therapeutics is a biotech company developing a new generation of multi- functional cancer immunotherapies.	Florham Park
20	Provention Bio, Inc.	Provention Bio is a biotech company developing novel therapeutics aimed at intercepting and preventing immune-mediated diseases.	Red Bank
21	Rafael Holdings, Inc.	Rafael Holdings, Inc. is a biotech company that focuses on funding and developing novel cancer therapies through investments in companies with goal of building a cancer metabolism therapeutics company.	Newark
22	Cornerstone Pharmaceuticals (FKA Rafael Pharmaceuticals)	Cornerstone Pharmaceuticals is a biotech company focused on developing therapies for rare cancers where there is little treatment available.	Newark
23	Soligenix, Inc	Soligenix Inc is a biotech company focused on developing and commercializing products to treat rare diseases where there is an unmet medical need.	Princeton
24	Truefort, Inc.	Truefort is a technology company that develops cybersecurity software products used by global enterprises to protect critical business application on premises and in the cloud.	Weehawken

## **Attachment B -** **NOL Threshold Eligibility Requirements**

Each applicant must meet each of the legislative requirements below.

1. "Biotechnology business"
  - a. "headquarters or base of operations located in New Jersey".
  - b. "that owns, has filed for, or has a license to use protected, proprietary intellectual property and whose primary business is the research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes, agricultural purposes, and environmental purposes."
  
2. "Emerging technology business"
  - a. "headquarters or base of operations located in New Jersey".
  - b. "that owns, has filed for, or has a license to use protected, proprietary intellectual property whose primary business is the provision of a scientific process, product, or service and that employs some combination of the following: highly educated and/or trained managers and workers employed in New Jersey who use sophisticated scientific research, service or production equipment, processes or knowledge to discover, develop, test, transfer or manufacture a product or service."
  
3. "New or expanding" - "On June 30 of the year in which the company files an application for surrender of unused but otherwise allowable tax benefits under P.L.1997, c.334 (C.34:1B-7.42a et al.) and on the date of the exchange of the corporation business tax benefit certificate," a company must have
  - a. fewer than 225 employees in the United States of America; (In calculating the number of employees under this definition, employees of all affiliates and subsidiaries as shown on its consolidated financial statements, employees of any company that owns or controls at least 50 percent of the applicant, as well as the employees of any consolidated group of affiliated corporations as filed for Federal income tax purposes shall be included.)
  - b. at least one full-time employee working in this State if the company has been incorporated for less than three years
  - c. at least five full-time employees working in this State if the company has been incorporated for more than three years but less than five years
  - d. at least 10 full-time employees working in this State if the company has been incorporated for more than five years

4. "Full-time employee" - means a person employed by a new or expanding emerging technology or biotechnology company
  - a. on a permanent or indefinite basis
  - b. for consideration for at least 35 hours a week
  - c. whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq
  - d. "or who is a partner of a new or expanding emerging technology or biotechnology company who works for the partnership for at least 35 hours a week... and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq"
  - e. A "Full-time employee" must also be considered a "Full-time employee working in this State" which means a full-time employee whose primary office is in New Jersey and who spends at least 80 percent of his or her time in New Jersey. or for the case of this program year, provide evidence that the out of state employees (excluding Pennsylvania residents due to the tax agreement) live within reasonable proximity of New Jersey as defined by a 90-minute commutable distance to their assigned NJ office.
  - f. It shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position.
  - g. To qualify as a "full-time employee," an employee shall also receive from the new or expanding emerging technology or biotechnology company health benefits under a group health plan as defined under section 14 of P.L. 1997, c. 146 (N.J.S.A. 17B:27-54), a health benefits plan as defined under section 1 of P.L. 1992, c. 162 (N.J.S.A. 17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of chapter 27 of Title 17B of the New Jersey Statutes.
  
5. "Financial statements"
  - a. Application must include a Draft or Final prepared Financial Statement.
  - b. Applicant cannot be approved if it "Has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its financial statements".
  - c. Must meet the definition of a "Financial Statement" which is defined as "a statement prepared by an independent Certified Public Accountant (CPA), which shall include an opinion letter indicating the scope of the services performed (compilation, review, or audit) in accordance with Generally Accepted Accounting Principles (GAAP) as determined by the Financial Standards Accounting Board (FASB) and shall include a balance sheet, statement of income

and expenses, cash flow statement, other statements as determined by the independent CPA, and footnotes where applicable”.

- d. If an applicant submits a draft Financial Statement, the Final Financial Statement must be received no later than September 31<sup>st</sup> of the program year.
  - e. If an applicant submits a draft Financial Statement, the Final Financial Statement must include no material changes from the Draft submitted at application.
  - f. If an applicant “Is directly or indirectly at least 50 percent owned or controlled by another corporation” then the controller must also follow steps A-E.
6. “Protected Proprietary Intellectual Property” –means intellectual property that is
- a. the technology of the applicant's primary business as a technology or biotechnology business
  - b. protected via a patent pending,
  - c. protected via a patent awaiting approval,
  - d. protected via an approved patent,
  - e. or protected via a registered copyright
7. Applicant must provide all applicable documentation to the NJEDA and any additional supplemental information required by the NJEDA.



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Film and Digital Media Tax Credit Program –Certification of Unused or Unredeemed Credits in SFY2022 and Increase to SFY2023

### Summary:

The Members are requested to approve:

1. The certification of \$28,180,848 in unused or unredeemed legacy film tax credits for SFY2022 which will increase the legacy film tax credits available for SFY2023. This increase will raise the total amount of unadjusted legacy film tax credits available in SFY2023 to \$128,180,848.
2. The certification of \$200,000,000 in unused or unredeemed studio partner film tax credits for SFY2022 which will increase the studio partner film tax credits available for SFY2023. This increase will raise the total amount of studio partner film tax credits available in SFY2023 to \$300,000,000.
3. The certification of \$200,000,000 in unused or unredeemed film-lease partner film tax credits for SFY2022 which will increase the film-lease film tax credits available for SFY2023. This increase will raise the total amount of film-lease partner tax credits available in SFY2023 to \$300,000,000.
4. The reallocation of \$200,000,000 in unused film-lease partner film tax credits, to legacy tax credits. This reallocation will raise the total amount of adjusted legacy film tax credit available in SFY2023 to \$378,180,848 and lower the amount of adjusted film-lease partner tax credits available in SFY2023 to \$100,000,000.
5. The certification of \$54,550,293 in unused or unredeemed digital media tax credits for SFY2022 which will increase the digital tax credits available for SFY2023. This increase will raise the total amount of digital media tax credits available in SFY202 to \$84,550,293.

### Background:

P.L. 2020, c.156 was enacted on January 7, 2021, amending the Garden State Film and Digital Media Jobs Act. Specifically, the amendment extends the statutory deadline for film and digital media tax credits until June 30, 2034, and removed the cap on the amount of unused or unredeemed credits that can be transferred to a subsequent fiscal year. Additionally, the law added two additional allocation categories of \$100 million each for projects involving larger studio developments called studio partners and film-lease partners.

Additionally, P.L. 2021, c.367, enacted on January 12, 2022, directs the Authority, to certify any unused or unredeemed tax credits for legacy film projects, studio partner projects, film-lease partner projects and digital media projects, in a state fiscal year which then, at the discretion of the Authority, shall be used to increase the annual cap for any such category of allocation in the subsequent state fiscal year. The statute further clarifies that any unused or unredeemed tax credits for studio partners in a state fiscal year, can only be used to increase the subsequent state fiscal year's allocation for studio partners.

P.L. 2021, c.367, also increased the annual digital media tax credit cap from \$10 million to \$30 million beginning in SFY2019.

On October 14, 2020, the Board approved the certification of \$64,321,724 in unused and unredeemed film tax credits for SFY2020 which increased the allocation for SFY2021 by \$50 million to \$150 million. \$50 million was the maximum increase allowed by law at the time.

On May 12, 2021, the Board approved the certification of \$10 million in unused and unredeemed digital media tax credits for SFY2020 to increase the total credits available in SFY2021 to \$20 million.

On February 9, 2022, the Board approved the certification and carry forward in unused and unredeemed tax credits in the amount of: \$124,405,825 in legacy film tax credits, \$100,000,000 in both studio partner and film-lease partner tax credits, and \$32,488,438 in digital media tax credits.

#### **Certification of Unused or Unredeemed Tax Credits:**

The Authority will determine the amount of "unused" tax credits based on the difference between the total amount of available tax credits in a given state fiscal year, and the total amount approved by the Authority within a state fiscal year, should the Authority not approve the full amount of available tax credits within a given state fiscal year. The Authority will determine the amount of "unredeemed" tax credits based on projects that have been approved for some amount of tax credits but are unable to certify the full amount of qualified film production expenses on which the tax credit award was based, and therefore unable to utilize the full amount of their estimated tax credit award. For unredeemed tax credits, the Authority will also look at projects that may have been approved for a tax credit award, but missed the deadline required for principal photography, as required by statute, and are therefore no longer eligible to receive the tax credit for which they were approved.

Pursuant to P.L. 2021, c.367, the staff's proposed certification of unused or unredeemed tax credits, for each allocation category, for State Fiscal Year 2022 is below:

**Certification of Unused or Unredeemed Legacy Film Tax Credits:**  
**SFY2022 Film Tax Credit Cap: \$223,405,826**

<b>SFY2022 – Legacy Film Tax Credit Approvals</b>	
<b>Applicant</b>	<b>Approved Total Award</b>
Apophenia LLC	\$290,085
Universal Television LLC	\$38,003,094
Union Square Productions	\$4,000,741
Big Indie Barn Burner Inc	\$4,111,832
Universal Television, LLC	\$2,723,595
Universal Television, LLC	\$2,047,561
Due Season Movie LLC	\$509,741
ABC Signature	\$14,037,580
Pacific 2.1 Entertainment Group	\$21,814,620
Lucky 8 TV, LLC	\$1,114,079
ASATMU The Film, Inc	\$1,194,229
PS203 New Jersey Inc.	\$3,568,052
The Perfect Movie Productions	\$5,950,025
Wonderlanded Production Services LLC	\$24,108,547
Lucky 8 TV, LLC	\$2,183,266
Universal Television LLC	\$2,131,215
The Furies Film LLC	\$526,666
AT Productions Inc	\$4,662,325
The Bros Movie, LLC	\$8,078,536
Apple Slice Productions, LLC	\$4,890,402
Eye On The Ball Enterprises Inc	\$1,686,165
DIGA LLC	\$3,496,503
Bound The Movie, LLC	\$183,492
Smarty James, LLC	\$78,566
3 Days Rising LLC	\$154,749
CBS Studios Inc	\$5,744,926
Viacom International Inc	\$726,110
Universal Television LLC	\$987,240
PS203 New Jersey Inc	\$4,139,046
White Room Productions LLC	\$2,860,286
Viacom International Inc	\$4,227,535
Maybe I Do Film INC	\$4,318,711
Paramount Pictures Corp, Inc	\$5,991,327
Cat Person Productions Inc	\$3,249,065
Universal Television LLC	\$2,157,896
Inwood Pictures LLC	\$3,087,373
Improbable Valentine LLC	\$6,576,569
Shelter Pilot Productions LLC	\$3,181,280
<b>Total Approved SFY2022 Tax Credits</b>	<b>\$198,793,030</b>
<b>Total Unused SFY2022 Tax Credits</b>	<b>\$24,612,796</b>

<b>SFY2022 – Unredeemed Legacy Film Tax Credits</b>	
<b>Applicant</b>	<b>Approved Total Award</b>
PS203 New Jersey Inc - Ps203	\$3,568,052
<b>Total Unredeemed SFY2022 Tax Credits</b>	<b>\$3,568,052</b>

**SFY2022 Total Unused and Unredeemed Tax Credits: \$28,180,848**

**Total Unadjusted SFY2023 Legacy Film Tax Credit Cap: \$128,180,848**

**Certification of Unused or Unredeemed Studio Partner Film Tax Credits:**

**SFY2022 Studio Partner Tax Credit Cap: \$200,000,000**

**SFY2022 Studio Partner Tax Credit Approvals: \$0**

**Total Unused or Unredeemed SFY2022 Studio Partner Tax Credit: \$200,000,000**

**Total SFY2022 Studio Partner Tax Credit Cap: \$300,000,000**

**Certification of Unused or Unredeemed Film-lease Partner Film Tax Credits:**

**SFY2022 Film-lease Partner Tax Credit Cap: \$200,000,000**

**SFY2022 Film-lease Partner Tax Credit Approvals: \$0**

**Total Unused or Unredeemed SFY2022 Film-lease Partner Tax Credit: \$200,000,000**

**Total Unadjusted SFY2022 Film-lease Partner Tax Credit Cap: \$300,000,000**

**Reallocation of Credit Caps: Film-lease Partner to Legacy Film Tax Credit**

**Total Unadjusted SFY2023 Film-lease Partner Tax Credit Cap: \$300,000,000**

**Amount of Reallocation: \$200,000,000**

**Total Adjusted SFY2023 Film-lease Partner Tax Credit Cap: \$100,000,000**

**Total Adjusted SFY2023 Legacy Film Tax Credit Cap: \$328,180,848**

**Certification of Unused or Unredeemed Digital Media Tax Credits**

**SFY2022 Digital Media Tax Credit Cap: \$62,488,438**

<b>SFY2022 – Digital Media Credit Approvals</b>	
<b>Applicant</b>	<b>Approved Total Award</b>
Audible, Inc.	\$7,047,240
Malka Media Group LLC	890,905
<b>Total Approved SFY2022 Tax Credits</b>	<b>\$7,938,145</b>
<b>Total Unused SFY2022 Tax Credits</b>	<b>\$54,550,293</b>

**SFY2022 Total Unused and Unredeemed Digital Media Tax Credits: \$54,550,293**

**Total SFY2023 Digital Media Tax Credit Cap: \$84,550,293**

**Recommendation:**

The Members are requested to approve the following:

1. The certification of \$28,180,848 in unused or unredeemed legacy film tax credits for SFY2022 which will increase the legacy film tax credits available for SFY2023. This increase will raise the total amount of unadjusted legacy film tax credits available in SFY2023 to \$128,180,848.
2. The certification of \$200,000,000 in unused or unredeemed studio partner film tax credits for SFY2022 which will increase the studio partner film tax credits available for SFY2023. This increase will raise the total amount of studio partner film tax credits available in SFY2023 to \$300,000,000.
3. The certification of \$200,000,000 in unused or unredeemed film-lease partner film tax credits for SFY2022 which will increase the film-lease film tax credits available for SFY2023. This increase will raise the total amount of film-lease partner tax credits available in SFY2023 to \$300,000,000.
4. The reallocation of \$200,000,000 in unused film-lease partner film tax credits, to legacy tax credits. This reallocation will raise the total amount of adjusted legacy film tax credit available in SFY2023 to \$378,180,848 and lower the amount of adjusted film-lease partner tax credits available in SFY2023 to \$100,000,000.
5. The certification of \$54,550,293 in unused or unredeemed digital media tax credits for SFY2022 which will increase the digital tax credits available for SFY2023. This increase will raise the total amount of digital media tax credits available in SFY202 to \$84,550,293.



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Tim Sullivan, CEO

Prepared by: Matt Sestrich

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM**

As 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 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

As amended by law on 7/2/2021, the eligible tax credit for qualified film production expenses increased from 30% to 35% for applications received after Jan 7, 2021. Additionally, for applications received after July 2, 2021, the program amendment also eliminates the targeted county bonus and specifies a tax credit of 30% for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New, York.

**APPLICANT:** Pacific 2.1 Entertainment Group, Inc

PROD-00303031

**APPLICANT BACKGROUND:**

Pacific 2.1 Entertainment Group, Inc. is the Production company responsible for Wu Tang: An American Saga Season 3. EMMY® NOMINATED Wu-Tang: An American Saga is inspired by “The Wu-Tang Manual” and “Tao of Wu” and is based on the true story of the Wu-Tang Clan. Set in early '90s New York at the height of the crack cocaine epidemic, the show tracks the Clan’s formation, a vision of Bobby Diggs aka The RZA, who strives to unite a dozen young, black men that are torn between music and crime but eventually rise to become the unlikeliest of American success stories.

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the film.

**ELIGIBILITY AND TAX CREDIT CALCULATION:**

As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. **Total Film Production Expenses:** A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2034 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	\$86,226,790.00
B. Total Post-Production Expenses	\$7,257,020.00
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	\$64,054,020.00

Percentage Calculation = C/(A-B)	81%
<b>Criterion Met</b>	<b>YES</b>

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than \$1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a “qualified film production expenses” unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). “Qualified film production expenses” shall not include: expenses incurred in marketing or advertising a film; and payment in excess of \$500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Qualified Film Production Expenses incurred in NJ during a single privilege period after July 1, 2018.	\$64,069,020.00
<b>Criterion Met</b>	<b>Yes</b>

## AWARD CALCULATION

<b>Base Award Criteria</b>	<b>Calculation</b>	<b>Result</b>
30% of Estimated Qualified Film Production Expenses incurred within 30-mile radius of Columbus Circle, NYC	\$17,673,819.00 x 30% =	\$5,302,145.70
35% of Estimated Qualified Film Production Expenses	(\$64,069,020.00- \$17,673,819.00) x 35% =	\$16,238,320.35
<b>Bonus Criteria Met</b>		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	\$64,069,020.00 x 2% =	\$1,281,380.40
<b>Total Award</b>		<b>\$22,821,846</b>

<b>APPLICATION RECEIVED DATE:</b>	4/4/2022
<b>DATE APPLICATION DEEMED COMPLETE:</b>	4/14/2022
<b>PRINCIPAL PHOTOGRAPHY COMMENCEMENT:</b>	4/11/2022
<b>PRINCIPAL NJ PHOTOGRAPHY LOCATION:</b>	Kearny Town, NJ
<b>ESTIMATED DATE OF PROJECT COMPLETION:</b>	8/17/2022
<b>APPLICANT’S FISCAL YEAR END:</b>	9/30/2022

**TAX CREDIT VINTAGE YEAR(S):**  
**TAX FILING TYPE:**  
**ANTICIPATED CERTIFICATION DATE:**

2022  
Corporate Business Tax  
8/25/2023

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

**APPROVAL REQUEST:**

The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM**

As 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 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

As amended by law on 7/2/2021, the eligible tax credit for qualified film production expenses increased from 30% to 35% for applications received after Jan 7, 2021. Additionally, for applications received after July 2, 2021, the program amendment also eliminates the targeted county bonus and specifies a tax credit of 30% for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New, York.

**APPLICANT:** Minim Productions, Inc.

PROD-00303184

**APPLICANT BACKGROUND:**

Minim Productions, Inc. is the production company responsible for “Retreat S1”. Retreat is a whodunit with a new kind of detective at the helm — a gen Z amateur sleuth named Darby Hart. Darby and 11 other guests are invited by a reclusive billionaire to participate in a Retreat at a remote and dazzling location. When one of the other guests is found dead, Darby must fight to prove it was murder against a tide of competing interests and before the killer takes another life.

The movie content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the program shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the program.

**ELIGIBILITY AND TAX CREDIT CALCULATION:**

As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. **Total Film Production Expenses:** A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2034 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	\$122,430,147.00
B. Total Post-Production Expenses	\$9,692,674.00
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	\$72,993,344.00

Percentage Calculation = C/(A-B)	65%
<b>Criterion Met</b>	<b>Yes</b>

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than \$1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a “qualified film production expenses” unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). “Qualified film production expenses” shall not include: expenses incurred in marketing or advertising a film; and payment in excess of \$500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Qualified Film Production Expenses incurred in NJ during a single privilege period after July 1, 2018.	\$73,073,262.00
<b>Criterion Met</b>	<b>Yes</b>

#### AWARD CALCULATION

<b>Base Award Criteria</b>	<b>Calculation</b>	<b>Result</b>
30% of Estimated Qualified Film Production Expenses incurred within 30-mile radius of Columbus Circle, NYC	\$26,889,517 x 30% =	\$8,066,855.10
35% of Estimated Qualified Film Production Expenses incurred outside of 30-mile radius of Columbus Circle, NYC	(\$73,073,262 - \$26,889,517) x 35% =	\$16,164,310.80
<b>Bonus Criteria Met</b>		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	\$73,073,262 x 2% =	\$1,461,465.24
<b>Total Award</b>		<b>\$25,692,631</b>

<b>APPLICATION RECEIVED DATE:</b>	4/26/2022
<b>DATE APPLICATION DEEMED COMPLETE:</b>	5/09/2022
<b>PRINCIPAL PHOTOGRAPHY COMMENCEMENT:</b>	4/26/2022
<b>PRINCIPAL NJ PHOTOGRAPHY LOCATION:</b>	Jersey City, NJ
<b>ESTIMATED DATE OF PROJECT COMPLETION:</b>	8/18/2022
<b>APPLICANT’S FISCAL YEAR END:</b>	9/30/2022

**TAX CREDIT VINTAGE YEAR(S):**  
**TAX FILING TYPE:**  
**ANTICIPATED CERTIFICATION DATE:**

2022  
Gross Income Tax  
1/18/2023

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

**APPROVAL REQUEST:**

The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM**

As 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 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

As amended by law on 7/2/2021, the eligible tax credit for qualified film production expenses increased from 30% to 35% for applications received after Jan 7, 2021. Additionally, for applications received after July 2, 2021, the program amendment also eliminates the targeted county bonus and specifies a tax credit of 30% for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New, York.

**APPLICANT:** Atomic Punk Films LLC

PROD-00304037

**APPLICANT BACKGROUND:**

Atomic Punk Films LLC is the production company responsible for ‘Insidious 5’. ‘Insidious 5’ is the next installment of the Insidious franchise that has been scaring viewers for over a decade. ‘Insidious 5’ picks up with the Lamberts 10 years after the last installment, as Dalton (Ty Simpkins) begins college.

The program content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the program shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the program.

**ELIGIBILITY AND TAX CREDIT CALCULATION:**

As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. **Total Film Production Expenses:** A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2034 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	\$40,390,526.00
B. Total Post-Production Expenses	\$3,164,207.00
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	\$30,305,720.00
Percentage Calculation = C/(A-B)	81%
<b>Criterion Met</b>	<b>Yes</b>

2. **Qualified Film Production Expenses:** During a single privilege period, the film must have more than

\$1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a “qualified film production expenses” unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). “Qualified film production expenses” shall not include: expenses incurred in marketing or advertising a film; and payment in excess of \$500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Qualified Film Production Expenses incurred in NJ during a single privilege period after July 1, 2018.	\$30,365,483.00
<b>Criterion Met</b>	<b>Yes</b>

**AWARD CALCULATION**

<b>Base Award Criteria</b>	<b>Calculation</b>	<b>Result</b>
30% of Estimated Qualified Film Production Expenses incurred within 30-mile radius of Columbus Circle, NYC	$\$9,370,364 \times 30\% =$	\$2,811,109.20
35% of Estimated Qualified Film Production Expenses incurred outside of 30-mile radius of Columbus Circle, NYC	$(\$30,365,483.00 - \$9,370,364) \times 35\% =$	\$7,348,291.65
<b>Bonus Criteria Met</b>		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	$\$30,365,483.00 \times 2\% =$	\$607,309.66
<b>Total Award</b>		<b>\$10,766,711</b>

<b>APPLICATION RECEIVED DATE:</b>	6/13/2022
<b>DATE APPLICATION DEEMED COMPLETE:</b>	6/16/2022
<b>PRINCIPAL PHOTOGRAPHY COMMENCEMENT:</b>	7/11/2022
<b>PRINCIPAL NJ PHOTOGRAPHY LOCATION:</b>	Madison, NJ
<b>ESTIMATED DATE OF PROJECT COMPLETION:</b>	8/19/2022
<b>APPLICANT’S FISCAL YEAR END:</b>	12/31/2022
<b>TAX CREDIT VINTAGE YEAR(S):</b>	2022
<b>TAX FILING TYPE:</b>	Corporate Business Tax
<b>ANTICIPATED CERTIFICATION DATE:</b>	1/31/2023

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

**APPROVAL REQUEST:**

The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 15, 2022

**SUBJECT:** Approval of the submission of the Historic Property Reinvestment Program Rules, N.J.A.C. 19:31-26, et seq., to the Office of Administrative Law for Adoption

### **Request**

The Members are asked to approve:

The submission of the Historic Property Reinvestment Program Rules as final adopted rules for publication in the New Jersey Register. The proposed rules were originally published for public comment through the Office of Administrative Law (OAL) process on April 4, 2022. One set of comments was received with questions but without any request for substantive changes. Staff is recommending that the rules be filed with OAL for publication as final adopted rules with no amendments.

### **Historic Property Reinvestment Program – Proposed Program Rules**

On February 9, 2022, the Board approved proposed new rules for the new Historic Property Reinvestment Program, and authorized staff to:

- a. Create the Historic Property Reinvestment Program - a gap financing tax incentive program as initially authorized by the New Jersey Economic Recovery Act of 2020, sections 2 through 8 of P.L. 2020, c. 156, as amended by Sections 1 through 4 of P.L. 2021 c.160 - to incentivize the development of historic-designated commercial, mixed use, and/or residential

rehabilitation projects in New Jersey by providing tax credits in an amount based on a percentage of the project's eligible costs;

- b. Submit the proposed new program rules for publication in the New Jersey Register;
- c. Submit the proposed program rules as final adopted rules for publication in the New Jersey Register if no formal comments were received, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; and,
- d. Delegation to Authority staff to establish a date/s for the availability of the application and the date/s by when applications must be submitted on an annual basis.

### **Public Comments Received**

The proposed Historic Property Reinvestment rules were published in the New Jersey Register on April 4, 2022 and were open for a 60-day comment period through June 3, 2022, in accordance with OAL process.

The only set of comments submitted was by Kasper Mortgage Capital, LLC (KMC). KMC's comments asked questions about the Historic Property Reinvestment Program's tax credit certificate, with topics including sale of tax credit, recapture of monies, monetization of tax credit, and tax credit transfer process.

After reviewing comments received, NJEDA determined that the comments do not propose any substantive changes and would not require an amendment to the proposed Historic Property Reinvestment Rules originally published on April 4, 2022.

### **Anticipated Rule Finalization Schedule**

Approval of the adoption of the proposed Historic Property Reinvestment rules by the Board would permit NJEDA to submit the final adopted rules to OAL by the OAL filing deadline of October 13, 2022, which would result in publication in the New Jersey Register on November 7th, 2022. The rules will become final upon publication.

### **Program Interest to Date**

As of the date of this memo, one (1) transformative project application, and four (4) regular project applications to the Historic Property Reinvestment Program have been received. These applications potentially represent over \$206.7 million in investment and seek about \$60 million in Historic Property Reinvestment Program tax credit support. All applications are currently under review. Staff expects to bring a recommendation of award for a transformative project to the October Board meeting, and recommendations for award of regular projects by the end of 2022 or early in 2023.

**Recommendation**

The Members are asked to approve:

The adoption of the attached final rules for the Historic Property Reinvestment Program and to authorize staff to submit to the Office of Administrative Law for publication in the New Jersey Register. The proposed rules were originally published by the OAL in the New Jersey Register for public comment on April 4, 2022. One set of comments was received with questions but without any request for substantive changes. Therefore, staff is recommending that the rules be published as final adopted rules with no amendments.



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Tim Sullivan, CEO

Prepared by: C. Aidita Milsted

Attachments:

Appendix A – Adoption of the Historic Property Reinvestment Program Rules

## **OTHER AGENCIES**

### **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

#### **Authority Assistance Programs**

#### **Historic Property Reinvestment Program**

#### **Adopted New Rules: N.J.A.C. 19:31-26**

Proposed: April 4, 2022 at 54 N.J.R. 531(a)

Adopted New Rules: November 7, 2022 by the New Jersey Economic Development Authority, Tim Sullivan, Chief Executive Officer.

Filed: \_\_\_\_\_, 2022, as R.2022 d.\_\_\_\_, **without change**

Authority: P.L. 2020, c. 156, P.L. 2021, c. 160.

Effective Date: November 7, 2022.

Expiration Date: November 6, 2027.

## Summary

In accordance with P.L. 2020, c. 156, the New Jersey Economic Development Authority ("NJEDA") has adopted the following new rules to implement the provisions of the New Jersey Economic Recovery Act of 2020, establishing the Historic Property Reinvestment Program, sections 2 through 8 of P.L. 2020, c. 156, as amended by sections 1 through 4 of P.L. 2021, c. 160 (N.J.S.A. 34:1B-270 through 276, "the statute"). The rules are effective upon publication.

### Summary of Public Comment and Agency Responses:

In response to the notice of proposal, the NJEDA has received comments from the following:

#### 1. Kasper Mortgage Capital

COMMENT: The commenter inquired as to: (a) whether a purchaser or assignee of a tax credit certificate may be responsible for recapture of the tax credit certificate pursuant to section 19:31-26.13(i); (b) the purpose and function of the selection of monetization of the tax credit at time of application; (c) the impact of an applicant seeking to monetize a tax credit that may be an entity such as a limited partnership or limited liability corporation with more than one member and whether applications with co-applicants will be at an advantage to applicants without a co-applicants; (d) what taxes the tax credits received under this program may be applied to; (e) the length of the compliance period; (f) the possibility of a "tiered" approach to the minimum value received upon sale of a tax credit certificate, while acknowledging that the statute does not allow for such an approach; and (g) whether the "transfer" of interest from a pass-through entity to the partner or member level will not be considered a "subsequent" transfer.

RESPONSE: (a) The NJEDA appreciates the opportunity to respond. A tax credit certificate holder who acquired the certificate either by purchase or assignment will not be responsible solely in their capacity as a purchaser or assignee, but may be responsible if they are an affiliate of the party responsible for the event triggering recapture.

(b) The selection of monetization at the time of application is used to determine if the applicant has monetized the tax credit as part of the financing of the project. Therefore, additional information regarding the financing is required upon making this selection at the time of application. Not making the selection to monetize the tax credit during the application process does not preclude an applicant from subsequently monetizing or selling the tax credit.

(c) The NJEDA considers each application and entity on an individual basis. The NJEDA does not score applicants or applications based on the existence of a co-applicant. The NJEDA evaluates each application individually based on the eligibility requirements of the program. As per the statute, a tax credit purchaser must have applicable tax liability to purchase the tax credits. The NJEDA anticipates that only entities with corporate business tax or insurance premiums tax liability can purchase the tax credits. Therefore, the NJEDA does not anticipate transferees to be pass-through entities. See N.J.S.A. 34:1B-273(b).

(d) The statute refers to N.J.S.A. 54:10A-5 (Franchise Tax); N.J.S.A. 54:18A-2 and N.J.S.A. 54:18A-3 (Premium Tax); as well as N.J.S.A. 17:32-15 and N.J.S.A.17B:23-5 (Retaliatory Tax) as eligible under the program. See N.J.S.A. 34:1B-272(a).

(e) N.J.S.A. 34:1B-274 and -275 set forth circumstances where recapture events occur and require their inclusion in the regulations; the requirements regarding prevailing wage for building services for 10 years post completion are established in N.J.S.A. 34:1B-272. To this end, “compliance period” as defined at N.J.A.C. 19:31-26.2, means a period of five years starting immediately after the conclusion of the selected rehabilitation period. Also defined at N.J.A.C. 19:31-26.2 is “building services,” which includes a requirement to pay prevailing wage as defined in N.J.S.A. 34:11-56.26. The rules also set forth circumstances including misrepresentation and new information that identifies a situation requiring recapture in addition to other penalties. See N.J.A.C. 19:31-26.13.

(f) The statute does not permit NJEDA to use a “tiered” approach. See N.J.S.A. 34:1B-273(b).

(g) The receipt of the tax credit by the corporate partner or member of a pass-through entity is not a transfer or subsequent transfer as the pass-through entity does not receive the tax credit directly.

### **Federal Standards Statement**

A Federal standards analysis is not required because the adopted new rules are not subject to any Federal requirements or standards.



**MEMORANDUM**

TO: Members of the Authority

FROM: Tim Sullivan  
Chief Executive Officer

DATE: September 14, 2022

SUBJECT: Adoreme, Inc.  
Grow New Jersey Assistance Program (“Grow NJ”) Modification – P44220

**Request:**

Approve a modification to the Grow NJ application to reduce the average salary from \$50,000 to \$30,758 and to affirm that the project has not otherwise materially changed to allow staff to complete its certification of project completion.

As a result of this requested change, the approved award will decrease by 33% from \$3,320,000 to \$2,210,000. All other terms and conditions of the Grow NJ award will be consistent with the current approval.

The Members are asked to approve this action because it exceeds the criteria for staff delegation to approve these matters.

**Background:**

Adoreme, Inc. (“Adoreme”), is an on-line subscription-based retailer, specializing in women’s lingerie and apparel, offering a monthly style service throughout the United States and Canada. Founded in 2012 and headquartered in New York City, the on-line retailer designs and selects all the materials for its apparel in-house and uses third party providers for manufacturing and distribution.

On June 13, 2017, Adoreme was approved for a ten (10) year, \$3,320,000 Grow NJ award to incent the creation of 83 new full-time jobs, as part of a relocation to a 126,086 sf operation facility for the company’s warehousing and distributing operations in Secaucus, Hudson County. Capital investment to complete the project was estimated to be \$3,000,000.

In June 2020, Adoreme submitted certification of its project completion. The CPA certified that the company had made \$10,790,630 in capital investments, which exceeded the minimum requirement of

\$2,525,720. Adoreme created 79 of the 83 expected new full-time jobs, for a total of 79 jobs at the approved QBF, which exceeded the minimum requirement of 35 for the Grow NJ award.

As a result of the internal QA-Audit review of this submission, it was noticed that the average salary at project certification (\$30,758) decreased 38% from the \$50,000 average salary identified in the Grow application. The company explained that when they began occupying the QBF and hiring staff, there was more of a need for additional floor staff as opposed to the number of directors and managers as was initially anticipated at application, resulting in the reduction in the average salaries. Since average salaries are an input into the Net Positive Economic Benefit (NBT), staff recalculated the NBT and found that when using the lower salaries, the project no longer met the 110% NBT threshold, and required a reduced award. In accordance with the regulations, if a project has a reduction to the capital investment or jobs from what was approved by the Board, staff will recalculate the NBT and adjust the award accordingly. Delegations approved by the Board have not granted permission to staff to approve such changes if a project yields a 25% or greater (or 10% in limited cases) reduction to the capital investment or jobs from what was approved by the Board. The Board would have to decide whether the project has materially changed for staff to be able to decision the project certification.

Since the regulations and the agreement do not specifically address reductions in the average salary as they do reductions in capital investment and jobs, staff sought guidance from Senior Management and the Office of the Attorney General on how to proceed and the review of the company’s project certification was put on hold.

EDA staff presented the company with the option of submitting a modification application to amend the average salaries from \$50,000 to \$30,758, with the understanding that it would reduce the company’s award from \$3,320,000 to \$2,210,000. The company accepted this option and submitted a modification application, thus allowing staff to move forward amending the application and decisioning project certification.

Staff recalculated the NBT to the State over 20 years using the current net benefit model (2017) which resulted in a \$279,571 NBT to the State and a reduced maximum award amount not to exceed \$2,210,000, allowing the company to continue to meet the required 110% NBT to the State. The company expended \$10,790,630 in capital investment (more than anticipated at approval), created 79 jobs at the approved QBF and continues the operations as described to the Board at approval. Based on the above, staff has determined that the overall Grow NJ project has not materially changed since Board approval.

**Summary of Project Changes**

	<b><u>At Approval</u></b>	<b><u>At Certification</u></b>
<b>Proposed/Actual Jobs:</b>	83 (New)	79 (New)
<b>Base Amount:</b>	\$4,000	\$2,797

<b>Total Amount per Incented Employee</b>	\$4,000	\$2,797
<b>Annual Award:</b>		
New:	83 x \$4,000 = \$332,000	79 x \$2,797 = \$221,000
<b>Total Award</b>	\$3,320,000	\$2,210,000
<b>Square Footage</b>	126,286	126,086
<b>Average Salary</b>	\$50,000	\$30,758
<b>Capital Investment at QBF</b>	\$3,000,000	\$10,500,074
<b>Gross Benefit to the State (over 20 years)</b>	\$4,283,247	\$2,489,571
<b>Net Benefit to the State: Over 20 Years, Net of award</b>	\$963,247	\$279,571

**Recommendation:**

Approve a modification to the Grow application to reduce the average salary from \$50,000 to \$30,758 and to affirm that the project has not otherwise materially changed to allow staff to complete its certification of project completion.

As a result of the requested change, the approved award will decrease from \$3,320,000 to \$2,210,000. All other terms and conditions of the Grow NJ award will be consistent with the original approval.




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Tim Sullivan, CEO

Prepared by: Parviz Ibragimov



## MEMORANDUM

**To:** Members of the Authority  
**From:** Tim Sullivan  
**Date:** September 14, 2022  
**Subject:** Innovate Capital Growth Fund, L.P. (PROD-00302715)

**Request:**

Approval is requested to make a limited partnership investment in Innovate Capital Growth Fund, L.P. for a commitment by the NJEDA of 2% of the total committed fund size, not to exceed \$1,000,000. Funding for the investment will be made from the Economic Recovery Fund (ERF).

**Background:**

Innovate Capital Growth Fund, L.P. (“ICGF” or the “Fund”) is a Delaware limited partnership formed in June 2021 to act as an unlevered SBIC fund, and they will not borrow federal funds as part of the fund. The objective of the Fund is to achieve superior risk-adjusted returns and capital appreciation by providing growth capital, primarily in the form of equity and equity-like instruments to lower middle market minority-owned enterprises and women-owned enterprises located substantially in the Mid-Atlantic region. The targeted fund size of ICGF is \$50 million. The term of the Fund will be until the 10th anniversary of the Fund’s final closing date. The General Partner may extend the term of the Fund for up to two successive one-year periods.

ICGF is sponsored by The Enterprise Center (“TEC”), a Philadelphia-based community economic development center focused solely on advancing economic growth by connecting minority and women-owned companies to business, capital, and community. In Q4 2021, TEC opened a business center in Camden, NJ. TEC employs more than 45 investment and operations professionals across all of their offices, of which 5 are housed in their Camden, NJ office. TEC is also the initial Limited Partner of ICGF. TEC operates three federally contracted business centers – MBDA Business Center of Pennsylvania, MBDA CARES Center, and the Mid-Atlantic Small Business Transportation Resource Center as well as a certified Community Development Financial Institution (“CDFI”). Across all of these instruments, TEC has helped small businesses earn more

than \$1 billion in contracts and financing, secure more than \$7 million in start-up loans, and created more than 3,000 jobs for the local community.

ICGF is a first-time fund and will be managed by Della Clark, Blessy Thomas and Bob Palmer (collectively, the “Principals”). The management team has combined experience of more than 70 years (primarily in investments and operations). This is the first time this team is coming together to form the Fund. Ms. Clark has been the President and CEO of TEC for last thirty years and has been instrumental in growing TEC from an incubator of small businesses to a nationally recognized community economic development center. The Fund’s investment manager, responsible for day-to-day operations of the Fund, will be Innovate Capital Partners, LLC, a wholly owned subsidiary of TEC. TEC will also provide Admin, Accounting, Facilities, IT and Marketing services to ICGF, as documented via facility agreement which draws out responsibilities and fees arranged between TEC and ICGF. ICGF was awarded an SBIC license from the federal government. Having this designation will enable the firm to access a wider pool of capital from private lenders and banks that may support their portfolio companies. In order to receive this designation, the Fund underwent a rigorous licensing process.

ICGF’s investment strategy is to provide growth capital, primarily in the form of equity, to minority and women-owned lower middle market businesses substantially located in the Mid-Atlantic region. The Fund will focus on expansion/late stage equity investments, the majority of which will be non-control or minority stakes in investments with strong governance rights. The Fund intends to structure investments as preferred equity, but will also invest in common equity and, under certain circumstances, mezzanine debt. ICGF expects to invest in a diversified portfolio of 15 to 25 businesses across a variety of industries (including manufacturing, business services, health care services, technology-enabled services and consumer products) with an investment size range of \$2-5 million based on the \$50 million target fund size.

Thus far, ICGF has closed \$17.75 million (36% of the target fund size) from Banks, Institutional Investors and Non-Profit Organizations. In addition, the fund has \$7 million in soft-circled commitment of interest from prospective investors. The Fund plans to hold a Final Closing in Q1 2023. The LPA does allow the Final Closing Date to occur up to 18 months following the receipt of its SBIC license (February 2022) or such later date as is approved by a Majority in Interest of the Limited Partners and SBA.

Per the terms of the LPA, each LP admitted subsequent to the initial closing date shall be subject to an interest charge (7%) on its pro rata share of capital called before admittance. To date, ICGF has called \$3.47 million of the \$17.75 million (19.5%) of committed capital. Additionally, the Manager will document a best-efforts commitment to invest \$2 in New Jersey-based companies in addition to every \$1 the Authority commits to the fund. This would result in a target of \$3 million of capital invested in New Jersey-based companies. This arrangement of leveraging the Authority’s public investment with ICGF’s private investment will be documented in a side letter agreement consistent with all of NJEDA’s prior venture fund LP investments. The side letter agreement will also document the requirement of a seat for NJEDA on ICGF’s LP Advisory Board, the requirement for the Fund’s participation in future NJ Founders and Funders events by a representative of the Firm, annual reporting on NJ investments – jobs, and (on a voluntary basis) Diversity and Inclusion – and, quarterly pipeline and opportunity sharing with the NJEDA, along

Innovate Capital Growth Fund, L.P. (PROD-00302715)  
September 14, 2022

with a commitment by the principals on a rotating basis to host monthly office hours in New Jersey. TEC will have five full-time employees based in the New Jersey office.

To date, the NJEDA has approved investments in twenty venture capital funds for more than \$63 million. Although ICGF's industry focus expands beyond the targeted sectors, core to the EDA's venture fund program policy, and includes investment in traditional business models outside sectors, the Fund's mandate / core investment criteria of making 100% of all investments in minority or women-owned businesses aligns strongly with a Stronger & Fairer New Jersey as identified in Governor Murphy's strategic economic development plan.

**Recommendation:**

Approval of the limited partnership investment for up to 2% of the total committed fund size, not to exceed \$1 million is recommended based upon Innovate Capital Growth Fund's experienced management team, depth of organizational resource from TEC, determination to partner with the NJEDA to support NJ-based entrepreneurs and core investment criteria of making 100% of all investments in minority or women-owned businesses. This approval will authorize the CEO to execute all documents required, subject to the review of the New Jersey Attorney General's office.



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Tim Sullivan, CEO

Prepared by: Madhavi Bhatia  
Emmanuel Esochaghi  
Tim Rollender

**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Angel Match Program

**Request**

The Members are asked to approve:

1. The creation of the Angel Match Program, a program that will match direct investment in early-stage, product-based technology companies on a 1 to 1 basis with an unsecured convertible note from \$100,000 up to \$500,000.
2. Utilization of \$20,197,631 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 execution of an allocation agreement between U.S. Treasury and New Jersey Department of the Treasury.
3. Delegation of authority to the Chief Executive Officer to:
  - a. Approve individual applications for the Angel Match Fund Program in accordance with the terms set forth in this memo and the attached program specifications.
  - b. Impose 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.
  - c. Approve modification of terms for approved NJEDA funding, in accordance with existing post-closing delegated authority for loan programs.

**Background**

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 is eligible for a total of \$255 million. This includes sub-allocations specifically for very small businesses (\$15,689,280) and businesses owned by socially and economically disadvantaged individuals, or SEDI businesses (\$27,521,719). Incentive funds are available for jurisdictions that demonstrate strong support for SEDI businesses.

SSBCI is designed to cause and result in the lending and investment of private capital into small businesses. At the program level, each dollar of SSBCI capital must be matched by at least another dollar of private capital. Public funding, including NJ state funding, does not count toward that match. The

allocation of funding across programs is designed to allow the portfolio to reach a leverage ratio (private capital to SSBCI funds) of 10:1 over a ten-year period. Therefore, programs must be designed so that SSBCI funds cause and result in new lending and investment, unlocking capital for small businesses and start-ups that would otherwise not have access to it.

Because U.S. Treasury requires that state-level SSBCI applicants be a state department or agency that can obligate the State, the Governor has designated N.J. Treasury as the lead applicant, with NJEDA acting as a contracted entity to implement the program for purposes of the current pending federal SSBCI application. New Jersey utilized a similar structure for the SSBCI 1.0 program established in 2010. The final application was submitted by NJ in 2011 which was accepted and approved by the U.S. Treasury. In February 2022, the Board approved an MOU between the NJEDA and NJ Treasury regarding the arrangement for SSBCI 2.0.

New Jersey's SSBCI application proposes six programs:

- Blended Capital Investment (\$50M);
- Recovery Loan Loss Reserve (\$25M);
- Clean Energy Business Financing (\$80M);
- Life Science Investment (\$60M);
- SEDI Seed Fund (\$20M); and
- Angel Match Program (\$20M).

New Jersey's SSBCI application remains under review by U.S. Treasury. Following approval, an allocation agreement will be issued by U.S. Treasury to NJ Treasury, as the lead applicant. However, SSBCI statute requires that all proposed programs be "fully positioned, within 90 days of the State's execution of the allocation agreement with the Secretary [of the Treasury] to act on providing the kind of credit support that the State program was established to provide." Although New Jersey's SSBCI application has not yet been approved, staff is bringing this program to the board at this time to ensure it is prepared and better able to meet the required 90-day timeline following execution of the allocation agreement. Staff will be bringing further details of the remaining programs, including specifications, program solicitation award(s), or investment, where applicable, to the Board in the coming months.

NJEDA's Angel Match Program aligns with the goals of SSBCI, as angel investing is a critical source of early-stage capital to help high-quality start-up ventures build and test their products as well as scale their business models. Given the lack of financial history of these new business ventures and the likelihood of failure, the risks and potential rewards associated with angel investing are higher than other later stage equity investments.

From an economic development perspective, many high potential businesses will not progress past their most tenuous phases to become successful high growth job creators without a robust angel investment ecosystem. The proposed Angel Match Program addresses this challenge by providing an additional source of funding to businesses at this stage of development while also stimulating additional funding from the investment community. Ultimately, this funding will propel the creation of an entrepreneurial ecosystem that stimulates innovation and economic development, providing employment opportunities for NJ residents.

The Angel Match Program will have the following benefits for New Jersey:

- **Fuel the earliest stage of NJ's innovation economy, creating a pipeline for future venture investment.** Very early-stage companies face challenges accessing capital due to the high level of risk involved in investing in companies with little financial history. Strengthening this aspect of the funding landscape can help to ensure that promising companies can survive and grow into later stages of their development, at which point they may be more attractive to a wider pool of venture investors.

- **Attract both early-stage companies and angel investors to New Jersey.** Combined with NJEDA’s existing Angel Investor Tax Credit, the Angel Match Program creates an environment that encourages investment and supports entrepreneurs. Both impacts will help further bolster our innovation economy ecosystem, adding to the positive momentum we’ve built over the last four years.
- **Catalyze growth in industries of strategic importance to our state.** Because this Program is not sector specific, many of the applicant companies are expected to be in critical areas of our state’s economy. For example, similar programs that NJEDA has run in the past have supported clean energy technology companies, advanced pharmaceutical and diagnostic start-ups, as well as early-stage ventures focused on advanced manufacturing technologies, financial technologies, and supply-chain optimization technologies.
- **Create jobs and economic opportunity for New Jerseyans.** Angel investment in early-stage companies can catalyze rapid growth, resulting in the hiring of new employees as well as building wealth for founders. Early-stage company growth is one of the biggest drivers of new job creation and the expansion of broad-based economic opportunity within the state, and angel investment makes it possible.
- **Support between 40 and 200 early-stage businesses over 10 years.** Based on the minimum and maximum note amounts of \$100,000 and \$500,000 respectively, the \$20.2 million allocated to the Angel Match Program will support between 40 and 200 promising start-ups over a decade.

### **Program Details**

The Angel Match Program will provide funding to approved companies in the form of a convertible promissory note. Each note will be from \$100,000 up to \$500,000. This 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 price per share. These external investments must be received by the company within 90 days of the NJEDA approval. 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 10-year maturity.

### ***Eligibility:***

Early-stage, product-based innovation companies within a targeted industry are eligible for funding under the Angel Match Program. “Early-stage” is defined as “the phase of start-up development preceding the rapid growth phase and includes activities such as research development, marketing research and product development”. For this, “product-based” is defined as the company’s primary business including “commercializing and marketing a product”, which would exclude service-based companies from the eligibility. Finally, “targeted industries” include the ever-expanding list of industries identified by the NJEDA as possessing high growth potential in the State of New Jersey, including:

- Advanced Transportation and Logistics
- Advanced Manufacturing
- Aviation
- Autonomous Vehicle and Zero-emissions
- Clean Energy
- Clean Technology
- Life Sciences
- Hemp Processing
- Information and High Technology
- Finance and Insurance

After meeting the definition requirements, the following criteria will be used to determine eligibility for businesses applying to the Angel Match Program:

- Must have a physical location in New Jersey (formal office or colocation facility acceptable)
- Must be properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation as evidenced by current tax clearance
- Must have a minimum of 50% of full-time employees working in New Jersey
- Must have no more than 100 total employees working for the company
- Must have at least 2 founders/C-level executives working full time in New Jersey
- Must have minimum revenues of \$100,000 within the last trailing 12 months (TTM)
- Must have a C-Corporation or Limited Liability Corporation (LLC) structure

In addition to the eligibility parameters already stated above, the applicant company must successfully clear the NJEDA's legal review process.

### ***Diversity, Equity and Inclusion:***

The federal SSBCI program supports the expansion of businesses owned by socially- and economically-disadvantaged individuals by mandating a portion of a State's allocation be directed to SEDI businesses. From New Jersey's total allocation of \$255,197,631, New Jersey must expend at least \$27,521,719 to benefit SEDI businesses. Over time, U.S. Treasury may reduce New Jersey's total SSBCI allocation if the State is not on track to meet this minimum threshold. The SSBCI program also includes a SEDI incentive. New Jersey is eligible for incentive funds of up to \$14,678,250 based on the share of the \$255 million allocation that is deployed to support SEDI businesses, with the maximum incentive reached if New Jersey expends 31.01% of the \$255 million allocation to benefit SEDI business. The NJEDA defined and articulated a strategy to do outreach to and deploy funds into SEDI businesses as part of the NJEDA's SSBCI application.

### ***Eligible Funding Uses:***

Funding may only be used for working capital and is prohibited to be used for construction purposes.

### ***Terms/Rates:***

Convertible promissory notes for the Angel Match Program will be disbursed between the amounts of \$100,000-\$500,000 at a 3% interest rate, accruing and capitalizing annually. The note will reach maturity in 10 years, with the first payment due after 7 years, at month 85 from the disbursement date. The NJEDA will disburse the funds within 90 days from application approval notification, given that the applicant raises additional funding from outside investors during this time, which the NJEDA will match at a 1:1 ratio.

The NJEDA will also receive a warrant with 10-year maturity equaling 50% of the promissory note's principal. The warrant will stay intact even if the applicant repays the full amount of the note early. At the NJEDA's discretion, the note can be converted to equity in a future equity round greater than \$1,000,000 at the same terms as the other investors. Furthermore, a missed payment or delay in providing required reporting could be considered as default. There is no prepayment penalty or secured collateral.

The Angel Match loans will be rated at Technology – Fully Reserved.

### ***Application Process:***

Applications for the Angel Match Program will be accepted on a rolling basis and processed in order of completeness of the initial application. To expedite the process from application to fund disbursement,

there will be no pre-application. Applicants will have the opportunity to submit missing or incomplete information after application submission. In general, the steps for administering the program are:

1. Applicant company submits application via online system.
2. Staff performs analysis to evaluate application to eligibility standards.
3. NJEDA generates an application decision.
4. If approved, applicant company raises matching investment.
5. Closing agreements executed and funds disbursed.
6. Ongoing monitoring of company.

### **Delegated Authority**

The Members are requested to approve the delegation of authority to Chief Executive Officer (CEO) to:

- Approve individual applications for the Angel Match Program in accordance with the terms set forth in this memo and the attached program specifications.
- Update existing requirements or impose additional requirements as may be required by SSBCI, provided that the requirements are consistent with the parameters of the program.
- Approve modification of terms for approved NJEDA funding, in accordance with existing post-closing delegated authority for loan programs.

### **Program Funding**

The Angel Match Program will be funded through New Jersey's allocation from U.S. Treasury's SSBCI under the ARP. SSBCI is a federal program administered by the U.S. Treasury to support state, territory, and tribal government programs that catalyze private lending or investment in small businesses. New Jersey is eligible for a total non-competitive allocation amount of \$255,197,631. The Angel Match Program will utilize \$20,197,631 of this allocation.

SSBCI funds are disbursed to jurisdictions in three tranches. The first is disbursed after U.S. Treasury approves the application and NJ Treasury signs and executes the allocation agreement with U.S. Treasury. The second and third tranches will be disbursed when the NJ Treasury certifies that it has expended, transferred, or obligated at least 80% of the prior disbursement of allocated funds. The second tranche must be drawn down at or before the three-year anniversary of the signing of the allocation agreement, and the final tranche must be drawn down at or before the six-year anniversary of the signing of the allocation agreement. US Treasury has informed EDA staff that the expected deadline to disburse the funds is 10 years. SSBCI administrative costs are limited to 5% of SSBCI funds in the first tranche and 3% of SSBCI funds in the second and third tranches.

### **Fees**

NJEDA will charge a \$1,000 non-refundable application fee to applicants for the Angel Match Program. If needed, NJEDA will also charge the following fees:

- Extension Fee of \$750
- Minor Modification Fee of \$250 / Major Modification Fee of \$1,000

## **Recommendation**

The Members are requested to approve: (1) the creation of the Angel Match Program, a program to match angel investor's direct investment in early-stage, product-based technology companies on a 1 to 1 basis with an unsecured convertible note from \$100,000 up to \$500,000; (2) Utilization of \$20,197,631 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 execution of an allocation agreement between U.S. Treasury and New Jersey Department of the Treasury; and (3) Delegation of authority to the Chief Executive Officer to Approve individual applications for the Angel Match Fund Program in accordance with the terms set forth in this memo and the attached program specifications, impose additional requirements as may be required by SSBCI, provided that the requirements are consistent with the parameters of the program, and approve modification of terms for approved NJEDA funding, in accordance with existing post-closing delegated authority to loan programs.



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Tim Sullivan, CEO

Prepared by:

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Intern  
Innovation Programs

Monika Athwal  
Senior Innovation Product Officer  
Innovation Programs

Clark Smith  
Director  
Innovation Programs

Attachments:  
Appendix A - Proposed Product Specifications

Appendix A

<b>Angel Match Program Proposed Program Specifications September 14, 2022</b>	
<b>Funding Source</b>	SSBCI \$20,197,631 allocation
<b>Program Purpose</b>	<ul style="list-style-type: none"> <li>• To support early-stage New Jersey innovation companies with an additional funding source to address the funding gap experienced by companies in the seed stage of the business cycle</li> <li>• NJEDA capital will be in the form of a convertible note, conditioned upon matching equity investment provided by at least 2 outside investors</li> <li>• This capital will provide critical resources to commercialize technology, scale commercial revenues, and grow employee base</li> </ul>
<b><u>COMPANY REQUIREMENTS</u></b>	
<b>Eligible Applicants</b>	Early-stage, product-based innovation companies within a “Targeted Industry”
<b>Early- Stage</b>	The phase of start-up development preceding the rapid growth phase and includes activities such as research development, marketing research and product development
<b>Product-Based</b>	Company’s Primary Business: <ul style="list-style-type: none"> <li>• Commercializing and marketing a product (Examples include software platforms, computer hardware, electronic devices, medical devices, etc.)</li> <li>• Service based offerings would not be considered a product (Examples include software reselling, IT advisories, financial recommendations, etc.)</li> </ul>
<b>Targeted Industries</b>	Targeted Industries means any industry identified from time to time by the NJEDA that shall initially include: <ul style="list-style-type: none"> <li>• Advanced Transportation and Logistics</li> <li>• Advanced Manufacturing</li> <li>• Aviation</li> <li>• Autonomous Vehicle and Zero-emissions</li> <li>• Clean Energy</li> <li>• Clean Technology</li> <li>• Life Sciences</li> <li>• Hemp Processing</li> <li>• Information and High Technology</li> <li>• Finance and Insurance</li> </ul>
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>• Physical location in New Jersey (formal office or colocation facility acceptable)</li> <li>• Registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation as evidenced by current tax clearance</li> <li>• A minimum of 50% of full-time employees working in New Jersey</li> </ul>

<b>Angel Match Program</b> <b>Proposed Program Specifications</b> <b>September 14, 2022</b>	
	<ul style="list-style-type: none"> <li>• No more than 100 total employees working for the company</li> <li>• Company has at least 2 founders/C-level executives working full time in New Jersey</li> <li>• Minimum revenues of \$100,000 within the last trailing 12 months (TTM)</li> <li>• C-Corporation or Limited Liability Corporation (LLC) structure.</li> </ul>
<b><u>NJEDA LOAN REQUIREMENTS</u></b>	
<b>Amount</b>	<ul style="list-style-type: none"> <li>• \$100,000 up to \$500,000</li> </ul>
<b>Matching Equity Investment</b>	<ul style="list-style-type: none"> <li>• Minimum total amount of \$100,000</li> <li>• Minimum ratio of 1:1 match</li> <li>• Preferred equity with a defined price per share</li> <li>• A minimum of two outside, independent investors (funds raised from company employees or family members will not be considered eligible as matching equity investment)</li> <li>• Matched equity investments received by company within 90 days from NJEDA commitment</li> </ul>
<b>NJEDA Loan Terms</b>	<ul style="list-style-type: none"> <li>• Convertible Promissory Note</li> <li>• 3% fixed interest rate</li> <li>• Interest accrues and capitalized annually</li> <li>• 10-year maturity</li> <li>• No payments for first seven-years Payments begin month 85, principal plus interest, to fully amortize the note with capitalized interest over three-year term</li> </ul>
<b>Warrant</b>	<ul style="list-style-type: none"> <li>• According to NJEDA standard form</li> <li>• 10-year maturity</li> <li>• Amount equal to 50% of NJEDA Note Principal</li> </ul>
<b>Eligible Uses</b>	Working capital (no construction)
<b>Lien/Collateral/Security</b>	Unsecured

<b>Fees</b>	Application fee = \$1000 Extension Fee = \$750 Modification Fee = \$250 Minor / \$1000 Major
<b>Application Reviews</b>	Reviewed on a rolling basis
<b>Disbursement</b>	Fully disbursed upon execution of closing documents
<b>Conversion</b>	At the NJEDA’s discretion, the note can be converted to equity in a future equity round greater than \$1,000,000 at the same terms as the other investors
<b>Repayment</b>	<ul style="list-style-type: none"> <li>• Repayment of all outstanding principal and accrued interest beginning at year 8 / month 84</li> <li>• 36-month amortization until end of year 10 / month 120</li> <li>• Repayment in its entirety at any time without penalty but the warrant will not be refunded and will remain in place until end of warrant term</li> </ul>
<b>Board Approval/ Delegated Authority</b>	<ul style="list-style-type: none"> <li>• Board approval of application</li> <li>• Delegated authority for commitment extensions and loan modifications</li> </ul>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>• Quarterly and Annual financial statements prepared by company management</li> <li>• Annual current capitalization table</li> <li>• Annual current lease agreement demonstrating a physical New Jersey office location</li> <li>• Company private funding update on a quarterly basis</li> <li>• Annual State and Federal tax filings</li> </ul>
<b>Default</b>	<ul style="list-style-type: none"> <li>• Failure to provide scheduled reporting will be treated as an event of default</li> <li>• Failure to make scheduled payment will be treated as an event of default</li> <li>• Failure to maintain Program company requirements will be treated as an event of default</li> </ul>
<b>SSBCI Requirements</b>	Each borrower must obtain assurance that no principal of the borrowing entity has been convicted of a sex offense against a minor. For purposes of this certification, “principal is defined as each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20 percent or more of the ownership stock equivalent of the entity
<b>SSBCI Required Reporting</b>	All pertinent and related information required by the SSBCI in accordance with their Capital Program Reporting Guidance



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** SSBCI - Recovery Loan Loss Reserve

**Summary**

The Members are asked to approve:

1. The creation of the Recovery Loan Loss Reserve, which will offer a guarantee to Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) that create a recovery loan program with their own funding. This program will provide eligible entities a loan guarantee of 50% for all eligible loans that meet the necessary state and federal criteria. Each entity is eligible for an allocation of up to \$2.5 million per entity.
2. Utilization of up to \$25 million from SSBCI to fund the Recovery Loan Loss Reserve once approval is received.
3. Delegation of authority to the Chief Executive Officer to:
  - Approve individual applications for the Recovery Loan Loss Reserve in accordance with the terms set forth in this memo and the attached program specifications.
  - Delegation to the CEO to impose any additional requirements imposed by the U.S. Department of the Treasury in connection with SSBCI funding, provided that the requirements are consistent with the parameters of the program as approved by the Board.

## **Background**

In March 2020, the Members approved the creation of a CDFI COVID Emergency Loan Loss Reserve. In response to the economic disruption caused by the COVID-19 outbreak this product created a fund that provided NJ based CDFIs the ability to leverage their resources and provide financial assistance to businesses impacted by the novel coronavirus (“COVID-19”) pandemic. The Fund sat on NJEDA’s balance sheet, but was available to be drawn down by CDFIs, if COVID-19 related working capital loans that fit within certain approved parameters defaulted in the future. By lowering the CDFI’s internal risk ratings, the Authority enabled the CDFIs to reserve less capital against potential future losses, thereby increasing the capital available to lend to other COVID-19 impacted businesses.

The CDFI COVID program provided a guarantee to CDFIs for working capital loans that met the following criteria:

- Made to a company that certifies to the CDFI that it has been adversely impacted by the emergency (e.g., closed, reduced hours, 20% reduction in revenue, 25% reduction in staff availability, material disruptions to its supply chain);
- Focused on working capital needs of a micro or small business;
- Does not exceed \$75,000;
- Does not have an interest rate above 3.75%;
- Provide flexible loan structures (e.g. deferred payments, moratoriums or interest only for up to 6 months); and
- Does not exceed a term of five years.

The Authority invited New Jersey CDFIs that focus on micro and small business lending programs to apply to participate in this program. As part of the application process, each CDFI had to:

1. Demonstrate operational and financial capacity;
2. Demonstrate 10 years of experience working with underserved business segments;
3. Demonstrate 10 years of experience working in communities underserved by other financial institutions;
4. Provide a description of its proposed COVID-19 working capital loan program, which must demonstrate that the CDFI serves the targeted borrowers described above; and
5. Demonstrate established underwriting criteria that will be utilized for their emergency loan which must meet the above criteria.

NJEDA received six applications from NJ based CDFIs to utilize the full allocation of \$10 million. To date these entities closed on 413 loans that total to \$9.3 million. To date only one loan has defaulted.

## **Background on the State Small Business Credit Initiative**

The funding source for the Recovery Loan Loss Reserve will be \$25,000,000 from New Jersey’s expected allocation of \$255,197,631 from U.S. Treasury’s State Small Business Credit Initiative (SSBCI). Funding is contingent on final approval of the SSBCI application by U.S. Treasury and execution of an allocation agreement between U.S. Treasury and New Jersey Department of the Treasury. On February 9, 2022, the Board approved delegated authority for the CEO to apply, as

contracted entity to NJ Treasury, for SSBCI funding for six program concepts and corresponding funding allocations, including the Recovery Loan Loss Reserve. The Board also approved a Memorandum of Understanding between the New Jersey Department of the Treasury and the NJEDA regarding NJEDA's participating as the contracted entity to implement the six programs.

SSBCI is a federal program administered by the US Department of the Treasury. The program's purpose is to strengthen 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. This second ARP round has \$10 billion available overall, allocated non-competitively to states, territories, and Tribal governments. New Jersey is expected to be eligible for a total of \$255 million. New Jersey's allocation includes sub-allocations specifically for very small businesses (\$15,689,280) and businesses owned by socially and economically disadvantaged individuals, or SEDI businesses (\$27,521,719). Incentive funds are available for jurisdictions that demonstrate strong support for SEDI businesses.

SSBCI is designed to cause and result in the lending and investment of private capital into small businesses. Each dollar of SSBCI capital must be matched by at least another dollar of private capital. Public funding, including NJ state funding, does not count toward that match. The allocation of funding is designed to allow the portfolio to reach a leverage ratio (private capital to SSBCI funds) of 10:1 over a ten-year period. Therefore, State programs using SSBCI funding must be designed to stimulate new lending and investment, unlocking capital for small businesses and start-ups that would otherwise not have access to it.

Because U.S. Treasury requires that state-level SSBCI applicants be a state department or agency that can obligate the State, the Governor has designated N.J. Treasury as the lead applicant, with NJEDA acting as a contracted entity to implement the program for purposes of the current pending federal SSBCI application. New Jersey utilized a similar structure for the SSBCI 1.0 program established in 2010. The final application was submitted by NJ in 2011 which was accepted and approved by the U.S. Treasury. In February 2022, the Board approved an MOU between the NJEDA and NJ Treasury regarding the arrangement for SSBCI 2.0.

New Jersey's SSBCI application proposes six programs:

- Blended Capital Investment (\$50M);
- Clean Energy Business Financing (\$80M);
- Life Science Investment (\$60M);
- SEDI Seed Fund (\$20M);
- Angel Match Program (\$20M); and
- Recovery Loan Loss Reserve (\$25M), the subject of this memo.

New Jersey's SSBCI application remains under review by U.S. Treasury. Following approval, an allocation agreement will be issued by U.S. Treasury to NJ Treasury, as the lead applicant. However, SSBCI statute requires that all proposed programs be "fully positioned, within 90 days of the State's execution of the allocation agreement with the Secretary [of the Treasury] to act on providing the kind of credit support that the State program was established to provide." Although New Jersey's SSBCI application has not yet been approved, staff is bringing this program to the board at this time to ensure it is prepared and better able to meet the required 90-day timeline following execution of the allocation agreement. Staff will be bringing further details of the

remaining programs, including specifications, program solicitation award(s), or investment, where applicable, to the Board in the coming months.

SSBCI funds are disbursed to jurisdictions in three tranches. The first is disbursed after U.S. Treasury approves the application and NJ Treasury signs and executes the allocation agreement with U.S. Treasury. The second and third tranches will be disbursed when the NJ Treasury certifies that it has expended, transferred, or obligated at least 80% of the prior disbursement of allocated funds. The second tranche must be drawn down at or before the three-year anniversary of the signing of the allocation agreement, and the final tranche must be drawn down at or before the six-year anniversary of the signing of the allocation agreement. US Treasury has informed EDA staff that the expected deadline to disburse the funds is 10 years. SSBCI administrative costs are limited to 5% of SSBCI funds in the first tranche and 3% of SSBCI funds in the second and third tranches.

Since NJEDA will be receiving SSBCI funding, a portion of the funding (\$25 million) will be utilized to support an expanded version of a loan loss reserve. This new version will also allow for CDFI partners outside and inside of NJ to participate, plus expand the eligibility to allow MDIs to be able to apply all to support NJ based businesses. The product will also allow the CDFIs and MDIs to offer an expanded loan product to create a more robust product that can better serve the entities and small businesses throughout NJ.

### **Diversity, Equity, and Inclusion**

The federal SSBCI program supports the expansion of businesses owned by socially- and economically-disadvantaged individuals by mandating a portion of a State's allocation be directed to SEDI businesses. From New Jersey's total allocation of \$255,197,631, New Jersey must expend at least \$27,521,719 to benefit SEDI businesses. Over time, U.S. Treasury may reduce New Jersey's total SSBCI allocation if the State is not on track to meet this minimum threshold. The SSBCI program also includes a SEDI incentive. New Jersey is eligible for incentive funds of up to \$14,678,250 based on the share of the \$255 million allocation that is deployed to support SEDI businesses, with the maximum incentive reached if New Jersey expends 31.01% of the \$255 million allocation to benefit SEDI business. The NJEDA defined and articulated a strategy to do outreach to and deploy funds into SEDI businesses as part of the NJEDA's SSBCI application.

### **Program Details**

Staff propose that a portion of the SSBCI funding (\$25 million) be utilized to support a Recovery Loan Loss Reserve, an expanded version of the CDFI COVID Emergency Loan Loss Reserve. This new version would expand on the original program by allowing for CDFIs and MDIs that are based outside of NJ but serve NJ-based businesses to participate. The product will also permit CDFIs and MDIs to offer an expanded loan product to better serve small businesses throughout NJ.

The Recovery Loan Loss Reserve Program offers eligible CDFIs and MDIs a 50% guarantee on loans that meet the eligibility criteria. This product will allow these entities to opt in for an allocation up to \$2.5 million per entity. NJEDA will look to do specific outreach to offer this product to CDFIs and MDIs that are not just NJ-based, though all applying entities would only be able to register loans for NJ-based businesses.

There are several unique features to the proposed guarantee:

1) The guarantee will not be approved by the Authority for a specific CDFI or MDI loan, but rather will be available to the CDFI or MDI to allocate among their eligible loans. The CDFI or MDI will determine which loans require the support of the guarantee, with the knowledge that the maximum amount the Authority will pay in the aggregate is limited once they are approved. It is up to the CDFI or MDI to determine how many loans to attach to the guarantee, subject to the other requirements of this program.

2) The guarantee will be a first loss guarantee, meaning a) to the extent there is any collateral to be liquidated, the CDFI or MDI is made whole before EDA is repaid and b) to the extent the CDFI or MDI is repaid by the borrower, it is made whole before the EDA is repaid.

3) For each CDFI or MDI that is approved, the Authority will guarantee up to 50% of each eligible individual loan for a maximum of seven years. The exact percentage of the loan guarantee will be determined by each CDFI or MDI. Regardless of the number of loans that are guaranteed, the Authority will never pay out more than each CDFI's or MDI's approved loan loss reserve fund amount.

4) NJEDA is not undertaking any selection or review, including underwriting analysis, of individual loans. Each CDFI or MDI will utilize their own credit terms, underwriting practices, and application processes for the administration of the loans backed by the Authority's guarantee. Upon approval of a loan, the CDFI or MDI will send the Authority notice of the approval by registering the loan as per the Master Guarantee Agreement. It is up to the CDFI and MDI to ensure all loans are eligible and meet the necessary criteria to be eligible. All documents must be received by NJEDA, and if any necessary information is missing due to the CDFI or MDI not providing it, NJEDA will not be held responsible for guaranteeing the loan.

As with all guarantees, the EDA will hold the funds until they are drawn on. Before it may draw upon the guarantee, the CDFI or MDI must demand full repayment from the business and forward that demand to the Authority. Upon paying the guarantee, the Authority will require the CDFI or MDI to use its best efforts to collect the debt and remit repayment to the Authority on a first loss basis. All loans must be registered with NJEDA within 90 days from closing. If any loan is beyond that window the loan will be deemed ineligible for the benefit of a guarantee.

NJEDA will look to CDFIs and MDIs to apply for this product. To be eligible they must meet the following criteria:

- Must have small and micro business lending experience. These entities can be based outside of NJ but must use funds to service eligible NJ based businesses only.
- Must be a certified Community Development Finance Institutions (CDFI) by the US Department of Treasury or a Minority Depository Institution (MDI) recognized by FDIC.
- Must be able to provide a current CDFI certification provided by the U.S. Department of Treasury or FDIC to support status as a MDI.
- Must be able to demonstrate the capacity to create, underwrite, and approve new financial assistance (loan program) that meet the defined parameters as stated in the memo.
- Must provide a current NJ Tax Clearance Certificate
- Must be verified in good standing with Department of Labor and Department of Environmental Protection
- Must complete a legal debarment questionnaire.
- Must provide an assurance affirming that no principal of the financial institution lender has

been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)).

CDFIs and MDIs can apply to NJEDA online. At time of application, the CDFIs/MDIs will opt into the allocation they are seeking under this fund. NJEDA will require applicants to complete an online application, provide a 1-3-page narrative proposal detailing how the Authority's fund would be used, and disclose key financial metrics, such as availability of capital, that demonstrate capacity to offer loan products and other key factors identified below.

As part of the evaluation of each organization's guarantee application, an applicant:

- Must demonstrate lending experience to micro and small businesses. Must provide a recap of all portfolio activity up to date of application to demonstrate growth in capacity and lending efforts in the last year. This can be demonstrated in the financials or balance sheets.
- Must provide detailed information related to the loan products that are currently offered or will be created and supported by this product. Information provided must include: product term sheets, eligibility criteria, loan terms, fees, underwriting criteria and any other necessary criteria.
- Must explain the applicant's policy or plan serving communities and business segments underserved by the banking sector and other financial institutions and show significant experience complying with such policy or plan.
- Must provide a detailed marketing plan on how this product will be marketed to attract new businesses. This marketing plan should highlight what steps will be taken to ensure their product will serve small business owners. Applicants must offer their product information in multiple languages and specify which ones on their application.
- Must provide staffing information to demonstrate that the CDFI/MDI has operational and financial capacity to use the guarantee effectively.

Each CDFI or MDI that applies to this program may use either a new lending program or an existing one, but in neither case utilize federal funding. Each lending product must meet the following criteria to be deemed eligible:

- Loan minimum is \$10,000 and the maximum is \$250,000.
- Applicants must be profit or non-profit entities with commercial business locations within NJ.
- Loan interest rate cannot exceed 12%.
- Loan can include deferred payments, moratoriums or interest only for up to 12 months.
- Loan term cannot exceed 7 years.
- Collateral and personal guarantees are permissible but not required.
- Minimum global debt service coverage ratio of 1.0.
- No-fee or reduced application fees must be offered to small businesses.
- If creating a new program, then minimum credit score must be under 650.
- Loans may be used by the business for any purpose except any refinancing of existing debt,

purchases of equipment, construction, reconstruction, demolition, alteration, repair work, maintenance work, or construction related to installation of equipment where such activity exceeds \$1,999.99. Examples of permitted uses are operating expenses such as payroll, marketing, inventory, rent, mortgage/property tax payments, utilities, or any other expenses that are applicable to the daily operation of the business.

- Loans must be made to applicants that are in good standing with taxation and must collect a current tax clearance certificate when the loan is registered with NJEDA.
- CDFIs and MDIs that have received grants from NJEDA to create lending products cannot use this guarantee as well to support that product.
- CDFIs and MDIs that have received grants from NJEDA to provide technical assistance can use that grant to support businesses applying for loans that are supported by this guarantee.
- Loans provided by the CDFIs and MDIs and registered under the product must meet all SSBCI requirements.
- CDFIs/MDIs must provide an assurance affirming that no principal of the financial institution lender has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)).
- CDFIs/MDIs cannot loan to prohibited businesses which include, but are not limited to:
  - Businesses engaged in gambling or gaming activities; the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going- out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes.
  - Businesses engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;
  - A business that earns more than half of its annual net revenue from lending activities, unless the business is (1) a CDFI/MDI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;
  - A business engaged in pyramid sales, where a participant’s primary incentive is based on the sales made by an ever-increasing number of participants;
  - A business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business’s intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in SBA Standard Operating Procedure 50 10 6; or
  - A business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case

the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business; “gaming activities” for purposes of Tribal SSBCI programs is defined as Class II and Class III gaming under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.

Each CDFI or MDI can apply and opt in to participate for up to \$2.5 million at time of application. If, after the initial review of applications, the total approved amount of the guarantees under the Loan Loss Reserve Fund is less than the aggregate program size of \$25 million, additional guarantee amounts can be approved for one or more CDFIs/MDIs that could result in the maximum guarantee exceeding \$2.5 million.

At three years from closing date, NJEDA staff will access overall performance to ensure the full allocation is being utilized. If the CDFI/MDI does not utilize at least 50% of the loan loss reserve by registering enough loans then their agreement can be reduced or terminated as per their Master Guarantee Agreement.

This may allow NJEDA to reallocate any remaining balances that may remain to either existing awardees that may need the additional support based on their loan volume. If no additional support is needed by other awardees, then new applications can be considered to ensure the aggregate of the full \$25 million is utilized to support loans.

The Master Guarantee Agreement with each awardee will last the term of the allocation agreement unless terminated earlier. This term will be based on the execution date of the NJEDA’s allocation agreement with US Treasury, which NJEDA anticipates will be finalized in the near future.

Staff is recommending that in addition to the eligibility parameters stated above, the applicant must also be in good standing with the New Jersey Department of Labor and Workforce Development (LWD) and NJ Department of Environmental Protection at the time of application to be eligible. A current tax clearance will need to be provided prior to approval to demonstrate the applicant is in good standing with the NJ Division of Taxation. An application fee of \$1,000 would be collected at time of application per applicant.

Finally, the Members are requested to grant delegated authority on all approvals to be granted to the CEO to then designate the appropriate staff. The delegated authority requested for approval also includes the delegated authority to decline for any declinations based solely on non-discretionary reasons.

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final administrative decision. For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval to be granted to the CEO to then designate the appropriate staff.

NJEDA is responsible for meeting extensive reporting requirements set by U.S. Treasury, covering each SSBCI transaction. To ensure these requirements can be met, all CDFIs/MDIs will be responsible for collecting the necessary documentation from borrowers and providing all necessary documentation to NJEDA. When a CDFI/MDI registers a loan with NJEDA, the CDFI/MDI will be required to provide data and documentation as listed on an NJEDA-provided checklist. CDFIs/MDIs will need to maintain all files and documentation in case of an audit. CDFIs/MDIs will be responsible for submitting all required reporting on a quarterly, annual, and on an as needed basis to NJEDA. All due dates and templates will be provided to the participating CDFIs/MDIs. These reporting requirements will be included in the Master Guarantee Agreement between NJEDA and each participating CDFI/MDI.

**Recommendation**

Approval is requested for: (1) creation of the Recovery Loan Loss Reserve Program, a program that will offer 50% guarantees to approved participants for their designation allocation; (2) Utilize SSBCI funding of \$25 million to fund this initiative once NJEDA receives approval; (3) Delegation of authority to the Chief Executive Officer to: approve individual applications for the Recovery Loan Loss Reserve in accordance with the terms set forth in this memo and the attached program specifications, and impose additional requirements as may be required by SSBCI, provided that the requirements are consistent with the parameters of the program.



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Tim Sullivan, CEO

Attachment:  
Exhibit A – Product Specifications

**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

<p><b>Funding Source</b></p>	<p>\$25,000,000 – State Small Business Credit Initiative (SSBCI)</p> <p>The one-to-one match is met through leveraging CDFIs and MDIs to provide loans utilizing their own funding sources (can't use a federal funding source), and then a 50% guarantee is provided through this program in case of default. Funding is dependent on US Treasury approval of NJEDA's application and execution of allocation agreement between US Treasury and NJ Treasury.</p>
<p><b>Program Purpose</b></p>	<p>The creation of the Recovery Loss Reserve Fund ("the Fund") will provide Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs) the ability to leverage their own non-federal resources and provide working capital loans that fit within certain approved parameters (as stated in the memo). CDFIs/MDIs can then register eligible loans in case of a future default up to 50% throughout the term of the loan allowing them to take on more risk and exposure to do more lending.</p>
<p><b>Eligibility Criteria (for CDFIs/MDIs i.e. NJEDA applicants):</b></p>	<p>All entities must have small and micro business lending experience. These entities can be based outside of NJ but must use funds to service eligible NJ based businesses only.</p> <ul style="list-style-type: none"> <li>• Must be a certified Community Development Finance Institutions (CDFI) by the US Department of Treasury or a Minority Depository Institution (MDI) recognized by FDIC and provide current certification by U.S. Department of Treasury or FDIC to support a MDI status.</li> <li>• Must be able to demonstrate they have the capacity to create/run a program and attract applicants, underwrite, and approve financial assistance (loan program) that meet the defined parameters as stated in the memo.</li> <li>• Must provide a current NJ Tax Clearance Certificate</li> <li>• Applicant must be in good standing with Department of Labor and Department of Environmental Protection</li> <li>• Must complete a legal debarment questionnaire.</li> <li>• Must provide an assurance affirming that no principal of the financial institution lender has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the</li> </ul>

**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

	Sex Offender Registration and Notification Act (42 U.S.C. § 16911).
<b>Eligible Loan Criteria (that can be supported by this guarantee):</b>	<p>Loan guarantees are only applicable to new or existing lending programs that would include the following features:</p> <ul style="list-style-type: none"> <li>• Loan minimum is \$10,000 and maximum is \$250,000</li> <li>• Applicants can be for-profit or non-profit entities with commercial business locations within NJ.</li> <li>• Loan interest rate cannot exceed 12%,</li> <li>• Loan can include deferred payments, moratoriums or interest only for up to 12 months,</li> <li>• Loan term cannot exceed 7 years,</li> <li>• Collateral and personal guarantees are permissible but not required</li> <li>• Minimum global debt service coverage ratio of 1.0</li> <li>• If creating a new program then minimum credit score must be under 650</li> <li>• Loans may be used by the business for operating expenses only.</li> </ul> <p>Examples of permitted uses include payroll, marketing, inventory, rent, mortgage/property tax payments, utilities, or any other expenses that are applicable to the daily operation of the business.</p> <p>Ineligible expense uses:</p> <ul style="list-style-type: none"> <li>- any refinancing of existing debt</li> <li>- purchases of equipment, construction, reconstruction, demolition, alteration, repair work, maintenance work, or construction related to installation of equipment where such activity exceeds \$1,999.99.</li> </ul> <ul style="list-style-type: none"> <li>• Loans must be made to applicants that are in good standing with NJ Department of Taxation and must provide a current tax clearance certificate when the loan is registered with NJEDA.</li> <li>• CDFIs and MDIs that have received grants from NJEDA to create lending products or provide technical assistance (i.e., Main Street Lenders Grant) cannot use this guarantee</li> </ul>

**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

<p><b>Guarantee Amounts (or Allocation) awarded per CDFIs/MDIs:</b></p>	<p>program to support the same recipients of that loan program. Businesses could be served with the technical assistance support and be registered under this program.</p> <ul style="list-style-type: none"> <li>• Loans provided by the CDFIs and MDIs and registered under the product must meet all SSBCI requirements.</li>   <li>• Must provide an assurance affirming that no principal of the borrowing entity has been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. § 16911)).</li>   <li>• Loan must be registered with NJEDA within 90 days after the closing date of the loan by the CDFI/MDI. Loans beyond this window will not be eligible to be covered by the guaranteed allocation.</li> </ul> <ul style="list-style-type: none"> <li>•Each CDFI or MDI can apply and opt in to participate for up to \$2.5 million at time of application.</li> <li>•If, after the initial review of applications, the total approved amount of the guarantees under the Loan Loss Reserve Fund is less than the aggregate program size of \$25 million, additional guarantee amounts can be approved for one or more CDFIs/MDIs that could result in the maximum guarantee exceeding \$2.5 million as requested.</li> <li>•Prohibited businesses to lend to include: <ul style="list-style-type: none"> <li>•A business engaged in gambling or gaming activities; the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going- out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes.</li> <li>•A business engaged in speculative activities that profit from fluctuations in price, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business or through the normal course of trade;</li> <li>•A business that earns more than half of its annual net revenue</li> </ul> </li> </ul>
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**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

from lending activities, unless the business is (1) a CDFI/MDI that is not a depository institution or a bank holding company, or (2) a Tribal enterprise lender that is not a depository institution or a bank holding company;

- A business engaged in pyramid sales, where a participant’s primary incentive is based on the sales made by an ever-increasing number of participants;
- A business engaged in activities that are prohibited by federal law or, if permitted by federal law, applicable law in the jurisdiction where the business is located or conducted (this includes businesses that make, sell, service, or distribute products or services used in connection with illegal activity, unless such use can be shown to be completely outside of the business’s intended market); this category of businesses includes direct and indirect marijuana businesses, as defined in SBA Standard Operating Procedure 50 10 6; or
- A business deriving more than one-third of gross annual revenue from legal gambling activities, unless the business is a Tribal SSBCI participant, in which case the Tribal SSBCI participant is prohibited from using SSBCI funds for gaming activities, but is not restricted from using SSBCI funds for non-gaming activities merely due to an organizational tie to a gaming business; “gaming activities” for purposes of Tribal SSBCI programs is defined as Class II and Class III gaming under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2703.

The Master Guarantee Agreement with NJEDA will last for the length of the SSBCI allocation agreement to be executed by US Treasury and NJ Treasury, and loans can be registered for up to this term.

At 3 years from closing date NJEDA staff will access overall performance and if the CDFI/MDI does not utilize at least 50% of the loan loss reserve by registering enough loans then their agreement may be reduced or terminated as per their Master Guarantee Agreement.

This would then allow NJEDA to be able to reallocate any remaining balances that may remain to existing awardees that may need the additional support if requested. If no additional support is needed by other awardees, then new applications can be

**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

	<p>considered to ensure the aggregate of the full \$25 million is fully utilized to support loans.</p> <p>NJEDA will not be required to provide a guarantee for an ineligible business or use.</p>
<p><b>CDFI/MDI Application Process:</b></p>	<p>CDFIs and MDIs can apply to NJEDA online. At time of application the CDFIs/MDIs will opt into the allocation they are seeking under this fund. NJEDA will require applicants to complete an online application detailing how the Authority’s fund would be used, and disclose key financial metrics, such as availability of capital, that demonstrate capacity to offer loan products and other key factors identified below.</p> <p>As part of the evaluation of each organization’s guarantee application, an applicant:</p> <ul style="list-style-type: none"> <li>• Must demonstrate the applicant has lending experience to micro and small businesses. Must provide a recap of all portfolio activity up to date of application to demonstrate growth in capacity and lending efforts in the last year. This can be demonstrated in the financials or balance sheets.</li> <li>• Must provide detailed information related to the loan products that are currently offered or will be created and supported by this product. Information provided must include: product term sheets, eligibility criteria, loan terms, fees, underwriting criteria and any other necessary criteria.</li> <li>• Must explain the applicant’s policy or plan serving communities and business segments underserved by the banking sector and other financial institutions that the applicant serves and show significant experience complying with such policy or plan.</li> <li>• Must provide a detailed marketing plan on how this</li> </ul>

**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

	<p>product will be marketed to attract new businesses. Plan should highlight what steps will be taken to ensure their product will serve all business owners. Applicants must offer their product information in multiple languages, and identify what specific languages will be used.</p> <ul style="list-style-type: none"> <li>• Verify that the funding to for the loan program is available and not from a federal funding source.</li> <li>• Provide staffing information to demonstrate that the CDFI/MDI has operational and financial capacity to use the guarantee effectively.</li> </ul>
<b>Board Approval</b>	<p>Delegation of authority to the Chief Executive Officer or his appointed designees.</p> <p>Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days).</p>
<b>Funding Disbursement</b>	<p>Each approved entity will administer their own specific lending activity. The Master Guarantee Agreement will outline the process each entity should take to draw on the NJEDA’s guarantee of the defaulted loan. Eligible loans will be registered with NJEDA as outlined in their agreement. Loans that do not fit the criteria of the eligible uses will not be eligible to use the guarantee.</p>

**CDFI Recovery Loan Loss Reserve Fund  
Proposed Program Specifications**

<b>Fees:</b>	<ul style="list-style-type: none"> <li>• NJEDA application fee for CDFIs/MDIs (non-refundable): \$1,000.00 per application</li> </ul>
<b>Reporting:</b>	<ul style="list-style-type: none"> <li>• All CDFIs/MDIs are expected to provide the necessary documentation from a business in order to have their loan approved and then properly registered with NJEDA. The CDFIs/MDIs will be responsible for collecting the necessary documentation from applicants and providing all necessary documentation to NJEDA to ensure loans are registered properly, in the event the necessary documentation is not provided or missing their loan will not be eligible to be covered in case of a default.</li> <li>• Loans will be registered with NJEDA at time of approval and will require the CDFI/MDI to provide items on an NJEDA provided checklist and will capture all relevant data to ensure loans are eligible at time of registration.</li> <li>• CDFIs/MDIs will need to maintain all loan files and documentation including loan disbursements and payments for the life of the loan and may be subject to audit.</li> <li>• CDFIs/MDIs will be responsible for collecting all applicant data related to business ownership and/or any demographic information to identify SEDI applicants.</li> <li>• CDFIs/MDIs will be responsible for submitting all US Treasury required reporting on a quarterly, annual, and on an as needed basis to NJEDA all due dates and templates will be provides to the participating CDFIs/MDIs.</li> </ul>



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Main Street Recovery Finance Program - Micro Business Loan – Product Revision

### **Summary**

The Members are asked to approve a revision to the Main Street Recovery Finance Program - Micro Business Loan to remove the requirement for personal guarantees from all owners.

Staff would also like to clarify that the Authority's 3% administration fee to be taken from the Main Street Recovery Fund will be in addition to the loan product budget, so that the total funding available for this loan product will be \$20 million.

### **Background**

At the November 10, 2021 Board meeting, the Members approved the creation of the Main Street Micro Business Loan, a pilot product funded through the Main Street Recovery Finance Program to provide support to New Jersey micro businesses. The Main Street Micro Business Loan offers financing of up to \$50,000 to for-profit and non-profit businesses, including home-based businesses, registered to do business in New Jersey (except for non-profit businesses that are not required to register), with a business location (including a home office) in New Jersey. Then, at the March 9, 2022 Board meeting, the Members approved a product revision to extend eligibility to a business operating for 6 months prior to the application date (as evidenced by their date formed).

### **Product Revision**

The Main Street Micro Business Loan product, as approved by the Members in November 2021, and March 2022, includes the requirement to obtain personal guarantees from all applicant owners.

The original intent of this requirement was to ensure that NJEDA could pursue all owners for repayment in case there was a default on this loan product and the micro business was unable to

repay their loan. However, since this product has a substantial forgiveness component, and the borrower is only required to make payments from year 2 to the end of year 5 before they can apply for loan forgiveness, the need for these guarantees is not critical. The Economic Recovery Act, which established the Main Street Recovery Program, called for NJEDA to have the ability to offer forgivable loans, and the appropriated funds designated to this program allow for NJEDA to determine loan forgiveness parameters.

By removing the personal guarantee requirement, this program would mirror the federal program of Payment Protection Program (PPP), which also has a substantial forgivable component and didn't require personal guarantees. This revision would streamline the applicant process, and help to reduce the burden on micro business owners who already have limited access to capital during this stage of operations.

If the personal guarantee requirement from all owners is lifted, NJEDA would still need to enforce precautions in case of a potential default. If an entity defaults on their Main Street Micro Business Loan, then they will still need to attempt to cure their default by entering into and complying with a repayment plan with NJEDA to get in good standing with NJEDA. By not being in good standing with NJEDA an entity may not be eligible for other products offered by NJEDA.

This is the only product revision requested, and all other product details will remain as approved from the November 10, 2021, and March 9, 2022 Board meeting. However, in addition, Staff did want to clarify that since NJEDA has received additional appropriated funding through the budget the administration fee does not have to be a net from the Micro Business Loan product funding. The administration fee can be in addition to the \$20 million for this product, so there will be a total of \$20 million available to support eligible micro businesses.

### **Recommendation**

Approval is requested for a revision to the Main Street Recovery Finance Program – Micro Business Loan to remove the requirement to obtain personal guarantees from the owners of the micro business. Approval is also requested for Staff's clarification that the Authority's 3% administration fee to be taken from the Main Street Recovery Fund in addition to the product budget, so that the total funding available for the Main Street Micro Business Loan will be \$20 million.



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Tim Sullivan, CEO

### Attachments

Exhibit A – Main Street Micro Business Loan – Product Specifications – updated

<b>Main Street Micro Business Loan - Proposed Product Specifications</b>	
<b>Funding Source</b>	<p>Up to \$20,000,000 - Main Street Recovery Fund under Economic Recovery Act</p> <p>40% or \$8 million of total funding amount will be reserved for businesses located in an eligible NJ Opportunity Zone census tract.</p>
<b>Program Purpose</b>	To provide low-cost financing to micro businesses in New Jersey.
<b>Eligible Applicants</b>	<p>The following entities are eligible for financing under the Main Street Micro Business Loan:</p> <ul style="list-style-type: none"> <li>• For-profit business, non-profit, and home-based businesses with a business location in New Jersey and that have been formed for at least six months prior to the date of application (as evidenced by their date of formation).</li> <li>• No real estate or holding companies are eligible for this product.</li> </ul> <p>All entities must meet the following requirements to be eligible under the Micro Business Loan:</p> <ul style="list-style-type: none"> <li>• Must have annual gross revenues of \$1,500,000 or less according to the most recent federal tax return that the applicant was required to file.</li> <li>• At time of application and three months prior to application entity cannot have more than 10 full-time employees in total. All employees must work in New Jersey as evidenced by WR-30 filings. There is no minimum employee number and sole proprietors are eligible.</li> <li>• One loan per business entity (verified by the business's employer identification number, or EIN)</li> <li>• Applicants and recipients of the original Micro Business Loan are eligible for this loan if they meet all eligibility requirements.</li> </ul>

**Main Street Micro Business Loan - Proposed Product Specifications**

<p><b>Eligible Applicants (continued)</b></p>	<ul style="list-style-type: none"> <li>• A business entity with multiple locations (that is, all locations operate under only one EIN) will be limited to one application under this new product (under the sole business entity).</li> <li>• Entity must provide a current Tax Clearance Certification prior to receiving EDA approval.</li> <li>• Applicant must be in substantial good standing with the Department of Labor and Department of Environmental Protection, with all decisions of substantial good standing at the discretion of the Commissioner of the Department of Labor.</li> <li>• Applicant must submit a completed legal debarment questionnaire and not be subject to disqualification based on that questionnaire.</li> </ul> <p>Businesses that are engaged in the following are not eligible for funding: the conduct or purveyance of "adult" (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or "lost-our-lease" or "going-out-of-business" or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; or any activity constituting a nuisance.</p>
<p><b>Eligible Uses</b></p>	<ul style="list-style-type: none"> <li>• Future operating expenses, which may be held as working capital to fund such future operating expenses</li> <li>• Future inventory expenses</li> <li>• Future purchases of equipment as long as installation and construction costs do not exceed \$1,999.99</li> <li>• Home-based businesses cannot use loan, proceeds for any residential costs (i.e., home mortgage/lease payments)</li> </ul> <p>The following uses are <b>not</b> eligible uses:</p> <ul style="list-style-type: none"> <li>• Refinancing of existing debt</li> </ul>

**Main Street Micro Business Loan - Proposed Product Specifications**

<p><b>Eligible Uses (continued)</b></p>	<ul style="list-style-type: none"> <li>• Personal, non-business obligations or costs incurred by related entities</li> <li>• Construction</li> <li>• Equipment requiring installation or construction costs in excess of \$1,999</li> <li>• Rolling stock - no cars, trucks, or vans can be purchased</li> </ul>
<p><b>Application Process and Board Approval/ Delegated Authority</b></p>	<ul style="list-style-type: none"> <li>• Applications will be reviewed on a rolling basis (first-come, first-served as applications are completed) until all funds are committed or program expires (3 years).</li> <li>• Delegation to Authority staff (Chief Community Development Officer, Managing Director - Underwriting and Community Development, Director of Small Business Services, Senior Vice President of Finance and Development, or Vice President of Business Operations) to approve individual applications to the Main Street Micro Business Loan in accordance with the terms set forth in the attached program specifications.</li> <li>• The delegated authority requested for approval also includes the delegated authority to decline for any decisions based solely on non-discretionary reasons. For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval by a Chief Legal &amp; Strategic Affairs Officer, any Vice President, or the Director Legal Affairs.</li> <li>• Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final administrative decision. For final appeal decisions on non-discretionary reasons, delegated authority is issued to the following staff: Chief Legal &amp; Strategic Affairs Officer, any Vice President, and Director of Legal Affairs.</li> </ul>

**Main Street Micro Business Loan - Proposed Product Specifications**

<p><b>Underwriting/ Approval Criteria</b></p>	<ul style="list-style-type: none"> <li>• For for-profit businesses, the financial information that is provided will only be utilized to verify annual revenue to determine an applicant's eligibility criteria and ownership - it will not be used to determine the applicant's ability to repay this loan.</li> <li>• If otherwise eligible, staff will have a specialty hard credit report pulled specific for small businesses from CoreLogic Credco. At least one of the guarantors (owners) must have a credit score of 600 and above in at least one of the three data sources provided in the credit report: Equifax (Beacon 5.0), Experian (FICO II), and TransUnion (FICO Classic 04).</li> <li>• Non-profits will be required to meet a minimum Debt Service Coverage Ratio (DSCR) of 1.00x based on most recent tax return or financial statements.</li> </ul>
<p><b>Loan Amounts</b></p>	<p>Up to \$50,000</p>
<p><b>Rates &amp; Terms</b></p>	<ul style="list-style-type: none"> <li>• Standard 10-year term</li> <li>• The interest rate will be 2 percent for this program, set at approval.</li> <li>• No payments or interest will accrue during the first year after closing. Payments of principal and interest will begin at the beginning of year 2.</li> <li>• No payment term amendments are allowed prior to end of 5th year - all other modifications unrelated to the payment terms may be permitted throughout the term of the loan. If after the 5th year any payment terms are modified, the business will no longer be eligible for forgiveness.</li> <li>• At the end of year 5 the applicant may be eligible for the balance to be forgiven if the applicant (1) has made their loan payments as identified in their loan agreement with no</li> </ul>

**Main Street Micro Business Loan - Proposed Product Specifications**

<p><b>Rates &amp; Terms (continued)</b></p>	<p>delinquency of more than 90 days, (2) has no current default, and (3) is still open and operating. The applicant will be required to submit a certification form to EDA certifying that they are open and operating, that they have used the loan for approved purposes only, and that they are not in default. This form will be included in the loan agreement and must be returned by the applicant 60 days prior to the end of the 5th year so a decision can be made by EDA. If the applicant does not submit the form by that date, they may still qualify for loan forgiveness, however loan payments will continue to be required until their certification form is supplied to and verified by EDA, which will reduce the balance EDA will forgive. Staff will verify the business is open and operating, which may be through an Internet search. If verified, EDA will forgive the remaining balance at the end of year 5 or later if the certification form is not received by the due date as described above. If an applicant is not eligible for forgiveness or does not request forgiveness and submit the required documentation, they are required to continue making their payments as defined in their loan agreement.</p>
<p><b>Lien/Collateral/Security</b></p>	<ul style="list-style-type: none"> <li>• No collateral or guarantees are required</li> <li>• Risk Rating: expected to be substandard. If the risk rating is found to support an override to a lower risk rating, then staff will do so to reflect the appropriate rating.</li> <li>• Applicants that default on their loan may not be eligible to qualify for other NJEDA products until their default is cured by establishing a payment plan with NJEDA.</li> </ul>
<p><b>Fees</b></p>	<p>Staff is requesting a partial waiver of EDA's standard application and closing fees because of the drastic negative impact of the pandemic on most micro businesses:</p> <ul style="list-style-type: none"> <li>• Application fee of \$100 (non-refundable) at time of application</li> </ul>

**Main Street Micro Business Loan - Proposed Product Specifications**

<b>Fees (continued)</b>	<ul style="list-style-type: none"><li>• Closing fee: \$400</li></ul> <p>EDA will use a 3% administration fee that will be in addition to the \$20 million funding for administration to process applications and to cover other operating fees since fees to applicants are reduced.</p> <p>EDA will use an additional amount up to \$250,000 to hire temporary employees for processing if deemed necessary.</p>
<b>Disbursement</b>	Approved loan amount to be fully disbursed upon closing.

**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** September 14, 2022  
**SUBJECT:** NJDEP Hazardous Discharge Site Remediation Fund Program

The following municipal project has been approved by the Department of Environmental Protection to perform remedial action activities. The scope of work is described on the attached product summary:

**HDSRF Municipal Grant:**

Product 304872	Township of West Orange (Selecto Flash and Biddelman Properties)	\$3,330,360
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<b>Total HDSRF Funding – September 2022</b>	<b>\$3,330,360</b>
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Tim Sullivan, CEO

Prepared by: Kathy Junghans

# NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

## Hazardous Discharge Site Remediation

**APPLICANT:** West Orange Township

PROD-00304872

**PROJECT USER(S):** Same as applicant

**PROJECT LOCATION:** 4-10 & 18 Central Avenue West Orange Township Essex County

### APPLICANT BACKGROUND:

Between February 2017 and May 2021, Township of West Orange received an initial grant in the amount of \$77,238 under P43554 and supplemental grant in the amount of \$129,177 under P45272, \$41,934 under P45524 and \$44,718 under P45964 for Preliminary Assessment (PA), Site Investigation (SI), Remedial Investigation (RI) and Remedial Action (RA) at the project site identified as Block 9, Lots 32 & 36. The project site is a former graphic design service facility which has potential environmental areas of concern (AOC). The Township of West Orange currently owns the project site and has satisfied proof of site control. It is the Township's intent upon completion of the environmental remediation activities to redevelop the project site for residential use with proposed commercial space.

NJDEP has approved this request for supplemental Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

The Township has received a Brownfield Development Area (BDA) designation from the NJDEP for this project site.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated off 75% of the RA costs \$4,440,480.

### OTHER NJEDA SERVICES:

P4355, P45272, P45524, P45964

### APPROVAL REQUEST:

Township of West Orange is requesting aggregate supplemental grant funding to perform RA in the amount of \$3,330,360 at the Selecto Flash and Biddelman Properties project site. Total grant funding including this approval is \$3,621,427.

### FINANCING SUMMARY:

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$3,330,360.00

**TERMS OF GRANT:** No Interest; No Repayment

### PROJECT COSTS:

Remedial Action	\$3,330,360.00	EDA Administrative Cost	\$500.00
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**TOTAL COSTS: \$3,330,860.00**

**UNDERWRITING OFFICER:** Kathy Junghans



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**RE:** Fourth Amendment to Real Estate Advisory Consulting Services  
Contract Between Jones Lang LaSalle Americas, Inc. and the Authority

### **Summary**

The Members are requested to approve execution of the Fourth Amendment to the Real Estate Advisory Consulting Services Contract (“Fourth Amendment”), between the Authority and Jones Lang LaSalle Americas, Inc. (“JLL”) to increase the contract amount by an amount up to \$500,000, for the reasons indicated below, for a new contract total of \$1,629,750. JLL’s contract ended on May 16, 2022, but under the contract terms JLL continues to provide services on a month-to-month basis through November 2022. A new vendor will be selected through a request for proposal that will be issued later this year and the Authority expects to award such contract within six (6) months. Once a new vendor is selected and contract executed, the existing contract with JLL will be allowed to expire. The existing contract balance and requested additional funds will be used to provide the necessary services for programs under the Economic Recovery Act.

### **Background**

#### *Original Contract*

In January 2017, the Authority issued a Request for Qualifications/Proposals to provide real estate advisory consulting services to the Authority's Credit and Real Estate Underwriting department and to assist the Authority's staff in analyzing project investments to be made by the Authority.

On March 16, 2017, the Members approved the JLL contract and on May 17, 2017 the Authority and JLL entered into a \$500,000 three (3) year contract with two (2), one (1) year extension options which could be exercised solely at the Authority’s discretion. Staff had originally planned to present the Members with a qualified vendor on or about November 2022. Currently, Procurement is in the process of preparing the request for proposals and estimates the qualified vendor(s) will be presented to the Members on or about February 2023. These services are necessary to the operation of the Authority as they are required to provide required analyses for applicants seeking tax credit awards under Economic Recovery Act programs. \$500,000 would allow approximately 10 ERA applications to proceed to board approval before the new contract is awarded. While the applicants ultimately bear the cost of this review, the contract value must be increased to allow EDA to use the services.

### *Contract Amendments*

The contract has been amended as follows:

- On June 12, 2018, the Members approved the first amendment to the JLL contract, which increased the contract amount by \$250,000 for a new contract total of \$750,000. Under the contract's task order request (TOR) process, the first amendment assisted the Authority to evaluate real estate projects and investments in connection with a range of development-related activities. This amendment was necessary due to the number of assignments and additional task order requests requiring JLL's services, including a development and financial feasibility assessment of current projects and the potential assessment of development and location options for future real estate projects.
- On June 2, 2021, under delegated authority, the Authority executed the second amendment to the JLL contract which added \$79,750 to the contract balance and increased the total contract to \$829,750. The second amendment was necessary to provide additional services required to complete an incubator market study analysis for the Hudson River Waterfront Life Sciences Incubator.
- On March 9, 2022, the Members approved the third amendment to the JLL contract which increased the contract amount by up to \$300,000 for a new contract total of \$1,129,750 to account for the month to month extension. This amendment was necessary to help stand up new ERA programs and to commence work on the Maternal Infant Health Initiative.

### *Use of Funds to Date*

The following chart summarizes the use funds to date:

Amended Contract Balance	\$1,129,750
+ <u>Approved TORs</u>	<u>(\$1,031,350)</u>
= <b>Subtotal</b>	<b>\$98,400</b>

### *Proposed Use of Additional Funds*

The remaining contract balance and the proposed additional \$500,000 will be as follows:

- To support the review of and required analysis related to the Aspire, Historic Property Reinvestment program applications under ERA.
  - To support the review of and required analysis related Economic Redevelopment and Growth (ERG) grant applications still under review.
  - The balance of the \$98,400 will be reserved for unanticipated items, or any amendments to the approved TORs.
-

**Recommendation**

In summary, I request that Members approve entering into the Fourth Amendment to Real Estate Advisory Consulting Services Contract with JLL to increase the contract amount by an amount up to \$500,000 which will result in a revised contract amount of up to \$1,629,750 and continue the month to month until a new contract is executed.



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Tim Sullivan, CEO

Prepared by: Jorge Santos



**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** **Recommendation for Award**  
2022-RFP-IPM-124  
Property and Facility Management Services

### **Summary**

The Members are requested to approve:

1. JanCo FS2, LLC dba Velociti Services (JanCo) as the successful respondent to the Request for Proposals (RFP) for property and facility management services.
2. Entering into a contract with JanCo for a three (3) year term, with two (2) one (1) year extension options for an estimated total fee of \$4.8 million over five (5) years, to provide Property and Facilities Management Services to the Authority.

JanCo will provide these services for the New Jersey Bioscience Center in North Brunswick (NJBC), the Trenton headquarters, and on an as needed basis for any other property the Authority owns, leases, or otherwise controls.

### **Background**

On June 1, 2022, the Authority issued a Request for Proposals (RFP), #2022-RFP-IPM-124, to solicit proposals from well-qualified firms to provide Property and Facilities Management Services to the NJEDA.

This RFP was advertised in two (2) newspapers, posted to the Authority's website and the State Business Portal and distributed to potentially interested Bidders, via broadcast email.

Staff held the following optional site tours:

- On June 9, 2022, staff lead a tour at NJBC which was attended by five firms.
- On June 10, 2022, staff lead a site tour of the Authority's offices in Trenton. This tour and was attended by four firms.

In response to this solicitation, one (1) proposal was received by the stated deadline. JanCo was the sole respondent to the RFP.

The proposal was independently evaluated and ranked by an Evaluation Committee comprised of NJEDA staff. Through this comprehensive evaluation and scoring analysis, JanCo's proposals was evaluated to ensure that it complied with all of the

requirements of the RFP. The one (1) responsive proposal was reviewed and scored, using a group of pre-established evaluation criteria, published in the RFP, including documented experience, personnel, ability to perform the scope of work and pricing. Based on a scoring of “1” through “5” with “1” representing “Poor” and “5” representing “Excellent” the RFP required bidders to receive a total minimum score of “3” or higher to be considered for the Award;. JanCo received an overall score of 3.54. The proposal and supporting documentation, including IPM’s Recommendation memo, are on file with the IPM Division.

The fee pricing portion of the evaluation for these services was limited to the fully loaded monthly rates for the following:

- (a) Property/Facilities Management Fees;
- (b) Site Superintendent Fees;
- (c) Facility/Property Manager Fees; and
- (d) Janitorial Services
- (e) Annual escalation.

JanCo’s fee proposal over the potential five (5) year term was \$4,819,243.45

Based on a complete analysis of the proposals, the selection committee recommended that the Authority contract with JanCo for property and facilities management services for a term of three (3) years with two (2), one (1) year renewal term options at the Authority's sole discretion.

The contracts will also allow JanCo to provide property and facilities management services on all Authority owned properties, as well as, other sites should the Authority acquire, lease, operate or control during the term of the contract or any extension period on an as-needed basis.

### **Recommendation**

In summary, I request the Members approve: (1) JanCo FS2, LLC dba Velociti Services as the successful respondent to the RFP; and (2) the Authority entering into contracts with JanCo FS2, LLC dba Velociti Services, for property and facilities management services at the above-referenced sites at a cost of about \$4.8 million for a term of three (3) years, with two (2), one (1) year extension options to be exercised by Authority staff.



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Tim Sullivan, CEO

## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**Date:** September 14, 2022

**Subject:** Professional Services Contract Budget Increase  
Langan Engineering and Environmental Services, Inc.  
State Office Building - Health Building Project, Trenton, NJ

### Summary

The Members are asked to approve a change to the contract with Langan Engineering and Environmental Services, Inc, (“Langan”) of Parsippany for civil and environmental engineering services in the amount of \$162,640 for the remediation of two (2) underground storage tanks (“UST”) and associated Ground Water Light Non- Aqueous Phased Liquid remediation of the lot improvements component of the Health State Office Building Project (“Project”) located in Trenton.

### Background

In September 2019, the Board approved the award of the Langan contract through as the engineering firm of record to provide civil and environmental services for the abatement, demolition and parking lot improvements component of Project. The Langan contract included the following services:

- building and site investigations
- the preparation of construction documents
- abatement and demolition monitoring
- inspection services for the abatement and demolition of the old Department of Health and Agriculture buildings (“Buildings”)
- inspection services for the construction of a surface parking lot on the site upon completion of the demolition of the Buildings

Turner Construction Company, the construction manager of record for the Project, has demolished the existing buildings and commenced construction of the new surface parking lot and site utility infrastructure work.

On May 17<sup>th</sup> of this year a previously unknown underground storage tank (“UST 1”) was discovered on the northern edge of the project site. UST 1, is a single walled steel tank approximately 4’ in diameter and 10’ long (approximately 1,000 gallons). The tank was assumed to have contained #2 heating oil or diesel.

Holes were identified in UST 1, with the underlying soil stained. Soil samples collected on May 18, 2022 identified oil impacts to the soil exceeding New Jersey Department of Environmental Protection (“NJDEP”) Soil Remediation Standards (“SRS”). Additional analysis of the soil showed the presence of 2-methylnaphthalene (“2MN”) and naphthalene (“NAP”) above the NJDEP SRS and/or Migration to Groundwater (“MGW”) standard, which required additional excavation in the area.

On May 23rd of this year a second UST (“UST 2”) was discovered at the site in proximity of UST 1. UST 2 is also a single walled steel tank approximately 5’ in diameter and 7’5” long (approximately 1,000 gallons). UST 2 had limited corrosion, no holes, and no underlying staining. UST2 is assumed to be a neutralization tank for water pretreatment prior to discharge to the sewer system. Results of soil samples collected below UST 2 suggest no impacts to the environment.

On May 27<sup>th</sup> of this year additional excavation occurred and additional soil samples were collected for analysis with results below NJDEP SRS. During the supplemental remediation, bedrock and groundwater were encountered at the base of the excavation. A seep of petroleum was found coming into the excavation at the bedrock interface. The sampled media identified #2 oil, suggesting that UST 1 was likely a former residential tank. Due to the groundwater (“GW”) interface, and visual GW impacts, Light Non-Aqueous Phased Liquid (“LNAPL”) remediations and a GW investigation will be required. Langan registered the spill with NJDEP.

As of end of July 2022, two (2) UST’s have been excavated and are staged on the site awaiting off-site disposal. Approximately 100 tons of petroleum impacted soil is staged onsite, also awaiting off-site disposal. While the post excavation soil samples were below the NJDEP SRS, Ground Water LNAPL remediation is still required to be performed.

The Authority obtained a cost proposal from Langan dated August 8, 2022, (attached as Exhibit A) in the amount of \$162,640 for the required GW LNAPL remediation. The services outlined in the attached proposal include Langan’s professional services, required lab services, and services provided by an environmental contractor to perform the field remediation work under the direction and supervision of Langan as the Environmental Engineer for the Project.

The following chart summarizes the use of funds to date:

Original Contract Amount	\$649,000
+ <u>Approved Change Orders</u>	<u>\$161,000</u>
= <b>Subtotal</b>	<b>\$810,000</b>
+ <u>Pending Change Order</u>	<u>\$162,640</u>
= <b>Updated Contract Amount</b>	<b>\$972,640</b>

Upon completion of this remediation, the construction of the new parking lot can continue to completion and the Authority will turn over the new parking lot to the Department of the Treasury’s Division of Property Management and Construction to manage.

**Recommendation**

In summary, approval is requested to increase the total contract budget for Langan Engineering and Environmental Services, Inc. from \$810,000 to \$972,640 for Civil and Environmental Engineering Services associated with the remediation of two (2) UST's and associated Ground Water Light Non-Aqueous Phased Liquid remediation whereby the lot improvements component of the Health Building Project in Trenton may continue to completion.



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Tim Sullivan, CEO

Attachments: Exhibit A: Langan cost proposals  
Prepared by: Diana C. Butcavage

**LANGAN ENGINEERING AND ENVIRONMENTAL SERVICES**

300 Kimball Drive, 4<sup>th</sup> Floor  
Parsippany, NJ 07054  
(973) 560-4900 Fax (973) 560-4901

**CONTRACT CHANGE ORDER FOR ADDITIONAL SERVICES**

**DATE:** 8 August 2022 **REVISED:** 10 August 2022

**ADDITIONAL SERVICES REQUEST NO:** 3R

**CONTRACT:** Proposal for Land Development Engineering Services dated May 6, 2019

**LANGAN PROJECT NO.** 100645005

**PROJECT TITLE:** NJEDA Health & Ag Demolition and New Parking Lot

**TO:** Diana Butcavage, Real Estate Design & Construction Manager

**COMPANY:** NJEDA

**STATEMENT OF SERVICES AND COST:**

This Additional Service Request (ASR #3R) is provided to narrate services requested that are beyond the base scope of services for the NJEDA Health & Ag Demolition and New Parking Lot project located on Block 10701, Lot, Trenton, NJ. The following provides detailed scope and fees associated with this ASR.

**Background**

The scope of this ASR represents the scope of ongoing environmental remedial services necessary to address the NJDEP regulations and guidance, associated with two (2) Underground Storage Tank (UST) [UST#1 heating oil/diesel UST; UST#2 neutralization UST] discovered on the subject Site during demolition activities.

The following text provides a brief bulleted summary of the evolution of the UST discovery, and interim actions taken to date:

Site Observations UST#1

- a. UST #1 UST is a previously unknown structure at the site, discovered 5/17/2022
- b. UST #1 is single walled steel, of approx. dimensions 48" diameter x 10' long (approx. 1,00 gallons) (see pic - *UST 1 Diesel UST 4*)
- c. UST #1 field observed conditions (e.g. tank top conditions, odor, sludge in UST) suggest the UST is likely to have contained #2 heating oil or diesel
- d. The field conditions identify holes in the UST, and underlying stained soil.
- e. Initial soil samples collected 5/18/2022 for expedited analysis to accommodate ongoing construction schedule
- f. Initial soil samples lab results received on 5/20/2022 identify EPH (e.g. oil) impacts to the soil exceeding NJDEP Soil Remediation Standards (SRS). One (1) soil sample [PE03E(5.0-5.5)] required contingent analysis for 2-methylnaphthalene (2MN) and naphthalene (NAP). Contingent analysis completed on expedited time frame
- g. Contingent analysis results received 5/23/2022, and identified soil sample PE03E(5.0-5.5) to have 2MN and/or NAP above the NJDEP SRS and/or Migration to Groundwater (MGW) standard. Basically the sampled failed and additional excavation required
- h. Supplemental remediation (e.g. excavation) completed 5/27/2022, and supplemental post excavation soil samples were collected for analysis. All results below the NJDEP SRS.
- i. During remedial excavation bedrock and groundwater was encountered at the base of the excavation. A seep of petroleum was encountered coming into the excavation at approx. bedrock

interface. This media was sampled, and a petroleum finger print identified #2 oil. This suggests the UST was likely a former residential tank.

- j. Due to the GW interface, and visual GW impacts, Light Non Aqueous Phased Liquid (LNAPL), LNAPL remediation and a GW investigation will be necessary
- k. Interaction w/ the NJDEP was advanced due to environmental impacts above the NJDEP SRS and the GW conditions, as follows:
  - UST spill #: 22-06-06-1045-53
  - PI#: G000005462
  - Incident #: 829081
  - Tracking #: 174497

#### Site Observations UST#2:

- l. UST #2 UST is a previously unknown structure at the site, discovered 5/23/2022
- m. UST #2 is single walled steel, of approx. dimensions 60" diameter x 7'5" long (approx. 1,00 gallons) (see pic)
- n. UST #2 field observed conditions identified the UST as being competent with limited corrosion, no holes, no soil staining
- o. The field conditions suggested the UST was a neutralization tank for water pretreatment prior to discharge to the POTW (e.g. sewer), given the type and geometry of the input/output piping
- p. Initial soil samples collected 5/23/2022 for expedited analysis to accommodate ongoing construction schedule. All results below NJDEP SRS, suggesting no impacts to the environment from this UST

#### **Site Conditions Circa 7/2022**

As of late July 2022 the following site conditions are understood to be present:

- two (2) UST's were exhumed, and were staged on site awaiting off site disposal management
- approx. 100 tons petroleum impacted soil staged on site awaiting off site disposal management
- Post excavation soil samples below the NJDEP SRS
- GW LNAPL remediation/removal is required
- LNAPL delineation is required
- GW sampling is required from initial excavation to confirm GW dissolved phase impacts/status
- Potential/possible that a GW investigation will be required for petroleum dissolved phased impacts

#### **ASR#3R Environmental Scope**

Consistent with recent communications, it is understood that the EDA has requested this ASR to address the environmental task requirements up to the point of groundwater dissolved phase delineation and monitoring.

Reflective of these parameters the scope contained in this ASR are presented below, and assume the Langan will retain the environmental contractor for said services, as a nonunion, prevailing wage contract.

- 1) Initial response to UST discovery including field operations
- 2) Laboratory services
- 3) Interim environmental coordination and consulting
- 4) NJDEP UST Administrative coordination
- 5) UST & Soil Remediation
- 6) NAPL Remediation – one event
- 7) GW Shallow Initial Dissolved Phase Investigation and LNAPL Delineation
- 8) NJDEP Interim Reporting
- 9) Project Management

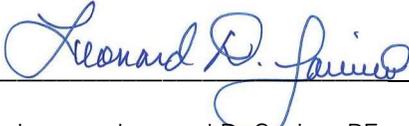
The defined services will reflect the identified presently known field conditions, and may potentially require supplemental tasks as the project evolves, however these tasks if required, are considered out of scope. Similarly the environmental consulting services are based on the identified scope, and are provided on a Time and Materials basis, and will be invoiced based on the level of effort expended.

The individual tasks and assumptions are provided on Table 1, including the associated budget; which totals **\$162,640.**

We will proceed with the above described scope of services based the existing contract, and terms and conditions, as authorized below. If notified to stop work on these services the client agrees to pay Langan for all work completed up to the stop work notification.

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Agreement Authorized By: Diana Butcavage



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for Langan: Leonard D. Savino, PE

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## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Credit Underwriting Projects Approved Under Delegated Authority –  
**For Informational Purposes Only**

The following projects were approved under Delegated Authority in July and August 2022:

### **Premier Lender Program:**

- 1) JK Realty Acquisition LLC (“JK”) (PROD-00304953), located in Branchburg Township, Somerset County was formed in 2022 as a real estate holding company to purchase the project property. The operating company, Shubhlaxmii Grocery Inc. (“SGI”), was formed in 1995 as a grocery store that has expanded into three states. SGI is also a retail distributor that imports Indian groceries from overseas and distributes products throughout the country. Provident Bank approved a \$2,430,000 bank loan with a 50% (\$1,215,000) Authority participation. Proceeds will be used to purchase the project property for company expansion. The Company currently has seven employees and plans to create eighteen new jobs over the next two years.

### **Small Business Fund Program:**

- 1) ACE Screen Printing, LLC (PROD-00304048), is located in Glassboro Borough, Gloucester County. The Company was established in 1986 as a screen printing and embroidery business and has been under current ownership since 2005. Services provided include embroidery, screen printing, and heat transfer vinyl for shirts, outerwear, fleece, teamwear and team uniforms, hats and accessories, and business uniforms. Clients include colleges and universities, high schools, sports leagues, municipalities, and restaurants. The NJEDA approved a \$170,978 loan to purchase new equipment. The Company currently has one employee and plans to create three to six new positions within the next two years.

**Loan To Lender Program:**

- 2) Local Initiatives Support Corporation (“LISC”) (PROD-00302702) is located in Newark City, Essex County. LISC was established in 1979 and operating in NJ since 1986 as a 501(c)(3) not-for-profit corporation. Headquartered in NYC, LISC has 38 local offices and a rural program operating in 45 states and Puerto Rico. The Company provides capital financing to all aspects of community development in the neighborhoods it serves, with an emphasis on developing and preserving quality affordable housing. This strengthens local businesses, increasing financial opportunities and access to education for low-to-moderate-income individuals. The NJEDA approved a \$1,500,000 loan to provide lending to businesses in New Jersey statewide, by first leveraging the Entrepreneurs of Color Fund initiative in Newark, NJ. The Company currently has six employees and plans to create six new positions over the next two years.



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Tim Sullivan, CEO

**Prepared by: G. Robins**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Economic Transformation Products – Delegated Authority Approvals Q2 2022  
**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 – Q2 2022 Review**

In the second quarter of 2022, the Authority approved 204 ATC investor applications with 37 emerging technology businesses benefiting from the ATC program. Of the 37 different companies receiving investments, 7 of these were new companies to the program (noted below). Additionally, investors in 15 companies qualified for an additional 5% bonus, which represents 38% of companies for this quarter. Specifically, 5 were state-certified Minority Business Enterprise, 2 were state-certified Women Business Enterprises, and 8 businesses were located in an Opportunity Zone or New Market Tax Credit census tract. Regarding industries, approximately 43% of businesses were in the life science sector, 51% from technology, and 6% operate in the clean technology sectors. In total, \$8,048,773 in Angel Investor Tax Credits were awarded which incentivized \$41,430,413 in private sector investments into NJ emerging technology businesses.

## Angel Investor Tax Credit Program Q2 2022 Approval Results

Sector	Investment Amount	Tax Credit Amount	Applications	# of Companies	% of Total Invested	% of Total Applications
Life Sciences	\$26,785,828	\$4,991,770	125	16	65%	61%
Technology	\$14,274,876	\$2,964,575	77	19	34%	38%
Clean Technology	\$369,709	\$92,428	2	2	1%	1%
<b>TOTAL</b>	<b>\$41,430,413</b>	<b>\$8,048,773</b>	<b>204</b>	<b>37</b>		

The following 37 companies were participants for the second quarter of 2022:

Acuitive Technologies, Inc.: Based in Allendale, NJ, pursues the development of novel biomaterial technologies to improve the repair and regeneration of musculoskeletal tissue.

Agilis Chemical, Inc.: Based in Newark, NJ, offers a cloud-based Commerce Platform-as-a-service to chemical producers and distributors, which consolidates supply chain fragmentation and brings efficiency to the chemical procurement process (and qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract)

Anax Holdings, Inc.: Based in Wharton Borough, NJ, Anax Power Turbo Expander generator (ATE) is a Carbon Footprint reduction technology which generates non-carbon emitting electricity for industrial users without combustion. The ANAX ATE is design to produce 500KW of clean renewable electricity with zero carbon emissions and zero combustion. Utilizing the potential energy stored in high pressure gas pipelines, the ATE converts this energy into electricity that can be used by industrial factories (behind-the-meter) or sold on the PGM Power Grid (and qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract)

Angel Medical Systems, Inc.: Based in Eatontown, NJ, has developed technology involving medical equipment with significant diagnostic value which has received Federal Food and Drug Administration (“FDA”) approval. AngelMed’s first ever implantable, patient alerting system is designed for the early detection and prevention of heart attacks. Life threatening heart attacks may be averted as the device’s early detection triggers an emergency alarm prompting patients to seek immediate medical attention.

Apta Research LLC: Based in Pennsauken NJ, is a biotechnology-based pharmaceutical company with a main focus on developing immediate release and controlled release oral solid and liquid formulation to the present competitive barriers to entry, and complex formulations (and qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract)

Aspargo Laboratories, Inc.: Based in Englewood Cliffs, NJ, is a life science corporation that commercializes a therapeutic approach to addressing a clinical need for drugs that treat erectile dysfunction.

Balinbac Therapeutics, Inc.: Based in Princeton NJ, is a clinical stage biopharmaceutical development company headquartered in Princeton, New Jersey, focused on rapidly bringing both repurposed and new antivirals and antibiotics to market. (and is new to ATC)

BeAble Education, Inc.: Based in Lakewood, NJ, 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 (and qualifies for a bonus as a certified Women Business Enterprise).

Big Magic, Inc.: Based in Newark NJ, develops ReferralVoodoo™ a cloud-based application that makes it simple and easy to activate your existing customers to bring in new business (and qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract)

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

Bloqcube Inc.: Based in Piscataway, NJ, is a healthcare technology company that is streamlining the clinical trial and pharmaceutical research process by leveraging blockchain technology. Bloqcube developed software that enables clinical trials to be done remotely while preserving data integrity and security (and qualifies for a bonus as a certified Minority Business Enterprise).

Calamu Technologies: Based in Franklin Township, NJ, is an information technology company that has produced a scalable, automated data protection platform to prevent security breaches by using a multi-patented data engine that fragments and auto-heals data.

Ceptur Therapeutics Inc.: Based in Hillsborough Township, NJ, (FKA SilaGene), Ceptur is developing unique, differentiated genetic medicines for patients with rare diseases.

Elucida Oncology, Inc.: Based in Bound Brook, NJ, 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.

Endomedix, Inc.: Based in Montclair, NJ, is a manufacturing company that has developed a unique polysaccharide chemistry platform used to create a series of biosurgical devices. Endomedix’s patented technology is intended for use in brain and spinal surgery. Endomedix’s first device, “PlexiClot” Absorbable Hemistate, will help surgeons control bleeding during surgeries.

Fidelis Pharmaceuticals: Based in North Brunswick, NJ, is a life sciences company that offers expertise in the acquisition, development, and marketing of unique pharmaceutical formulations to meet specialized veterinary needs. The Fidelis team applies specialized product development and manufacturing expertise to formulate reliable, cGMP-quality products. The company is based at the NJ Bioscience Center Incubator.

Halcyon Still Water, LLC: Based in Red Bank, NJ, 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

Helix Wireless, Inc.: Based in Kearny NJ, has built both a Wholesale division and an IoT division. The Wholesale division partners with ATT offering competitive plans and a streamlined approach for consumers and small businesses. The IoT division leverages Helix's SMART SIM technology allowing for connectivity to over 2,100 cellular networks based on availability and strength. Helix has integrated multiple IoT core network solutions into Helix's own platform, allowing end to end support for our clients (activation, maintenance, billing, support) being the only IoT solution provider globally to offer a one stop shop for global connectivity, SMART SIM management and end point data integration for IoT (qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract and is new to ATC)

Hope Portal Services, Inc.: Based in Holmdel, NJ, is a health-tech/fintech startup that provides planning, concierge, and fiduciary services to the special needs community.

ImageProVision, Inc.: Based in Franklin Township, NJ, focuses on the automation of microscope image data analysis for the pharmaceutical industry (and qualifies for a bonus as a certified Minority Business Enterprise).

Inkbench, Inc.: Based in Montclair, NJ, is a cloud-based marketing technology platform focusing on solving branding and marketing related problems for mid to large size companies. (and is new to ATC)

Inspirit Group, LLC: Based in Holmdel, NJ, DBA STOPIT is a technology company which develops and markets a technology platform to schools, colleges and universities, businesses and government. The technology platform consists of a mobile application which is a reporting tool and an incident management system which aggregates all reported instances and allows one to track and manage each incident until its ultimate resolution.

Ionic Water Technologies, LLC: Based in Hamilton, NJ, 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 (and qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract and is new to ATC)

Lambent Data, Inc.: Based in Princeton, NJ. is developing 'OurVisit™', a research-based collaboration software platform and application focused on impacting early childhood development and behavioral health. The software is designed to improve the communication between social service agency heads, social workers, and families, with shared communication, goal setting, resources and data analytics to improve child outcomes and agency costs.

Neumentum, Inc. : Based in Summit, NJ, 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, in around the world. 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, NJ. is a specialty pharmaceutical company focused on developing innovative products in the injectable and ophthalmic space.

POM Partners, Inc.: Based in Newark, NJ. provides an emergency communications portal solution for the higher education, healthcare, and enterprise industries (qualifies for Opportunity Zone bonus).

Princeton Nuenergy, Inc.: Based in Princeton, NJ, is an innovative clean-tech startup company (spun out from Princeton University in 2019) focused on the direct recycling of lithium-ion batteries from electric vehicles and consumer electronics. PNE has experience handling and recycling aged rechargeable EV batteries, namely those from Tesla vehicles (and qualifies for a bonus as a certified Minority Business Enterprise and is new to ATC)

Ricovr Healthcare, Inc.: Based in Princeton, NJ, is transforming oral diagnostics with a patented technology. Its first product is a highly sensitive, faster, non-invasive portable device to measure THC (psychoactive component of Cannabis) using saliva.

RoboBurger, Inc.: Based in Jersey City, NJ, is an electric device technology that automatically cooks delicious burgers for customers. It has a touch screen interface which presents their UI to the user, and once the user swipes their credit card, it begins to cook. The unit features everything that you would expect in any commercial kitchen except it is 100% automated. (and qualifies for a bonus as a certified Minority Business Enterprise and is new to ATC)

Scynexis, Inc.: Based in Jersey City, NJ, is a biotechnology company focused on clinical research and development of ibrexafungerp, a novel oral and intravenous (IV) triterpenoid antifungal, to treat life-threatening fungal infections, such as vulvovaginal candidiasis (VVC), invasive aspergillosis (IA), invasive candidiasis (IC), and refractory invasive fungal infections (rIFI). (and is new to ATC)

Sonnet Biotherapeutics, Inc.: Based in Princeton, NJ, is a discovery-focused biotech company developing a pipeline of bi- and tri-functional therapies that can stimulate and/or block immune-modulating targets to control cancer cells

SplitByte, Inc.: Based in Princeton, NJ. is a digital “safe-harbor” platform for decentralized data protection, which randomizes and geo-disperses data, offering a higher level of data protection than traditional encryption. The SplitByte "cyber vaccine" protects against the cyber pandemic of system breaches, ransomware, quantum attacks and insider threats.

SunRay Scientific Inc.: Based in Eatontown, NJ. is a global technology company providing novel adhesive conductive solutions for advanced electronic packaging, including semiconductors packaging. (and qualifies for a bonus as a certified Women and Minority Business Enterprise).

Svelte Medical Systems, Inc.: Based in New Providence, NJ, has developed the lowest profile and most deliverable balloon expandable stent in the market, along with technology to create a noninflammatory Drug Eluting Stent (DES).

Vaneltix Pharma Inc.: Based in Bound Brook, NJ, (FKA Urigen Pharmaceuticals) is a New Jersey based biopharmaceutical company that is developing treatments for urological disorders (and qualifies for a bonus for operations in an opportunity zone or new markets tax credit census tract)

XLink LLC: Based in Morristown, NJ. is researching, developing, testing, and building computer-controlled automated machines, robots, and systems to be used in the warehouse, distribution, ecommerce, and retail industries.

From program inception in 2013 through Q2 of 2022, the Authority has approved 2,456 applications for tax credits representing nearly \$791 million invested in 125 New Jersey-based businesses.

Please find a detailed list of all ATC applications that were approved under delegated authority during the second quarter of 2022 in Exhibit A.

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### **NJ Ignite Program**

NJ Ignite offers grants to support the rent of early stage technology and life science companies located in a 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 December 31<sup>st</sup>, 2021, there were 22 approved collaborative spaces in New Jersey.

As of January 7, 2021, the Governor signed into law the Economic Recovery Act of 2020 (ERA) which results 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 to be presented to the Board in 2022.

### **NJ Ignite Program – Q2 2022 Review**

While many workspaces were hopeful for new tenants, demand for space from companies which could be program eligible remains low. These work managers believe the continuous uncertainty caused by spiking cases of Covid-19 throughout the region is impacting the decisions of new businesses to take on physical spaces.

In the second quarter of 2022, staff started conducting the required annual review of all approved workspaces. The review includes verification each workspace held at least eight eco-system

building events throughout the year. Each workspace will also be required to submit a current certificate of liability insurance and tax clearance. Upon request for year-end reports, of the 22 workspaces, 4 withdrew from the program, 5 completed and submitted all documents, 5 have partially submitted the required docs, and 8 have been unresponsive. Follow-up with the outstanding workspaces will continue throughout the third quarter. Explanations for NJ Ignite site withdrawals include executive decisions to not forego rent, the difficulty of holding events in spaces, and worksite closures. NJ Ignite had 18 collaborative workspaces, some of which have multiple locations, approved to participate at the end of the second quarter.

There was one new Tenant Application Approval and no new Workspace Approvals in the second quarter. One NJ Ignite benefit disbursement was made.

**NJ Ignite Program Tenant Approvals**

Tenant Name	Workspace Name	EDA Grant	Number of Employees	Approval Date
Regenosine, Inc.	Princeton BioLabs	\$19,600	2	6/9/2022

**NJ Ignite Program Disbursements**

Tenant Name	Workspace Name	EDA Grant	Number of Employees	Disbursement Date
Sundial Foods, Inc.	Rutgers Food Innovation Center	\$25,000	2	6/2/2022

**NJ Entrepreneur Support Program (NJESP) Covid Relief Program**

On March 26, 2020, the NJEDA Board approved the NJ Startup Entrepreneur Support Program (NJESP) to support 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 into NJ entrepreneurial business. 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.

Applications for the program opened on April 22, 2020. No applications were accepted after 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 promissory note investment. This represents investments in

13 unique businesses with a total 85 full-time NJ employees. Additionally, 28 applications were withdrawn, and 22 applications were declined.

Investors in three companies (Sunray Scientific LLC, POM Partners, Inc. and Ricovr Healthcare, Inc.) converted their promissory notes into equity within the one-year term of the guarantee. The Authority has received warrants in each company for the equity conversion as specified by the NJESP.

### **NJ Entrepreneur Support Program – Q2 2022 Review**

All investor note guarantees and the window to request guarantee payment have reached the expiration. In the second quarter, the NJEDA received a warrant in Sunray Scientific LLC as the promissory notes guaranteed by the NJESP converted into equity. One investor (NAP IV LLC) in one company (Sweetberry Holdings LLC) submitted a request for guarantee payment. The request is currently under review.

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### **NJ Accelerate Program**

On February 11th, 2020, the NJEDA Board approved the pilot program NJ Accelerate. The total program budget is \$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 produce 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 fourth quarter of 2020. On November 12<sup>th</sup>, 2020, Morgan Stanley Multicultural Innovation Lab became the first approved accelerator. The Authority approved Cleantech Open Northeast on April 13<sup>th</sup>, 2021 becoming the second approved accelerator, followed by VentureWell's Aspire program which was approved on May 14<sup>th</sup>, 2021. In the third quarter 2021, University City Science Center's Launch Lane Accelerator was approved to participate in the Program on September 1<sup>st</sup>, 2021. HAX LLC is the most recent Accelerator program approved for participation in NJ Accelerate on April 4<sup>th</sup>, 2022.

## NJ Accelerate Program Approved Accelerators

Accelerator Name	Accelerator Location
Morgan Stanley Multicultural Innovation 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

Morgan Stanley Multicultural Innovation Lab was created in 2017 to drive positive economic outcomes for multicultural and women-led companies in the post-seed to Series B funding rounds by providing content, visibility, technical support, and connectivity with important stakeholders who can accelerate the growth of participants’ businesses. The accelerator is built around tailored support and expertise entrepreneurs receive from a dedicated Morgan Stanley team. To date, 32 tech or tech-enabled companies have participated in the Lab, with many going on to successful acquisitions and additional funding rounds.

Cleantech Open Northeast is part of Cleantech Open, a cleantech accelerator managed by the Boston-based Northeast Clean Energy Council (NECEC) as the on-the-ground affiliate. Cleantech Open finds, funds, and fosters entrepreneurs with big ideas that address urgent energy, environmental, and economic challenges. Cleantech Open provides the infrastructure, expertise and strategic relationships that turn ideas into successful global cleantech companies. In 15 years, Cleantech Open Northeast has supported 414 startups. The 68% active alumni companies employ approximately 3,300 people, have generated over \$279 million in revenue, and raised over \$653 million in funds.

VentureWell is a Massachusetts-based nonprofit that supports early-stage science- and technology-based inventors. Its E-Team Grant Program supports early-stage innovators (science- and engineering-based student teams) from across the nation with early funding and targeted training to commercialize their high-impact innovations. During ASPIRE, VentureWell’s third and final phase of the E-Team Grant Program, startup companies participate in an intensive program that prepares them for the investments and partnerships necessary to launch their ventures. Since its inception in 2015, 117 startups have participated in ASPIRE and have raised over \$190 million in follow-on funding since participating in the program. The E-Team Grant program overall, with its three stages, has supported 652 teams that have raised a total of \$645 million.

Launch Lane is an accelerator program powered by the University City Science Center, a Philadelphia-based nonprofit innovation hub. Launch Lane helps tech and tech-enabled startups transition from prototype to sales and customer acquisition. The accelerator utilizes an anonymous application to de-bias the selection process. In the history of the program, including the former Digital Health Accelerator, Launch Lane has supported 35 companies and invested \$1.4 million. In total, those companies have gone on to raise more than \$100 million in funding, generate \$50 million in revenue, and create 300 jobs.

HAX LLC is an accelerator managed by Princeton-based venture capital firm SOSV. SOSV is one of the most active venture capital firms globally with locations in San Francisco, Shenzhen, and

Tokyo. Newark, NJ was chosen as the U.S. headquarters for the HAX program. HAX provides complete support for emerging companies. Support examples include hands on collaboration around technology development and direct investment of capital. The program's focus is on early-stage companies with "Hard Tech". These include companies with products in robotics, advanced materials and electronics have massive potential impact in industrial, health and consumer product industries.

### **NJ Accelerate Program – Q2 2022 Review**

Reviews and discussions with accelerators continued in the second quarter. One new Accelerator program was approved to participate in NJ Accelerate. That is HAX LLC located in Newark.

The loan benefit for NJ Accelerate does not have Delegated Approval Authority. Application recommendations are submitted to the NJEDA Board of Directors for final approval. In first quarter Board meetings, all three outstanding loan benefit applications were approved for graduate companies. Those were ABF Creative Inc. (graduate of Morgan Stanley Multicultural Innovation Lab), Arke Aeronautics LLC (graduate of Launch Lane), and EnvoyatHome Inc. (graduate of Launch Lane). In second quarter Board meetings, a loan benefit application was approved for Princeton NuEnergy (graduate of Cleantech Open Northeast).

An application submission for the rent benefit from one graduate company of an approved accelerator is under review as well as two applications for the event sponsorship benefit to an approved Accelerator program.

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### **New Jersey Zero-emission Incentive Program (NJ ZIP)**

In January 2021, the Members of the Board approved a \$15,750,000 pilot program called NJ ZIP, the New Jersey Zero-emission Incentive Program, funded from New Jersey Economic Development Authority's (NJEDA) allocation of the Regional Greenhouse Gas Initiative (RGGI) auction proceeds. Launched in April 2021, the NJ ZIP pilot established a first-come, first-served 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 greater Newark and greater Camden areas.

The primary goals of this pilot program are to:

- Accelerate the adoption and use of medium duty zero-emission vehicles in New Jersey;
- Reduce emissions within the pilot communities, greater Newark and greater Camden;
- Allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

Based on the results of the pilot program (e.g., program uptake, efficacy, and continued market need), and assuming continued availability of RGGI funds allocated to this program, a longer-term program with expanded eligibility may be proposed after the pilot funds are fully reserved.

In addition to delegated authority to approve and decline applicants to the program, the Members of the Board also approved in January 2021 delegated authority to “the CEO to, based upon program demand reviewed at 3-month intervals, (i) shift funding allocations, (ii) adjust voucher amounts, (iii) select additional eligible communities, and (iv) expand the pilot program to a maximum of \$25 million.” After a program review, and as outlined in the Q3 Delegations Memorandum, the NJEDA CEO approved on September 28, 2021 the expansion of the pilot program to a total of \$25,000,000 and add the greater New Brunswick area as an additional eligible community. Finally, at the November 2021 Board, a further expansion of the NJ ZIP pilot was approved, adding an additional \$20,000,000 of voucher funding and expanding eligibility to the greater Shore area.

In May 2022, based on the results and feedback on the pilot, the Board approved action to extend certain voucher deadlines due to the on-going supply chain crisis caused by COVID-19.

Finally, in late June 2022, NJ ZIP passed the threshold of \$42.75M in applications received, which was the internal trigger to move applications to a waitlist. As such, the purchaser application for NJ ZIP moved to submission to waitlist for this phase of the pilot, wherein applicants are not charged an application fee unless moved from waitlist to a submitted application.

### **New Jersey Zero-emission Incentive Program – Q2 2022 Review**

NJ ZIP is administered in sequential steps. First, a zero-emission vehicle vendor must submit an application to become an approved vendor. Once approved, a vehicle purchaser may submit an application to receive an NJ ZIP voucher to purchase a qualified vehicle from their selected approved vendor. This voucher that may be redeemed for a specific dollar amount after completion of the total vehicle purchase. The value of the voucher ranges from \$25,000 to \$100,000 per vehicle depending on the vehicle’s weight class. Additional bonus amounts can be added to the voucher if certain conditions are met by the purchaser, such as by being a small or micro-business, or by the vendor, such as by manufacturing 25% or more of the vehicle in NJ. For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total or less than \$5M in annual revenue.

In the second quarter of 2022, no new zero-emission vehicle vendors were approved to participate in NJ ZIP, maintaining the total approved vendors at seventeen (17). In Q2 2022, thirty-three (33) new purchaser applications were submitted to the Program. The total submitted purchaser applications is two-hundred thirty-five (235). Of these, ninety-six (96) purchaser applications were approved in Q2 2022 for a total of \$16,535,000 across 136 vouchers. These 96 purchasers’ 136 vouchers support the addition of 136 zero-emission medium-duty vehicles on New Jersey roads once the vouchers are redeemed, supplied by 4 different vendors. In Q2, all of the approved purchaser applicants are small businesses (receiving a 25% funding bonus) and over 61% are minority-, woman-, and/or veteran-owned (receiving an additional \$4,000 bonus per vehicle per qualifying certification); all Q2 2022 approved applicants will operate and/or register their vehicles

within the greater Newark (4 purchasers), greater New Brunswick (2 purchasers), or greater Shore (90 purchasers) areas. Four applicants withdrew from the program in Q2, because of duplicate applications in user error. The remaining applications received through the end of the second quarter are currently under review by Staff. Two approved vouchers have been redeemed as of the end of the second quarter totaling \$199,800.

The program has received continuous application flow from the eligible communities, and repeated interest for expansion to more parts of the state and for longer-term funding. In support of this, since the program opened for applications, the total value of the applications submitted by the end of the second quarter, excluding withdrawn applications, totaled over \$43M in value. Based on the results of and feedback on the pilot program to-date, inclusive of prior expansions, NJEDA is considering further pilots to expand to more areas in the state and to more vehicle classes.

### New Jersey Zero-emission Incentive Program Q2 2022 Results

Purchaser Applicant	Vendor	Purchaser Location	SBE	MBE	WBE	VBE	# of Vehicles	Voucher Approved \$
AC Jitney 35 LLC	Endera Motors, LLC*	Greater Shore	Yes	Yes			2	\$233,000
Abu Faruqui	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$233,000
AC Jitney 74 LLC	Endera Motors, LLC*	Greater Shore	Yes	Yes			2	\$233,000
Ahmed Elseaedy	Endera Motors, LLC*	Greater Shore	Yes	Yes			2	\$233,000
Angel Marrero	Endera Motors, LLC*	Greater Shore	Yes	Yes			2	\$233,000
Emmanual Mathioudakis	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Francis Gallagher	Endera Motors, LLC*	Greater Shore	Yes			Yes	1	\$116,500
Atlantic City Jitney Men's Aid	Endera Motors, LLC*	Greater Shore	Yes				3	\$337,500
Hugo A. Martinez	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$233,000
Lance Holmes	Endera Motors, LLC*	Greater Shore	Yes	Yes			2	\$233,000
George Ingram	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$233,000
MD A Sattar	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$233,000
Mohamed A. Syed	Endera Motors, LLC*	Greater Shore	Yes	Yes				\$233,000
Mohannad Hoque	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$233,000

Monir Mansour	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Alexander Carfagno	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Java's Compost LLC	GreenPower Motor Company, Inc.	Greater Newark	Yes	Yes	Yes			1	\$233,000
Mohammad Zaman	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Claudino Cora	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Robert Weipert	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Mohammad Kaddus	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Aviad Coppens	Endera Motors, LLC*	Greater Shore	Yes					2	\$225,000
Constantine Gusic	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Emteaj Hossain	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Dan Lam	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Dennis Gitsas	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Constantinos Moumas	Endera Motors, LLC*	Greater Shore	Yes					2	\$225,000
Jean-Pierre Osias	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Iqbal Hossen	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Aminur Rahman	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Brian Portnoy	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Ronald Kromenacker	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Felipe Hoyos	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Henry Frankel	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Jean Bruneau	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Jeffrey Slosky	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Jin Xie	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Harris Ardelean	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500

Malik Ashraf	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Robert Mikolajczak	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Jitney Time LLC	Endera Motors, LLC*	Greater Shore	Yes					1	\$114,500
John F. Walker	Endera Motors, LLC*	Greater Shore	Yes					2	\$225,000
John Lanfrachih	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Farid Zaffar	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Jitney Transportation LLC	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Jitney 84 LLC	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Harun Rashid	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Christopher W Lee	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
David Murillo	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Jay Buchbinder	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Amir Rahman	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Jose Ozoria	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Irwin Brownstein	Endera Motors, LLC*	Greater Shore	Yes					1	\$116,500
Frank Caiozzo	Endera Motors, LLC*	Greater Shore	Yes					2	\$225,000
Hamidul Haque	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Ronald Rodgers	Endera Motors, LLC*	Greater Shore	Yes					2	\$225,000
Yousef Sarker	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Evripidis Nouragas LLC	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Fito Global Inc	GreenPower Motor Company, Inc.	Greater New Brunswick	Yes	Yes	Yes			1	\$233,000
Vet On Wheels, LLC	Adomani Inc	Greater Newark	Yes	Yes				1	\$233,000
Sandra Young	Endera Motors, LLC*	Greater Shore	Yes		Yes			1	\$116,500

Shaukat Malik	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Howard Jay Bloom	Endera Motors, LLC*	Greater Shore	Yes					2	\$225,000
William J Penman	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Cumberland County Jitney LLC	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Yang Chong	Endera Motors, LLC*	Greater Shore	Yes					2	\$233,000
Jitney Guy LLC	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Monir Hossain	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Curly Willow LLC	GreenPower Motor Company, Inc.	Greater Shore	Yes		Yes			1	\$97,750
Mohammad Hassan	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Roberto Rodriguez	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Ignite One	Adomani ZEV Sales Inc	Greater Newark	Yes	Yes	Yes			8	\$233,000
Edgar Fitzgerald	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Kazi Uddin	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Kwang Yoo	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Lamyim Liu	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Kazi Uddin	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Omar Bhutta	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Amir Rahman	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$233,000
Salvatore Marisco	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Suris Glam	GreenPower Motor Company, Inc.	Greater Newark	Yes	Yes	Yes			2	\$233,000
Mohammed Islam	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Joseph Heard	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500

Nasir Butt	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Amira Transport LLC	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Khasru Zaman	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Mohammad O Haque	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$116,500
Robert Allen	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Sayed Eladawy	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$116,500
William Bennett	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Christos Kotoulas	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
John Newton	Endera Motors, LLC*	Greater Shore	Yes					1	\$112,500
Mohammed Uddin	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Kiml Enterprises, LLC	GreenPower Motor Company, Inc.	Greater New Brunswick	Yes	Yes				2	\$195,500
Delfino J. Terrones	Endera Motors, LLC*	Greater Shore	Yes	Yes				2	\$233,000
Julio Carrillo-Rincon	Endera Motors, LLC*	Greater Shore	Yes	Yes				1	\$116,500
<b>Totals:</b>	<b>96 applicants</b>							<b>136</b>	<b>\$16,535,000</b>

\*Vendor qualified for NJ Manufacturing bonus (additional 25% on top of base voucher)

### **Small Business Emergency Assistance Loan Program (Phase 2)**

On June 9, 2021, the NJEDA Board approved the Small Business Emergency Assistance Loan Program (Phase 2) to provide low-cost capital to New Jersey businesses and not-for-profits to assist them with recovery and resiliency as a result of COVID-19. This program is funded by an \$11 million USED award (\$10 million for the revolving loan fund and \$1 million for administrative support), to do the following: focus funding on entities that have started a new business and taken on new space, transitioned from a home-based business or smaller space into a larger space or acquired an owner-occupied commercial space. Applications opened on August 3, 2021 and closed on August 13, 2021. A total 1,019 applications were submitted, of which, 22 applications were approved by the Authority staff under delegated authority for \$1,578,912.88 in the third quarter of 2021 and 55 applications were approved for \$3,228,619.42 in the fourth

quarter of 2021. In the first quarter of 2022, 60 applications were approved by the Authority staff under the delegated authority for \$3,180,567.00. During the second quarter of 2022, 26 applications were approved by Authority staff under the delegated authority for \$1,740,313.00. Since inception through the second quarter of 2022, 163 applications were approved for a total amount of \$9,728,412.30.

**Small Business Emergency Assistance Loan Program (Phase 2) Q2 2022 Results**

<b>Total Approved Loans</b>	<b>Total Loan Amount</b>
26	\$1,740,313.00

Please find a detailed list of all applications that were approved under delegated authority during the second quarter of 2022 on Exhibit B.

**New Jersey Film and Digital Media Tax Credit Program**

Originally created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 35% of qualified film production expenses, or 30% of qualified film production expenses incurred for services performed and tangible personal property purchased for at a sound stage or other 30-mile radius of the intersection of Eighth venue/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 Q2 2022 Results**

In the second quarter of 2022, there were 13 applications approved under delegated authority for a total of \$47,247,365.

	<b>Applicant Name</b>	<b>PROD #</b>	<b>Award Amount</b>	<b>Approval</b>
<b>1</b>	CBS Studios Inc	PROD-00258052	\$ 5,744,926	5/13/2022
<b>2</b>	Viacom International Inc	PROD-00297104	\$ 726,110	5/13/2022
<b>3</b>	Universal Television LLC	PROD-00288655	\$ 987,240	5/17/2022

4	PS203 New Jersey Inc	PROD-00301783	\$ 4,139,046	5/31/2022
5	White Room Productions LLC	PROD-00301076	\$ 2,860,286	5/31/2022
6	Viacom International Inc	PROD-00301592	\$ 4,227,535	5/31/2022
7	Maybe I Do Film INC	PROD-00301942	\$ 4,318,712	5/31/2022
8	Paramount Pictures Corp, Inc	PROD-00297342	\$ 5,991,327	5/31/2022
9	Cat Person Productions Inc	PROD-00297334	\$ 3,249,065	6/7/2022
10	Universal Television LLC	PROD-00301495	\$ 2,157,896	6/7/2022
11	Inwood Pictures LLC	PROD-00300435	\$ 3,087,373	6/7/2022
12	Improbable Valentine LLC	PROD-00302083	\$ 6,576,569	6/7/2022
13	Shelter Pilot Productions LLC	PROD-00300431	\$ 3,181,280	6/9/2022
			<b>\$ 47,247,365</b>	



\_\_\_\_\_  
Tim Sullivan, CEO

**Angel Investor Tax Credit Prepared by:**  
Christopher Shyers

**NJ Ignite Prepared by:**  
Jerrel Burney

**NJ Entrepreneur Support Program Prepared by:**  
Clark Smith

**NJ Accelerate Prepared by:**  
Monika Athwal

**New Jersey Zero-emission Incentive Program Prepared by:**  
Victoria Carey

**Small Business Emergency Assistance Loan Program (Phase 2) Prepared by:**  
Heather McCall

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

**Memo Prepared by:**  
Clark Smith

## EXHIBIT A

### Q2 2022 Delegated Approvals - Angel Investor Tax Credit

Investor	Employees	Company Invested In	Investment Amount	Tax Credit Amount
Jaclyn Docs		Acuitive Technologies, Inc.	89,400	\$17,880
1	<b>NJ: 19 Total: 19</b>	Acuitive Technologies, Inc.	\$89,400	\$17,880
SaaS Ventures, L.P.		Agilis Chemicals Inc.	250,000	\$62,500
1	<b>NJ: 5 Total: 6</b>	Agilis Chemicals Inc.	\$250,000	\$62,500
Pamela Longo 2015 Trust		Anax Holdings LLC	69,710	\$17,428
1	<b>NJ: 2 Total: 2</b>	Anax Holdings LLC	\$69,710	\$17,428
Peter J. Stern 2011 Family Trust		Angel Medical Systems, Inc.	50,000	\$10,000
1	<b>NJ: 21 Total: 28</b>	Angel Medical Systems, Inc.	\$50,000	\$10,000
Sivarama Nutalapati		Apta Research LLC	100,000	\$25,000
Prahlad Patel		Apta Research LLC	900,000	\$225,000
Tushar Chauhan		Apta Research LLC	100,000	\$25,000
Prahlad Patel		Apta Research LLC	700,000	\$175,000
4	<b>NJ: 7 Total: 7</b>	Apta Research LLC	\$1,800,000	\$450,000
Robert J. Zubaty and Barbara M. Zubaty		Aspargo Laboratories, Inc.	25,000	\$5,000
Angelo Pino IRA		Aspargo Laboratories, Inc.	226,000	\$45,200
Augustine Francis Xavier Kane		Aspargo Laboratories, Inc.	10,000	\$2,000
Augustine Francis Xavier Kane		Aspargo Laboratories, Inc.	225,000	\$45,000
Hazem Ibrahim		Aspargo Laboratories, Inc.	100,000	\$20,000
NDTCO as Custodian FBO John Dodaro IRA		Aspargo Laboratories, Inc.	85,000	\$17,000
Menard Family Trust		Aspargo Laboratories, Inc.	25,000	\$5,000
David R Zurheide IRA Account		Aspargo Laboratories, Inc.	10,000	\$2,000
Arlene M. & John P. Dodaro		Aspargo Laboratories, Inc.	15,000	\$3,000
Diane C Dodaro-Surrusco & James A. Surrusco		Aspargo Laboratories, Inc.	10,000	\$2,000
George and Rose Bonifacio		Aspargo Laboratories, Inc.	10,000	\$2,000
Patrick Eckels		Aspargo Laboratories, Inc.	50,000	\$10,000
12	<b>NJ: 2 Total: 2</b>	Aspargo Laboratories, Inc.	\$791,000	\$158,200
William Robert Zimmermann		Balinbac Therapeutics, Inc.	150,000	\$30,000
1	<b>NJ: 1 Total: 1</b>	Balinbac Therapeutics, Inc.	\$150,000	\$30,000
Alan Wayne Tamarelli		Beable Education, Inc.	225,000	\$56,250
Saki Dodelson 2014 Remainder Trust		Beable Education, Inc.	922,500	\$230,625
Saki Dodelson 2014 Remainder Trust		Beable Education, Inc.	922,500	\$230,625

3	<b>NJ: 32 Total: 38</b>	Beable Education, Inc.	\$2,070,000	\$517,500
Gordon Matthews, Trustee, FBO Gordon S Matthews Solo 401K		Big Magic, Inc.	50,000	\$12,500
Gordon Matthews, Trustee, FBO Gordon S Matthews Solo 401K		Big Magic, Inc.	50,000	\$12,500
2	<b>NJ: 3 Total: 3</b>	Big Magic, Inc.	\$100,000	\$25,000
Jan van der Wal		BioAegis Therapeutics Inc.	20,415	\$4,083
Elise Boekholt		BioAegis Therapeutics Inc.	9,375	\$1,875
Willem Theodorus Goedkoop		BioAegis Therapeutics Inc.	20,438	\$4,088
Marius Willem Van Dalen		BioAegis Therapeutics Inc.	12,251	\$2,450
Kristin Maenhaut		BioAegis Therapeutics Inc.	20,438	\$4,088
Rohu Holdings BV Robert Huijs		BioAegis Therapeutics Inc.	11,250	\$2,250
Alain and Rosemary Roclore IRA Services Trust Company CFBO Rush Howe IRA825573 TAX ID# 26-262		BioAegis Therapeutics Inc.	20,438	\$4,088
Tolfan Ventures LLC		BioAegis Therapeutics Inc.	81,750	\$16,350
Alexander Caspeelee		BioAegis Therapeutics Inc.	24,500	\$4,900
John van der Veen		BioAegis Therapeutics Inc.	5,438	\$1,088
Paul Vos Reekmans		BioAegis Therapeutics Inc.	20,438	\$4,088
Gudi Spruijt		BioAegis Therapeutics Inc.	20,438	\$4,088
Susan and Dan Serrao		BioAegis Therapeutics Inc.	20,438	\$4,088
JDCO Comm V. legally represented by Jelle Dendauw		BioAegis Therapeutics Inc.	20,438	\$4,088
Bert Claeys		BioAegis Therapeutics Inc.	12,938	\$2,588
Joost Gout		BioAegis Therapeutics Inc.	32,700	\$6,540
Daniel Goossens		BioAegis Therapeutics Inc.	20,438	\$4,088
Peter Tros		BioAegis Therapeutics Inc.	12,251	\$2,450
Jochen De Schepper		BioAegis Therapeutics Inc.	20,438	\$4,088
Filiep Dendauw		BioAegis Therapeutics Inc.	40,875	\$8,175
Ivo Custers		BioAegis Therapeutics Inc.	12,263	\$2,453
Dries Vermoesen		BioAegis Therapeutics Inc.	8,235	\$1,647
23	<b>NJ: 10 Total: 11</b>	BioAegis Therapeutics Inc.	\$509,058	\$101,816
Rajeev Panakanti		Bloqcube Inc.	21,000	\$4,200
Rajesh Puri		Bloqcube Inc.	21,000	\$5,250
Kalyani Venkataramani		Bloqcube Inc.	30,000	\$6,000
Padma Tangirala		Bloqcube Inc.	21,000	\$5,250
4	<b>NJ: 1 Total: 1</b>	Bloqcube Inc.	\$93,000	\$20,700
Kevin Joseph Johnson		Calamu Technologies Corporation	25,000	\$5,000
Ethan Kassel		Calamu Technologies Corporation	75,000	\$15,000

David Theodore Wahl		Calamu Technologies Corporation	50,000	\$10,000
Louis Ryan Jr		Calamu Technologies Corporation	50,000	\$10,000
Anthony Nicholas DiFabio		Calamu Technologies Corporation	25,000	\$5,000
Harvey D. and Cathy Homan JTWROS		Calamu Technologies Corporation	40,000	\$8,000
Mario M. Casabona		Calamu Technologies Corporation	50,000	\$10,000
Todd Leonardis		Calamu Technologies Corporation	100,000	\$20,000
The John N. Stewart Revocable Living Trust		Calamu Technologies Corporation	50,000	\$10,000
Mark Leslie Baum		Calamu Technologies Corporation	25,000	\$5,000
Mahesh Muchhala		Calamu Technologies Corporation	50,000	\$10,000
The Holland Family 2004 Trust		Calamu Technologies Corporation	50,000	\$10,000
Branon Living Trust, DTD October 15, 1987		Calamu Technologies Corporation	25,000	\$5,000
Kittler Living Trust		Calamu Technologies Corporation	100,000	\$20,000
Kenneth S. Silbert		Calamu Technologies Corporation	25,000	\$5,000
Roger Biscay		Calamu Technologies Corporation	75,000	\$15,000
Gregory J Salvato		Calamu Technologies Corporation	100,000	\$20,000
Alan Wayne Tamarelli		Calamu Technologies Corporation	50,000	\$10,000
Diego S. Giurleo		Calamu Technologies Corporation	75,000	\$15,000
Gregory Salvato		Calamu Technologies Corporation	100,000	\$20,000
Alan Wayne Tamarelli		Calamu Technologies Corporation	50,000	\$10,000
Jeffrey Myers		Calamu Technologies Corporation	100,000	\$20,000
22	<b>NJ: 4 Total: 5</b>	Calamu Technologies Corporation	\$1,290,000	\$258,000
Michael Cho		Ceptur Therapeutics Inc.	25,000	\$5,000
1	<b>NJ: 3 Total: 4</b>	Ceptur Therapeutics Inc.	\$25,000	\$5,000
Mark Timney Revocable Trust UAD 10/01/20 Mark Timney		Elucida Oncology, Inc.	250,000	\$50,000

TTEE				
Daniel Paul Petro		Elucida Oncology, Inc.	100,000	\$20,000
James L. Kempner		Elucida Oncology, Inc.	25,000	\$5,000
Nickitas Panayotou		Elucida Oncology, Inc.	100,000	\$20,000
AGT IRREVOCABLE TRUST FBO ROBERT K. GREEN UAD 02/07/01 ROBERT K. GREEN TTEE		Elucida Oncology, Inc.	500,000	\$100,000
Campbell Family Trust UAD 03/04/99 Eric Prescott Campbell + Lisa W. Campbell TTEES		Elucida Oncology, Inc.	56,000	\$11,200
Benson Saxon Limited		Elucida Oncology, Inc.	29,250	\$5,850
Gillard Family Intervivos Trust		Elucida Oncology, Inc.	20,000	\$4,000
Robin J. Steele Trust		Elucida Oncology, Inc.	50,000	\$10,000
Timothy P. Hanley Monica Hanley		Elucida Oncology, Inc.	20,000	\$4,000
Dennis Shasha		Elucida Oncology, Inc.	100,000	\$20,000
James F. Winschel Jr.		Elucida Oncology, Inc.	47,500	\$9,500
Sand Dollar Dynasty Trust		Elucida Oncology, Inc.	50,000	\$10,000
The Joaquim Trias Revocable Trust UAD 04/26/05 Joaquim Trias TTEE AMD 04/21/20 /		Elucida Oncology, Inc.	25,000	\$5,000
Beth Dryden		Elucida Oncology, Inc.	150,000	\$30,000
lakes Ezcurdia Garmendia		Elucida Oncology, Inc.	102,600	\$20,520
Neil Henry Wasserman		Elucida Oncology, Inc.	76,000	\$15,200
Allan Lipkowitz TTEE Allan Lipkowitz Rev Liv Trust		Elucida Oncology, Inc.	25,000	\$5,000
Mathieson Family Trust		Elucida Oncology, Inc.	100,000	\$20,000
STEWART A. KOHL RESTATEMENT OF DECLARATION TR UAD 08/19/99		Elucida Oncology, Inc.	100,000	\$20,000
Christian Alexander OMara		Elucida Oncology, Inc.	100,000	\$20,000
Michael J Breen		Elucida Oncology, Inc.	150,000	\$30,000
Poh Ean Chua		Elucida Oncology, Inc.	50,000	\$10,000
JT Ten Michael Cohn & Paula Cohn		Elucida Oncology, Inc.	23,700	\$4,740
*Alva Terry Staples	*Q1 2022 Approval*	Elucida Oncology, Inc.	25,000	2500
24	<b>NJ: 11 Total: 14</b>	Elucida Oncology, Inc.	\$2,250,050	\$450,010
Milind Thamke		Endomedix, Inc	25,000	\$5,000
William Stewart Cobb		Endomedix, Inc	100,000	\$20,000
Mark P. Kelliher		Endomedix, Inc	10,000	\$2,000
3	<b>NJ: 3 Total: 3</b>	Endomedix, Inc	\$135,000	\$27,000

Beaver Creek Intermediate Fund LLC		Fidelis Animal Health Inc.	4,750,000	\$500,000
Steadman Capital LLC		Fidelis Animal Health Inc.	50,000	\$10,000
Princeton Biopharma Advisors, LLC		Fidelis Animal Health Inc.	1,047,757	\$209,551
Morris J. Smith		Fidelis Animal Health Inc.	180,000	\$36,000
Bredon, LLC		Fidelis Animal Health Inc.	160,000	\$32,000
Arthur P Levinson Revocable Living Trust		Fidelis Animal Health Inc.	73,123	\$14,625
6	<b>NJ: 3 Total: 4</b>	Fidelis Animal Health Inc.	\$6,260,880	\$802,176
Thomas J. Sanzone Revocable Trust		Halcyon Still Water LLC	1,000,000	\$200,000
Ramesh Lakshminarayanan		Halcyon Still Water, LLC	50,000	\$10,000
Albert V. Will and Johanna M. Will Living Trust		Halcyon Still Water, LLC	100,000	\$20,000
Thomas G Miglis Revocable Trust		Halcyon Still Water, LLC	1,000,000	\$200,000
Michael Maguire		Halcyon Still Water, LLC	100,000	\$20,000
Doug Andersen		Halcyon Still Water, LLC	100,000	\$20,000
James Maguire		Halcyon Still Water, LLC	100,000	\$20,000
7	<b>NJ: 3 Total: 3</b>	Halcyon Still Water, LLC	2,450,000	\$490,000
Raymond Vincent Padron		Helix Wireless Inc	200,000	\$50,000
1	<b>NJ: 5 Total: 6</b>	Helix Wireless Inc	\$200,000	\$50,000
Andrew Mark Komarow		Hope Portal Services, Inc	200,000	\$40,000
Robert Connell		Hope Portal Services, Inc	125,000	\$25,000
Robert Connell		Hope Portal Services, Inc	100,000	\$20,000
Robert Connell		Hope Portal Services, Inc	100,000	\$20,000
Robert Connell		Hope Portal Services, Inc	100,000	\$20,000
5	<b>NJ: 7 Total: 8</b>	Hope Portal Services, Inc	\$625,000	\$125,000
RaoFolio LLC		ImageProVision, Inc.	130,000	\$32,500
The Vikrampal Chadha Revocable Trust of 2019		ImageProVision, Inc.	25,000	\$6,250
BHATIA FOLIO LLC		ImageProVision, Inc.	48,000	\$12,000
The Vidya Ravichandran Revocable Trust of 2019		ImageProVision, Inc.	25,000	\$6,250
4	<b>NJ: 1 Total: 1</b>	ImageProVision, Inc.	\$228,000	\$57,000
Steve E Goodman		Inkbench, Inc.	300,000	\$60,000
George J. Abraham		Inkbench, Inc.	10,000	\$2,000
2	<b>NJ: 4 Total: 5</b>	Inkbench, Inc.	\$310,000	\$62,000
Kevin M. Kilcullen		Inspirit Group LLC	250,000	\$50,000
Robert A. and Harriet Druskin		Inspirit Group LLC	200,000	\$40,000
Anthony Portannese		Inspirit Group LLC	50,000	\$10,000

3	<b>NJ: 19 Total: 23</b>	Inspirit Group LLC	\$500,000	\$100,000
TIMOTHY G. LALONDE		Ionic Water Technologies	299,999	\$75,000
1	<b>NJ: 5 Total: 5</b>	Ionic Water Technologies	\$299,999	\$75,000
Joseph A Ruta		Lambent Data Inc.	20,000	\$4,000
521 Capital LLC		Lambent Data Inc.	300,000	\$60,000
2	<b>NJ: 2 Total: 2</b>	Lambent Data Inc.	\$320,000	\$64,000
VI LLC		Neumentum, Inc.	50,000	\$10,000
Mark A. McGurrin		Neumentum, Inc.	15,000	\$3,000
Andy Blank Revoc Living Trust UD 12/27/99		Neumentum, Inc.	2,500,000	\$500,000
James Nace		Neumentum, Inc.	15,596	\$3,119
Diane Hepford Lenahan and John R Lenahan Jr		Neumentum, Inc.	29,000	\$5,800
Estate of Kathleen Ann Lenahan McGurrin		Neumentum, Inc.	50,000	\$10,000
OWC 12/23/67 Trust FBO Erik M W Caspersen		Neumentum, Inc.	100,000	\$20,000
High Tide Trust		Neumentum, Inc.	57,800	\$11,560
Kathleen Blank		Neumentum, Inc.	2,500,000	\$500,000
Hawthorne 2014 LLC		Neumentum, Inc.	200,000	\$40,000
Charles Magolske		Neumentum, Inc.	25,000	\$5,000
Stourbridge Investments LLC		Neumentum, Inc.	25,000	\$5,000
James Nace		Neumentum, Inc.	50,000	\$10,000
Jerome Blank 1996 Declaration of Trust		Neumentum, Inc.	2,500,000	\$500,000
AAR Associates L.P.		Neumentum, Inc.	32,100	\$6,420
Richard Ring Feldman		Neumentum, Inc.	200,000	\$40,000
James Nace		Neumentum, Inc.	50,000	\$10,000
Jeffrey Thomas Hoffman		Neumentum, Inc.	25,000	\$5,000
Hudson Koi Trust		Neumentum, Inc.	350,000	\$70,000
Lars Ernest Bader		Neumentum, Inc.	500,000	\$100,000
Alyse Blank		Neumentum, Inc.	2,500,000	\$500,000
William Geraghty		Neumentum, Inc.	50,000	\$10,000
Jeffrey Todd Roberts		Neumentum, Inc.	100,000	\$20,000
Joseph T. Wright		Neumentum, Inc.	231,200	\$46,240
Michael Wong		Neumentum, Inc.	35,000	\$7,000
HILL BLALOCK JR		Neumentum, Inc.	500,000	\$100,000
Robert Read Penn		Neumentum, Inc.	150,000	\$30,000
Hawthorn II Investment LP		Neumentum, Inc.	200,000	\$40,000
Peter Magolske		Neumentum, Inc.	25,000	\$5,000
Pichon Family Trust		Neumentum, Inc.	129,000	\$25,800

Massimo Testa		Neumentum, Inc.	45,000	\$9,000
Laurence Lytton		Neumentum, Inc.	250,000	\$50,000
John G. Bradley		Neumentum, Inc.	25,000	\$5,000
33	<b>NJ: 3 Total: 3</b>	Neumentum, Inc.	\$13,514,696	\$2,702,939
Sasha Prakash and Anil Prakash		Nevakar Inc.	250,000	\$50,000
1	<b>NJ: 65 Total: 65</b>	Nevakar Inc.	\$250,000	\$50,000
Hawthorn II Investment LP		POM Partners, Inc.	72,000	\$18,000
Paul E. Phillips and Sharon P. Sullivan JTWROS		POM Partners, Inc.	40,000	\$10,000
First United Partners		POM Partners, Inc.	150,000	\$37,500
3	<b>NJ: 7 Total: 7</b>	POM Partners, Inc.	\$262,000	\$65,500
Lei Dong		Princeton Nuenergy Inc	350,000	\$87,500
1	<b>NJ: 12 Total: 15</b>	Princeton Nuenergy Inc	\$350,000	\$87,500
John Hui		Ricovr Healthcare Inc.	25,000	\$5,000
1	<b>NJ: 2 Total: 2</b>	Ricovr Healthcare Inc.	\$25,000	\$5,000
Andrew Siegel		Roboburger Inc.	200,000	\$50,000
1	<b>NJ: 11 Total: 12</b>	Roboburger Inc.	\$200,000	\$50,000
Marco Taglietti		SCYNEXIS, INC.	150,000	\$15,000
Marco Taglietti		SCYNEXIS, INC.	250,000	\$50,000
David Angulo Gonzalez		SCYNEXIS, INC.	10,000	\$2,000
Eric Francois		SCYNEXIS, INC.	3,750	\$750
Scott Sukenick		SCYNEXIS, INC.	10,000	\$2,000
Ann Hanham		SCYNEXIS, INC.	20,000	\$4,000
Philippe Tinmouth		SCYNEXIS, INC.	50,000	\$10,000
7	<b>NJ: 37 Total: 45</b>	SCYNEXIS, INC.	\$493,750	\$83,750
The Venkat Irrevocable Trust		Sonnet BioTherapeutics, Inc.	250,000	\$50,000
1	<b>NJ: 4 Total: 5</b>	Sonnet BioTherapeutics, Inc.	\$250,000	\$50,000
Raghu S. Rao		Splitbyte Inc	25,000	\$5,000
Saripalli Family Living Trust		Splitbyte Inc	100,000	\$20,000
2	<b>NJ: 1 Total: 1</b>	Splitbyte Inc	\$125,000	\$25,000
Mario M. Casabona		SunRay Scientific, Inc.	25,000	\$6,250
Amala Ventures LLC		SunRay Scientific, Inc.	25,000	\$6,250
Harvey D. Homan and Cathy Homan as J/T/R/S		SunRay Scientific, Inc.	25,000	\$6,250
Harvey D. Homan and Cathy Homan as J/T/R/S		SunRay Scientific, Inc.	15,000	\$3,750
Daniel Keith Elliott		SunRay Scientific, Inc.	250,000	\$62,500
Heller Industries Inc		SunRay Scientific, Inc.	50,000	\$12,500
Heller Industries Inc		SunRay Scientific, Inc.	100,000	\$25,000
7	<b>NJ: 8 Total: 8</b>	SunRay Scientific, Inc.	\$490,000	\$122,500
Beaver Creek Intermediate Fund		Svelte Medical Systems, Inc.	899,837	\$179,967

LLC				
Robert W Croce		Svelte Medical Systems, Inc.	299,946	\$59,989
Robert W Croce		Svelte Medical Systems, Inc.	299,946	\$59,989
David Ross Fischell		Svelte Medical Systems, Inc.	11,908	\$2,382
Beaver Creek Intermediate Fund LLC		Svelte Medical Systems, Inc.	900,159	\$180,032
5	<b>NJ: 17 Total: 19</b>	Svelte Medical Systems, Inc.	\$2,411,796	\$482,359
Ronald Pierce Woodson		Vaneltix Pharma	25,000	\$6,250
Robert J. Evans		Vaneltix Pharma	100,000	\$25,000
James Marmora & Linda Marmora JT TEN		Vaneltix Pharma	10,000	\$2,500
Zaza Jasmine Towers		Vaneltix Pharma	29,994	\$7,499
Jeremy Solomon		Vaneltix Pharma	7,000	\$1,750
Michael W Armstong TR UA 08/07/2015 Michael W Armstrong Trust		Vaneltix Pharma	20,000	\$5,000
6	<b>NJ: 2 Total: 2</b>	Vaneltix Pharma, Inc.	\$191,994	\$47,999
GRAFIT LLC		XLINK LLC	1,000,000	\$100,000
Ryan Matthew Lane		XLINK LLC	1,000,080	\$200,016
2	<b>NJ: 3 Total: 3</b>	XLINK LLC	\$2,000,080	\$300,016
<b>TOTAL 204</b>	<b>NJ: 345 Total: 388</b>		<b>\$41,430,413</b>	<b>\$8,048,773</b>

## EXHIBIT B

### Q2 2022 Delegated Approvals - Small Business Emergency Assistance Loan Program (Phase 2)

Product ID	Account Name (Applicant) (Account)	Original Approved Amount	Approval Date
PROD-00297845	Ground Support Labs, LLC.	\$ 75,000.00	4/8/2022
PROD-00297900	United Community Corporation	\$ 61,488.00	4/25/2022
PROD-00289151	Cre8sart LLC	\$ 99,000.00	6/15/2022
PROD-00289152	Advanced Technologies for Novel Therapeutics	\$ 57,848.00	6/15/2022
PROD-00289209	Shoe Palace LLC	\$ 100,000.00	6/15/2022
PROD-00289125	Northern Rock, LLC.	\$ 100,000.00	6/21/2022
PROD-00289173	Duffy Financial Group, LLC	\$ 75,000.00	6/21/2022
PROD-00298206	Aleah Multi Services Center LLC	\$ 50,000.00	6/22/2022
PROD-00289089	Valor Vision Enterprise, LLC	\$ 50,000.00	6/23/2022
PROD-00289215	360 Marketing & PR, LLC	\$ 50,000.00	6/23/2022
PROD-00297899	Symbiance Inc	\$ 50,000.00	6/23/2022
PROD-00298017	Speedy Press USA Limited Liability Company	\$ 100,000.00	6/23/2022
PROD-00298127	Alya Bathroom Supply LLC	\$ 50,000.00	6/23/2022
PROD-00289238	The Room Verona LLC	\$ 85,000.00	6/28/2022
PROD-00297754	KAS DesignTech Limited Liability Company	\$ 30,375.00	6/28/2022
PROD-00298209	Four Brothers Financial Limited Liability Company	\$ 75,000.00	6/28/2022
PROD-00288881	Hadouken LLC dba Garmerce	\$ 36,602.00	6/29/2022
PROD-00289161	Innovative Foot and Ankle, PA f/k/a Daniel Brandwein, DPM and Sean Kaufman, DPM, PA	\$ 100,000.00	6/29/2022
PROD-00297626	Tonewood Brewing, LLC	\$ 75,000.00	6/29/2022
PROD-00297668	Bridge Trade LLC	\$ 45,000.00	6/29/2022
PROD-00297794	Millenium Cosmetics Limited Liability Company	\$ 50,000.00	6/29/2022
PROD-00297869	Arosa Trading Limited Liability Co	\$ 100,000.00	6/29/2022
PROD-00297901	Anchor Behavioral Solutions LLC	\$ 50,000.00	6/29/2022
PROD-00298188	Sage Wellness Center L.L.C.	\$ 50,000.00	6/29/2022
PROD-00297698	CJ Lasso Corporation	\$ 50,000.00	6/30/2022
PROD-00297867	Chirico & Calabro, LLC	\$ 75,000.00	6/30/2022
<b>TOTAL</b>		<b>\$ 1,740,313.00</b>	



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Hazardous Discharge Site Remediation Fund (HDSRF) Applications Approved Under Delegated Authority: **For Informational Purposes Only**

The following HDSRF applications were approved under delegated authority in the second quarter 2022:

#	County	Municipality	Applicant	Amount
1	Atlantic County	Hammonton Township	Hammonton Town	151,160
2	Atlantic County	Hammonton Township	Hammonton Town	76,932
3	Atlantic County	Hammonton Township	Hammonton Town	223,647
4	Camden County	Camden City	Camden Lutheran Housing Inc	98,462
5	Essex County	West Orange Township	Township of West Orange	44,718
6	Essex County	Cedar Grove Township	Roberta Ferrara	28,148
7	Essex County	Newark City	Newark Housing Authority	363,712
8	Hudson County	Jersey City	John Meyers	28,179
9	Middlesex County	Carteret Borough	Carteret Borough	267,751
10	Warren County	Alpha Borough	Alpha Borough	76,998
			<b>Total</b>	<b>1,359,708</b>

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Tim Sullivan, CEO

**Prepared by:** M. Deely



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** September 14, 2022

**SUBJECT:** Petroleum Underground Storage Tank Applications (PUST) Approved Under Delegated Authority: **For Informational Purposes Only**

The following PUST applications were approved under delegated authority in the second quarter 2022:

#	County	Municipality	Applicant	Amount
1	Atlantic County	Egg Harbor Township	James Sparano and Susan Sparano	44,298
2	Bergen County	North Arlington Borough	Tommasina Belvedere	8,606
3	Bergen County	Garfield City	Jolene Barcia	15,687
4	Bergen County	Saddle Brook Township	Helen LaBarbera	10,309
5	Bergen County	Bergenfield Borough	German Portes and Gloria Diaz	20,445
6	Bergen County	Hasbrouck Heights Borough	Salvatore Altomare and Eleanor Altomare	9,486
7	Bergen County	Bogota Borough	Sharon Albina	26,629
8	Bergen County	Wallington Borough	Jeffrey Slavinsky	9,450
9	Bergen County	Wallington Borough	Janice Sudol and Estate of Jane Packard	11,719
10	Bergen County	Westwood Borough	Karen Bonkowski	12,140
11	Bergen County	Rochelle Park Township	Jeremy Abrams	51,087
12	Bergen County	Maywood Borough	Maria Menjivar	6,180
13	Burlington County	Delran Township	Kelley King	1,480
14	Camden County	Barrington Borough	Timothy Allison	18,355
15	Camden County	Winslow Township	Valarie Coigne	7,724
16	Camden County	Cherry Hill Township	Hirenkumar Patel	3,071
17	Camden County	Cherry Hill Township	Estate of John Carabasi	8,999
18	Essex County	West Orange Township	Joseph Alessandra	5,451
19	Essex County	Irvington Township	Soleme Calixte	18,973
20	Essex County	Maplewood Township	Morris Jeffrey	8,275
21	Essex County	West Orange Township	Lan D. Lee	10,732
22	Essex County	West Orange Township	Douglas Castillo	18,456
23	Essex County	West Orange Township	Estate of Josefina Zimmermann	75,437
24	Essex County	Livingston Township	Moon Chung	28,864
25	Essex County	West Orange Township	Joseph Zipeto	122,953
26	Essex County	Nutley Township	Therese Nelson	15,747
27	Essex County	South Orange Village	Andrew Brown and Margo Brown	11,167
28	Gloucester County	Deptford Township	Marylou Kissling	117,435
29	Hudson County	Bayonne City	Estate of Michael Chung	11,476

30	Hudson County	North Bergen Township	Maria del Carmen Casares	14,873
31	Hudson County	Kearny Town	Armanda Azevedo	14,924
32	Hudson County	Jersey City	Daphne Bethea	18,567
33	Hudson County	Kearny Town	Teresa Bellifemine	10,074
34	Hunterdon County	Milford Borough	Alonzo L. Hosford	10,236
35	Mercer County	Hamilton Township	Jose Quintanilla	10,694
36	Middlesex County	South River Borough	Jose Bibiano	15,213
37	Middlesex County	Edison Township	Grace Yu	38,659
38	Middlesex County	North Brunswick Township	Jeanette Applegate	10,703
39	Middlesex County	Piscataway	David Lerner	7,766
40	Middlesex County	Old Bridge Township	Kristen DeNota	49,075
41	Middlesex County	South River Borough	Gail Mularz	10,174
42	Monmouth County	Freehold Township	Steven Wilensky	11,899
43	Morris County	East Hanover Township	The Estate of Nancy D'Angelo	15,609
44	Morris County	Lincoln Park Borough	Margaret Chrominska	10,323
45	Morris County	Long Hill Township	James Woods	7,016
46	Morris County	Mendham Township	Estate of James Davidson	5,329
47	Morris County	Parsippany-Troy Hills Township	Sonya Dzwonczyk	7,472
48	Morris County	Randolph Township	Estate of Stanford Kestecher	30,927
49	Morris County	Washington Township	Richard & Elaine Hogan	9,214
50	Passaic County	Haledon Borough	Eric Fluit	12,914
51	Passaic County	Bloomington Borough	Estate of Arlene Vitale	19,752
52	Passaic County	Clifton City	Irene Puleo	7,588
53	Somerset County	Chester Township	Joyce Mitschele	38,165
54	Sussex County	Byram Township	James Vaughan	6,375
55	Sussex County	Byram Township	Mark Debrito and Maureen Debrito	16,505
56	Sussex County	Ogdensburg Borough	Kathie & Christopher Reynolds	13,225
57	Sussex County	Newton Town	Albert DeLeon	6,760
58	Sussex County	Franklin Borough	Robin Ann Skellenger	8,737
59	Sussex County	Ogdensburg Borough	Timothy Wolfe and Eileen Wolfe	20,679
60	Sussex County	Vernon Township	Joann Yeza	12,571
61	Sussex County	Andover Township	Sarah Openhym	59,717
62	Union County	Linden City	Lisandro Baylon-Lopez	1,104
63	Union County	Westfield Town	Arne Ewing	10,853
64	Union County	Elizabeth City	Melvin Zgodny	25,861
65	Union County	Roselle Borough	Cesareo Ramirez and Urbana Ramirez	10,139
66	Union County	Westfield Town	Joseph Boyle	18,437
67	Warren County	Hackettstown Town	Suzanne Kenny	12,781
68	Warren County	Mansfield Township	Terry McConnell and Jacqueline McConnell	11,348
69	Warren County	Oxford Township	William Watras and Rosalinda Watras	10,864
<b>Total</b>				<b>1,343,752</b>



Tim Sullivan, CEO



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** September 14, 2022  
**SUBJECT:** Post-Closing Delegated Authority Bond Modification Approvals for 2nd Quarter 2022  
*(For Informational Purposes Only)*

The following Post-Closing Bond action was approved under delegated authority in the 2nd quarter ending June 30, 2022:

**Stand Alone and Refunding Bonds - (EDA has no Credit Exposure)**

<b>Applicant</b>	<b>Product Number</b>	<b>Modification Action</b>	<b>Bond Amount</b>
Visiting Nurse Association of Northern New Jersey	PROD-00134056	Consent to (i) reduce Bond's tax-exempt interest rate from 3.33% to 2.75%;(ii) reduce the reset rate from 3.33% to 2.75%	\$4,000,000.00
CHCC of Wayne, LLC	PROD-00182926	Consent to the extension of the Tender date from December 1, 2022, to March 1, 2023.	\$16,000,000.00

A handwritten signature in blue ink, appearing to read "Tim Sullivan", is written above a horizontal line.

Tim Sullivan, CEO

Prepared by: S. Foresta



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** September 14 , 2022  
**SUBJECT:** Incentives Modifications – 2nd Quarter 2022  
  
(For Informational Purposes Only)

Since 2001, and most recently in June 2014, the Members have approved delegations to staff for post-closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the Incentive Modifications that were approved in the 2<sup>nd</sup> quarter ending June 30, 2022.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is written above a horizontal line.

Tim Sullivan, CEO

Prepared by: F. Saturne

ACTIONS APPROVED UNDER DELEGATED AUTHORITY

SECOND QUARTER ENDING June 30, 2022

**GROW NEW JERSEY ASSISTANCE PROGRAM**

<b>Applicant</b>	<b>Modification Action</b>	<b>Approved Award</b>
E-Trade Financial Holdings LLC	Consent to the merger of E-Trade Financial Holdings LLC into Morgan Stanley Domestic Holdings, Inc., add affiliates to the Incentive Agreement, and update the Statewide Workforce from 510 to 1,898.	\$20,080,000
Genmab US, Inc.	Consent to update the QBF address of 777 Scudders Mill Road, Plainsboro, NJ to include "2 <sup>nd</sup> , 4 <sup>th</sup> , and 5 <sup>th</sup> floors".	\$12,810,000
Gucci America, Inc.	Consent to approve two six-month extensions of the certification completion submission deadline from December 11, 2021 to December 11, 2022.	\$14,700,000
Mesorah Publication, LTD	Consent to add an affiliate to the Incentive Agreement and update the square footage of the QBF from 119,396 to 130,000 sq. ft.	\$8,250,000
NB Ventures, Inc.	Consent to update the QBF address of 100 Walnut Avenue, Clark, NJ to include "3 <sup>rd</sup> floor"	\$7,445,440

**BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM**

<b>Applicant</b>	<b>Modification Action</b>	<b>Approved Award</b>
Comcast of New Jersey II, LLC	Consent to change the name of the grantee from Comcast Willow Grove, Inc. to Comcast Cable Communications Management, LLC effective August 2009.	\$511,875

**SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS**

N/A