



## **NEW STATE INCENTIVE PROGRAMS - NJEDA**

**EMERGE PROGRAM: (Replaces GROW NJ):** Tax credit program for highly distressed communities; requires new job creation requirements; must retain more than 500 jobs; must make minimum capital investment in area or donate to a local infrastructure fund; new benefit requirement of 200-400% of award; tax credits awarded are paid for seven years and jobs must remain at facility 10.5 years; reservation of funds for 8 southern counties of \$385 million for Emerge and Aspire together

- Incentive award must be material factor in location decision
- State must receive net benefit of at least 400% of the amount of the tax credit
- Prevailing wages required
- Minimum capital investment required depending on type of use and construction
- Minimum full time jobs requirement depending on type of business and location (from 25 jobs to 25% growth in workforce)
- Must enter into Project Agreement and, if greater than \$10 million project, Community Benefits Agreement
- Tax Credit Amounts: \$3,000 per year in Cumberland County; \$2,500 in OZ
- Tax Credit Bonus: \$1,000 in Cumberland County as a high distress index community; additional bonuses for childcare, prisoner re-entry, LEED rating, partnership with college, solar energy, OZ location
- Max. gross amount: \$5,000 in Cumberland
- Must pay full time employees \$15/hr or 120% minimum wage whichever higher

**NJ ASPIRE PROGRAM (Replaces ERG):** Gap financing program for commercial, industrial, mixed use, residential real estate development; 50% of development costs for projects in targeted areas; 45% for other areas; targets downtowns near transit; designed to bring low/mod housing to suburbs; includes labor peace agreements; Southern NJ has 35% set aside of funding or \$385 million for first 6 years of the program

- Tax credit capped at \$50 million or up to 50% project costs for county municipalities
- Project must be in Planning area 1 or 2 or Designated Center and within half mile of transportation station
- Prevailing wages required
- Must be complete with C/O within four years of incentive agreement
- Developer must have 20% equity participation
- All non-residential projects must include building with at least 100,000 sf of office and retail
- Project must have total project cost of \$10 million if in municipality less than 200,000 pop.
- Residential projects must have 20-50% affordable housing reservation with affordability controls
- Incentive Agreement Commercial or mixed use: 15-year eligibility
- Incentive Agreement Residential: 10-year eligibility period
- Tax credits must be used in tax period for which they are issued – cannot be carried forward but can be sold to third party
- Must enter into Community Benefit Agreement

**NJ INNOVATION EVERGREEN FUND (NJIEF):** Venture investment fund for NJ companies established by tax credit auction proceeds; bids cannot be lower than \$1 million and must pay 85% of requested dollar value; 50% public money and 50% private; venture businesses can draw up to \$5

million for two investments per year in NJ based companies in state's focus sectors; 25% of fund for distressed communities; set aside for OZs

**FOOD DESERT RELIEF PROGRAM:** Supports new supermarkets and small retailers of fresh foods and encourages access to nutritious foods; up to 40% development costs for operator developing the first grocery store in a food desert community; up to 20% for the second; up to 100% of initial operating costs for the first grocery store, 50% for second; grants/loans to small and mid-sized retailers and supermarkets to support food security initiatives

**MAIN STREET RECOVERY FINANCE PROGRAM:** Main Street recovery fund for grants/loans to small businesses and microbusinesses with 10 or fewer employees and annual revenues less than \$1 million; grants/loans to CDFIs supporting microbusinesses; 40% minority/women owned business set-aside; up to 10% of fund for technical assistance to microbusinesses; for communities severely impacted by Covid-19

**BROWNFIELD REDEVELOPMENT INCENTIVE:** One-time tax credit in year of completion; 40% of remediation cost up to \$4 million project cap; remediation of interior and exterior pollutants; any former or current commercial or industrial site currently vacant or underutilized where there has been a hazardous discharge

**HISTORIC PROPERTY REINVESTMENT PROGRAM:** One-time tax credit to rehab historic properties; 40% rehab costs per project; must be income producing project on National Register or approved by State Historic Preservation Officer; must enter into Rehab Agreement with EDA and must demonstrate that, without the tax credit, project not feasible (financing gap exists)

**COMMUNITY-ANCHORED DEVELOPMENT PROGRAM:** For key not-for-profit and institutions in education, health care, culture, community development and economic development industries with large scale projects with significant community impact; minimum project investment \$10 million; awards \$5 million to \$75 million or 40% project costs; partnerships for career training and work opportunities; eligibility period of up to 10 years

**NJ IGNITE PROGRAM:** Direct assistance (rent grants) to start-up collaborative workspaces; eligible for businesses registered in NJ with at least 1 FT employee assigned to a collaborative workspace and no more than 10 employees overall, less than \$1 million in gross annual sales; company cannot be greater than 3 years old. Max up to 6 months rent, up to \$25,000

**ANGEL INVESTOR TAX CREDITS:** Expansion and allowance for limited partner investment into a qualified NJ focused fund

**ECONOMIC REDEVELOPMENT AND GROWTH (ERG):** Extension for 12 months with funding to bridge funding gaps for development projects

**NJ FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM:** Production companies encouraged to film and create digital media content in NJ; cap expanded to up to \$300 million

**OFFSHORE WIND TAX CREDIT:** Capital investment requirement reduced to \$50 million and expansion of geographic criteria; cap expanded to \$350 million