



Strategic Innovation Centers

Background

On January 7, 2021, Governor Murphy signed the New Jersey Economic Recovery Act of 2020 (ERA) into law. The ERA included amendments to the Authority's Economic Recovery Fund (ERF) to provide equity in innovation centers, research centers, incubators, accelerators, and other similar innovation-oriented entities.

The Governor's 2022 budget allocated \$55 Million for Strategic Innovation Centers and has increased to \$100 Million for the 2023 budget. The aim of funding strategic innovation centers is to accelerate economic recovery and drive the long-term growth of the State's innovation economy with a focus on supporting increased diversity & inclusion within the state's entrepreneurial economy.

Overview: Strategic Innovation Centers (SIC)



What is a Strategic Innovation Center (SIC)?

Strategic Innovation Centers are facilities that either directly support **research and development (R&D), innovation, or entrepreneurship** or are aimed at solving specific problems in new and innovative ways through a combination of services such as mentorship, networking opportunities, hands-on training, business support services, education opportunities, and/or access to testing, fabrication, or manufacturing facilities and equipment. NJEDA funding will not exceed \$25 million per SIC.



What do these centers look like?

Strategic Innovation Centers can be accelerators, incubators, research centers, innovative service delivery centers, or **multi-tenant innovation clusters**. The common purpose is to create a **physical location** that builds a community of entrepreneurs and innovators collaborating on a shared goal.

Targeted Industries



ADVANCED
TRANSPORTATION
AND LOGISTICS



ADVANCED
MANUFACTURING



AUTONOMOUS
VEHICLE AND ZERO-
EMISSION VEHICLE
RESEARCH OR
DEVELOPMENT



AVIATION



CLEAN ENERGY



FILM AND
DIGITAL MEDIA



FINANCE AND
INSURANCE



HEMP
PROCESSING



INFORMATION
AND HIGH
TECHNOLOGY



LIFE SCIENCES



NON-RETAIL
FOOD AND
BEVERAGE
BUSINESSES



PROFESSIONAL
SERVICES



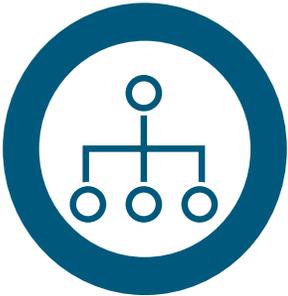
OTHER INNOVATIVE
INDUSTRIES THAT
DISRUPT CURRENT
TECHNOLOGIES OR
BUSINESS MODELS

"The State of Innovation: Building a Stronger and Fairer Economy in New Jersey (2018)." The Office of the Governor of New Jersey.

Key Characteristics of an attractive Strategic Innovations Center Partner

Are you interested in partnering with NJEDA on a Strategic Innovation Center?

Potential proposals must support a broad range of companies/businesses in a targeted industry OR support increasing diversity and inclusion within the State’s entrepreneurial economy. Proposals should also have public private partnerships and a university engagement component.



ONE TO MANY

One Location with a single focus that will help many entrepreneurial businesses



PUBLIC PRIVATE PARTNERSHIPS

The private sector lead must have a minimum 1:1 match with both significant experience and financial commitment. The NJEDA will be an equity partner in the project and an advisor, but not a day-to-day operator.



UNIVERSITIES

The SIC should have an engagement plan that includes partnerships with NJ Universities and key community partners with an emphasis on advancing diverse entrepreneurs and underserved communities.

Bring your Strategic Innovation Center ideas to NJEDA!

Key Investment Considerations



The **Economic feasibility** of the project.



The degree to which the project will **advance Statewide and regional strategies and objectives**.



The degree to which the project **maximizes the leveraging of other sources of funds**.

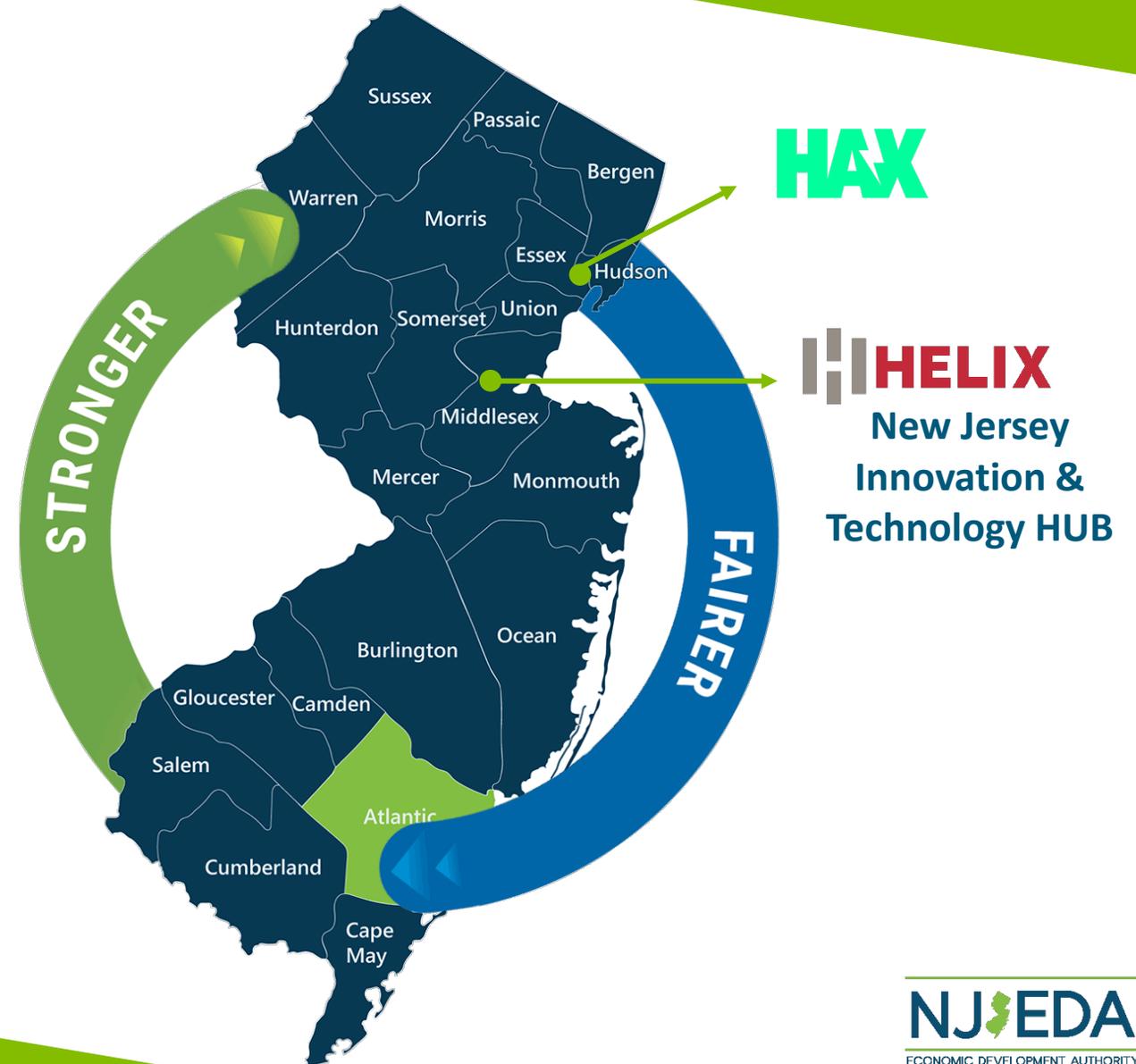


The degree to which the project **promotes economic development, the creation or retention of jobs, and the stimulation of private sector investment and expansion**.



Additional criteria includes **supporting local and historically underserved communities, promoting and strengthen the state's position as the most diverse and inclusive innovation ecosystem in the country, and where it is located in New Jersey**.

Current Strategic Innovation Center Projects





\$50M joint venture between NJEDA and globally-ranked VC, SOSV, to create “HAX LLC” studio HQ at **707 Broad St., Newark** focused on **decarbonization, digital manufacturing, and automated supply chain.**

Program Highlights:

- Will support **100+ early-stage companies** and expected to create at least **2,500 new, high-paying jobs.**
- NJEDA and SOSV both invested **\$25M** to be joint owners of HAX LLC.
- SOSV has committed to **mentoring at colleges, universities, local manufacturing sourcing, engagement in workforce development, and creating local advisory board.**

SIC Alignment:

- Accelerator studio located in Newark.
- **Targeted Industries:** clean energy, advanced manufacturing
- **One to Many:** The HAX program provides \$250K on average to each of approx. 30 cohort companies every year for their 6+ month accelerator program. Startups are expected to finish the program with a scalable product. Following the program, HAX typically supports fundraising for a larger “seed round” of financing ranging between \$1.5M and \$5M.
- **PPP:** NJEDA and SOSV both invested \$25M to be joint owners of HAX LLC.
- **University Engagement:** The HAX program has partnerships with NJIT, Rutgers, Princeton, and NJCCC. This includes collaborating on innovation/tech events and providing learning opportunities for students.

*“One of my administration's key strategies for building a stronger, fairer New Jersey is growing the most diverse, inclusive innovation ecosystem in the nation...**Bringing HAX and the 2,500 jobs that come with this effort to Newark will help us achieve this goal.**” – Governor Murphy*



New Jersey Innovation & Technology HUB



Located in **downtown New Brunswick**, The New Jersey Innovation and Technology HUB will bring together partners, including NJEDA, in its two spaces: the **Innovation Center** and the **CORE Partner space**.



Program Highlights:

- The HUB is estimated to create **2,000 permanent jobs** and **1,200 construction jobs**.
- NJEDA committed **\$10M** to this project.
- The site will include the **Rutgers Institute for Translational Medicine and Science** as well as become the home of the **Rutgers Robert Wood Johnson Medical School**. **Princeton University** and **Hackensack Meridian Health** will be the HUB's initial tenants.

New Jersey Innovation & Technology HUB

*“It will be that rare standalone center where researchers and clinicians from across the pharmaceutical and life science sectors will have **immediate and daily access to academic and industry experts as they fine tune their advancements.** [They will also have access] to the investors they need in order to take those advances to markets and then treat patients around the world.”*

– Governor Murphy

SIC Alignment:

- Multi-tenant innovation cluster in New Brunswick.
- **Targeted Industries:** life sciences
- **PPP:** The project partners are RWJBarnabas Health, Hackensack Meridian Health, NJEDA, the New Brunswick Development Corporation, Princeton University, and Middlesex County.
- **University Engagement:** Rutgers and Princeton are core partners.



October 2021 groundbreaking in downtown New Brunswick.



Visit www.njeda.com/strategic-innovation-centers for more information.



@NewJerseyEDA | njeda.com | 609.858.6767

Addendum: SIC Seed Funding Opportunity



Seed Funding to Establish Non-Profit Membership Entities



An additional SIC investment opportunity exists for those interested in an SIC partnership but perhaps not ready for the large-scale investment. The seed funding opportunity is a **memorandum of understanding between NJEDA and a non-profit such as a public university that provides seed funding plus staff resources to establish innovation centers and support its associated activities.**



The innovation center operates as a **separate 501©(3) nonprofit entity**. It is **funded primarily using non-SIC investment funds** through sources such as membership dues from private sector companies and other organizations within the target industry. The seed funding provided does not constitute membership in the innovation center, however, NJEDA may seek membership approval. NJEDA will also not possess interest of title in any equipment, supplies or other assets.

Current Facilities that benefitted from SIC Seed Funding



The eSports Innovation Center

- A MOU in May 2021 committed NJEDA to provide **\$200,000 in funding plus staff resources to Stockton University for its esports initiative.**
- This includes Stockton’s establishment of an esports Innovation Center in **Atlantic City.**
- The esports Innovation Center was incorporated in September 2021 and will be **funded primarily by membership dues.**
- The Authority will establish a **founding membership** in the Center at **\$50,000 per year.**

Sports Wagering and Fintech Workforce Development and Innovation Center

- A MOU in June 2021 committed NJEDA to provide **\$200,000 in funding plus staff resources to New Jersey City University to support the establishment and initial activities of a Sports Wagering and Fintech Workforce Development and Innovation Center (“the Center”) in Jersey City.**
- The Center will be **funded primarily by membership dues.**
- The Authority will establish a **founding membership** in the Center at **\$50,000 per year.**

