

# Innovation Economy Programs

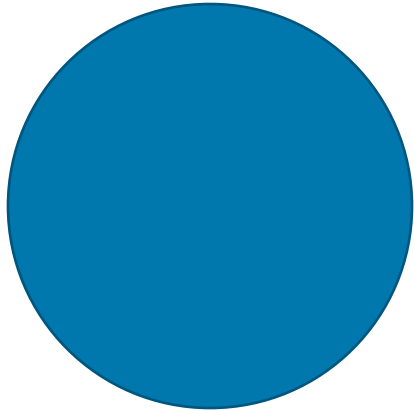
November 30, 2021

**NJEDA**

## Innovation Programs Highlights

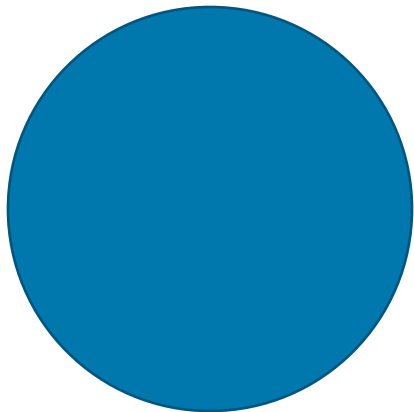
- NJEDA has **18 innovation programs** along with **6 programs** from CSIT
- New Jersey offers a **continuum of support**, servicing businesses across all stages, from pre-seed to angel funded through venture capital backed companies.
- Programs are geared toward **strengthening components of the innovation ecosystem and stimulating job growth in New Jersey**
- Support ranges from **capital access** and **technical assistance** to **place-based** and **ecosystem-building**.
- Several financing programs with a focus on **companies with prior investment activity or actively seeking investment**.
- CSIT predominantly focused on the **earliest companies** and **university commercialization**.
- Executing the **Governor's Fairer and Stronger Economic Development plan**.

## Programs guided by two key strategies...



### **1. Continuum of Support:**

New companies have a development life cycle. The NJEDA identified three distinct stages and built products providing targeted support at each stage.



### **2. Essential Economic Assistance:**

The innovation economy requires various inputs to function. The NJEDA identified 5 critical areas to drive growth.



# An Innovation Company in Phases...

## Phase I: Pre-Seed

- ✓ Ideation - MVP – Alpha/Beta - Pilots
- ✓ Developing business organization
- ✓ Looking for guidance and support

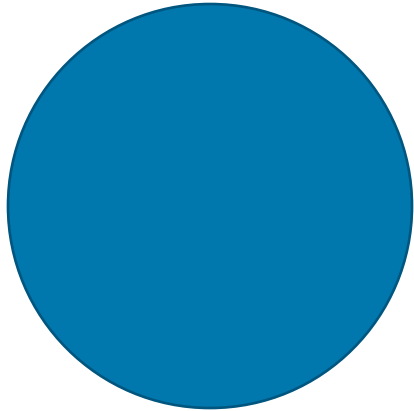
## Phase II: Early-Stage

- ✓ Product-market fit and traction
- ✓ Assembled core team – Growing employees
- ✓ Formal business structure

## Phase III: Venture

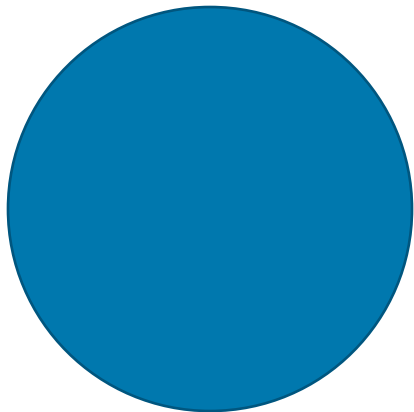
- ✓ Already raised professional investments
- ✓ Can show growth & Looking to scale – revenue, customer-acquisition, employees

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## Essential Components of the Innovation Economy

Ecosystem Building	Technical Assistance	Capital Access	Place-based	DE&I
<p>Develop Community Relationships - corporations/ startups/ Investors/ universities/etc.</p>	<p>Tailored innovation programming</p> <p>Access to mentorship and guidance</p>	<p>Direct financial support or investment – Grants/ Notes/ Tax Credits</p>	<p>Provide Space - coworking/ office/ Labs/etc</p> <p>Anchor programming and events</p>	<p>Targeted support to underserved communities.</p>

## Highlighted Initiatives

# NJ Founders and Funders

<https://application.njeda.com/tls/>

## Program Overview:

Organized to facilitate warm introductions between New Jersey's emerging technology companies and local investor community.

## Event Highlights:

Companies will have scheduled 10 minute meetings with industry and stage appropriate investors.

## Requirements:

To participate, and company must

- Be registered to do business in NJ
- Provide a 1 to 2 page-Executive Summary
- Pre-register on the program website

Planning to resume in 2022

70+ investors and  
250+ companies  
have attended and  
curated over 1,400+  
introductions

10% of participating  
companies have  
raised capital  
following  
attendance



# Golden Seeds

## Program Overview:

Angel investor group dedicated to funding high-potential, women-led businesses.

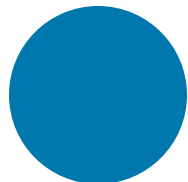
Hosts office hours once a month for companies to pitch and receive feedback from members in the New Jersey Chapter.

>30

Members in the New Jersey chapter  
**90%** attend office hours regularly .

>100

Connections between  
NJ Entrepreneurs and the New  
Jersey Chapter



17 NJ companies progressed beyond office hours.  
Nationally, Goldenseeds has made 18 new investments in 2021.



NJ chapter  
invested  
almost \$4.5  
million in  
2020

# NJ Accelerate

## Program Overview

Partner with best-in-class accelerator programs to provide access to NJ entrepreneurs and to support program graduates locating in the Garden State.

## Accelerators - Curriculum, Cohorts, Fixed-term, Investment Programs Nation-wide can apply

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### Benefits for Approved Accelerators

**Promote** Approved Accelerator program opportunities to the NJ innovation ecosystem

**Cost-Sharing** Sponsorship to host programmatic events in NJ

### Benefits for Graduates of Approved Accelerators

**Direct Funding** Convertible note, matched 1:1 with Accelerator up to \$250,000

**Rent Support** 50% of lease, up to 6 months at an approved NJ Ignite space

**BENEFIT BONUSES** for Diversity, Equity, and Inclusion

# Ignite: Incubator / Collaborative Workspace Rent Initiative

## Program Overview

Provides a rent grant to early stage technology to in an approved NJ workspace.

- Over 20 approved collaborative spaces
- At least 50% of first lease will be free to the startup  
(Max lease year of 18 months)
- COMPANY MUST
  - not have previously located in a collaborative facility
  - Have less than \$1M in Rev
  - Be less than 7 years old
  - Have 10 employees or less
  - Have at least 1 employee in the office
  - Be in a **targeted industry**

An additional month of support for:

- Workspaces Located in Opportunity Zones, Affiliated with NJ hospitals or Universities, Established Recently
- Businesses certified WMBE or Foreign new to the U.S.



## Angel Tax Credit

### Program Overview:

Investors in a qualifying NJ emerging technology or life science business may benefit from a 20%-25% investment tax credit.

### Program requirements

- Full time employees
  - at least 1 no more than 225
  - 75% in New Jersey
- Must be an emerging technology – commercializing an eligible technology
- Investment must be a non refundable transfer of cash
- Fully submitted application within 6 months of closing investment
- Bonus for WMBE or Opportunity Zone companies

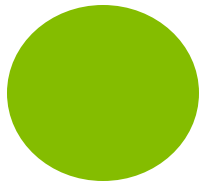
**\$659 Million**  
total investment  
leveraged

**1,856**  
Angel  
investments

# Technology Business Tax Certificate Transfer (NOL) Program

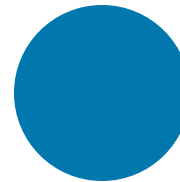
## Program Overview:

Enables unprofitable NJ-based technology or biotechnology companies to sell a percentage of accrued losses to unrelated profitable corporations.



Tech or biotech companies with:

- At least 1/5/10 FTE working in NJ
- No more than 224 FTE in the US
- PPIP
- 2 consecutive years of operating losses
- CPA prepared financial statements
- Taxable corporate structure



**\$75M** allocated annually

**\$1B+** to **OVER 570** companies since program start

# Direct Company Investment

## Program Overview:

Convertible note financing to bridge funding gaps and/or drive rapid growth.  
Always matched to an outside funding round.  
Comes with warrant for future equity.

## Edison Innovation Funds

### NJ CoVest Fund

\$100K-\$250K Notes  
10yrs  
Match 1 to 2  
Unsecured  
Angels & Funds  
Sales Revenue  
FT Employees – 50% NJ

### Angel Growth

\$250K Notes  
5yrs  
Match 1 to 2  
Secured  
Angels  
Sales Revenue – Min \$250K  
FT Employees – 75% NJ

### VC Growth

\$1M Notes  
5yrs  
Match 1 to 1  
Secured  
Funds  
Sales Revenue – Min \$1M  
FT Employees – 75% NJ

### Growth Stars

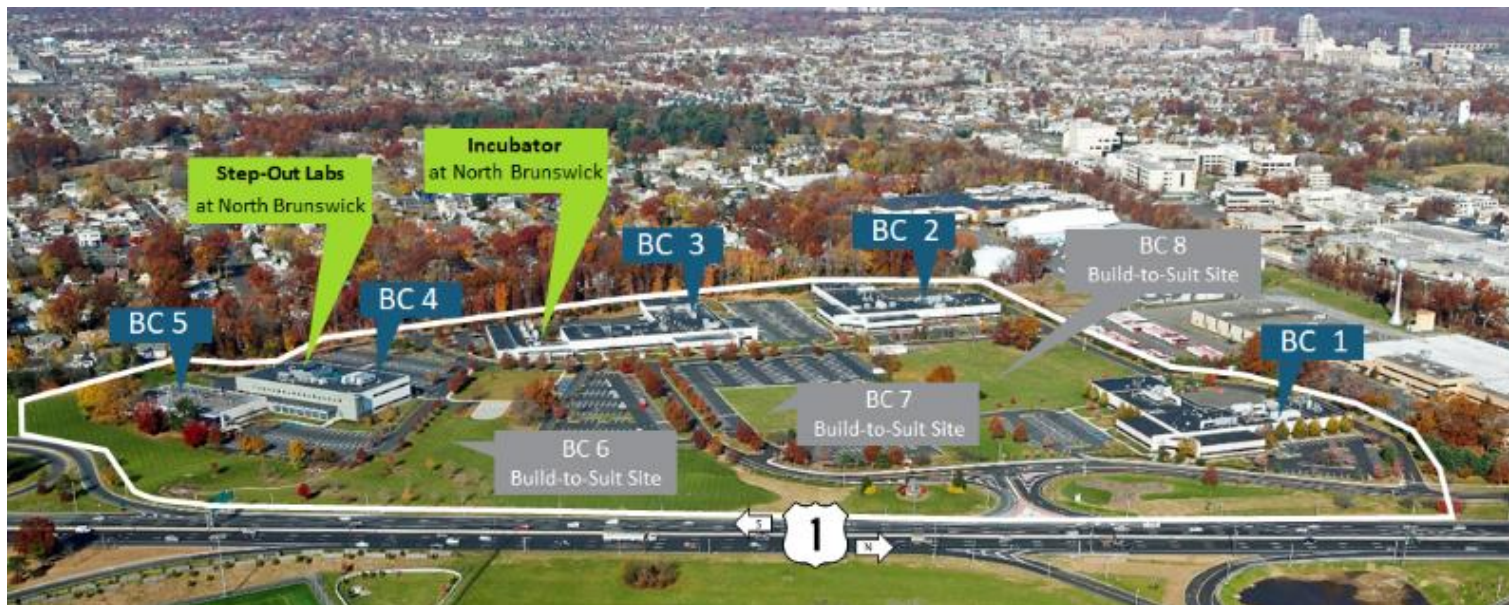
\$500K Notes  
5yrs  
Match 1 to 1  
Secured  
Funds  
Sales Revenue – Min \$2M  
FT Employees – 75% NJ

## NJ BioScience Center

### Program Overview:

Developed to meet the research, manufacturing and office needs of entrepreneurial startups, emerging research companies, large established corporations in bioscience and pharmaceutical industries.

### 50 Acres, 5 Buildings, 3 Redevelopment sites



Prestigious  
tenants include:



Located in the heart of NJ's  
Research Corridor

+\$70 million invested

Incubator, post-incubator, independent  
R&D, and build to suit sites available





# CSIT : Support for Entrepreneurs

## Research with New Jersey [www.researchwithnj.com](http://www.researchwithnj.com)

On line portal to connect academia /  
entrepreneurs / industry

Showcases robust NJ STEM Research capabilities –  
Innovator profiles, Facilities, IP, Research output

5 University partners (Montclair, NJIT, Rowan,  
Princeton, Rutgers)

## Financial Support

Grant Awards of \$15K-\$150K

SBIR/STTR Direct Funding Grants

Clean Tech Seed Grant Program  
Clean Tech R&D Vouchers

Catalyst Seed Grant program

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## Diversity / Equity /Inclusion

Focus on inclusive engagement in the innovation economy

Academic collaboration to increase commercialization by  
female entrepreneurs – NSF ADVANCE Partnership NJECC



## Program Fit

## Targeted Industries – Product Based “Technology”

1. Advanced transportation and logistics
2. Advanced manufacturing
3. Aviation
4. Autonomous vehicle and zero-emission
5. Clean energy
6. Life sciences
7. Hemp processing
8. Information and high technology
9. Finance and insurance
10. Professional services
11. Film and digital media
12. Non-retail food and beverage / food innovation
13. Other innovative industries disrupting current business

# Company Stages with Key Structures

## Phase I: Pre-Seed

- ✓ Developing your product
- ✓ Pulling together founders/team
- ✓ Building relationships
- ✓ Developing business organization
- ✓ Finding advisors

## Phase II: Early-Stage

- ✓ Product
- ✓ Generating revenue
- ✓ Initial customer base
- ✓ Full C Suite / Management
- ✓ Formal payroll
- ✓ Internal operations and structure in place

## Phase III: Venture

- ✓ Developing strategies to scale
- ✓ Improve operations
- ✓ Raised some capital but need additional levels

# Active Program Suite

	Phase I: Pre-Seed	Phase 2: Early-Stage	Phase 3: Venture
NJ Founders and Funders	X	X	
Golden Seeds	X	X	
NJ Accelerate	X	X	
NJ Ignite	X	X	
NOL Program		X	X
Angel Investor Tax Credit	X	X	X
NJ CoVest Fund		X	
Edison Innovation Fund			X
NJ Bioscience Center-Incubator	X	X	
NJ Bioscience Center –Step-out Labs		X	X
Research with New Jersey	X	X	X
Clean Tech Seed Grants	X	X	
Clean Tech R&D Voucher	X		
SBIR/STTR-FAST	X		
SBIR/STTR-Direct Financial Assistance	X		

Thank You

Q&A

<https://www.njeda.com/strategic-industry-support/>

NJEDA