



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**new jersey**

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## Grow NJ Assistance Program

**BUSINESSES SEEKING AN AWARD AS A MEGA PROJECT MUST APPLY BY SEPTEMBER 18, 2017 AND BE PRESENTED TO THE EDA BOARD NO LATER THAN THE DECEMBER 2017 BOARD MEETING. ALL OTHER APPLICATIONS FOR ASSISTANCE UNDER THE GROW NJ PROGRAM, INCLUDING FOR PROJECTS IN GARDEN STATE GROWTH ZONES, MUST BE SUBMITTED NO LATER THAN JUNE 30, 2019.**

### If You Are:

A business creating or retaining jobs and making a capital investment in a qualified incentive area.

### You Can Apply For:

Grants of corporate business and insurance premiums tax credits for job creation/retention through the Grow NJ program.

### Eligibility:

In order to qualify for consideration for Grow NJ, a company must:

1. Locate the project in a Qualified Incentive Area, which is currently defined as one of the following. (See the Mapping Tool link at the bottom of this page for assistance in determining whether the project address is located in an eligible area.)

- [Urban Transit Hub Municipality](#)
- [Distressed Municipality](#)
- Garden State Growth Zones (GSGZ) - The four New Jersey cities with the lowest median family income based on the 2009 American Community Survey from the US Census (Camden / Trenton / Paterson / Passaic); and a municipality which contains a Tourism District as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment Development Authority (Atlantic City).
- Projects in a priority area (see Definitions below for more information)
- Other eligible areas not located within a distressed municipality or priority area, including an Aviation District; Planning Areas 1, 2 or 3 pursuant to State Planning Act; certain portions of Meadowlands, Pinelands and Highlands; and certain portions of Planning Areas 4A, 4B & 5; and the "sports complex" under the jurisdiction of the New Jersey Sports and Exposition Authority.

2. Meet or exceed the minimum employment and capital investment requirements, as outlined below:

### Minimum Full-Time Employment Requirements

Industry	New / Retained Full-time Jobs
Tech start ups and manufacturing businesses	10 / 25
Other targeted Industries	25 / 35
All other businesses/industries	35 / 50

*continued*

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Minimum employment numbers are reduced to 3/4 of the number listed above in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem. In the case of any fractional total, the minimum employment total will be rounded up to the next largest whole number.

## Minimum Capital Investment Requirements

Project Type	(\$/Square Foot of Gross Leasable Area)
Industrial, Warehousing, Logistics and R&D - Rehabilitation Projects	\$20
Industrial, Warehousing, Logistics and R&D - New Construction Projects	\$60
Other – Rehabilitation Projects	\$40
Other – New Construction Projects	\$120

Minimum capital investment amounts are reduced to 2/3 of the amount listed above in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem. In the case of any fractional total, the minimum capital investment will be rounded up to the nearest dollar.

3. Demonstrate that the award of the tax credit is a “material factor” in the company’s decision to create or retain at least the minimum number of full-time jobs unless the project is located in a GSGZ that qualifies under the Municipal Rehabilitation and Economic Recovery Act (MRERA) (Camden), or which contains a Tourism District established by section 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment Development Authority (Atlantic City), in which case, demonstrate that the award of tax credits is a material factor in the business decision to make a capital investment and locate at least the minimum number of full-time jobs in such GSGZ.

4. Demonstrate that the capital investment and the resultant creation of eligible positions will yield a net positive benefit of at least 110 percent of the requested tax credit amount prior to factoring in the tax credit, or, for a project in a GSGZ that qualifies under the MRERA (Camden), 100 percent of the requested tax credit prior to factoring in the tax credit.

5. All projects must meet Green Building Requirements. For guidance on these program requirements, [please click here](#). For questions regarding these requirements, please contact your EDA Business Development Officer.

6. Within six 12 months (12-24 months if new construction or Mega Project) following the date of application approval by the EDA, each approved business must submit progress information indicating that the business has site plan approval, committed financing for and site control of the qualified business facility. No document evidencing site control shall have been executed prior to Authority Board approval unless it was disclosed prior to said approval and deemed acceptable regarding the required material factor from #3 above. Unless otherwise determined by EDA in its sole discretion, EDA’s approval of the tax credits shall expire if the progress information is not received within twelve months of the date of application approvalthe required time period.

7. Enter into any construction contracts associated with the project using “prevailing wage” labor rates and affirmative action requirements.

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8. Maintain the project and related employment at the project site for 1.5 times the period in which the business receives the tax credit commencing upon Authority acceptance of the project completion certifications.

9. Businesses receiving tax credits must maintain a minimum of 80% of its full-time New Jersey workforce from the last tax period prior to the grant approval and 80% of the number of new and retained full-time jobs at the qualified business facility specified in the incentive agreement. If the full-time New Jersey workforce or the number of full-time employees at the qualified business facility falls below the corresponding 80% threshold, the business will forfeit its tax credit amount for that tax period and each subsequent tax period until the first tax period for which the full-time New Jersey workforce or full-time jobs at the qualified business facility is restored back to the minimum level and documentation reflecting such has been reviewed and approved by the EDA Board

10. For projects with outstanding commitments under other EDA incentive programs, the applicant may unwind their current commitment in certain circumstances and under certain conditions to take advantage of the Grow NJ Program. For questions regarding this process, please contact your EDA Business Development Officer.

## Tax Credit Amounts Available:

Qualified eligible businesses receive tax credits per job, per year for a period of up to ten years for each new or retained full-time job to be located at the qualified business facility. The maximum amount of the tax credits to be applied by the business annually is generally determined as follows: a gross amount per job/per year is obtained by adding all applicable bonuses to the base amount; the gross amount is then subject to a cap. 100% of the gross amount per new job is allowed, whereas (subject to certain exceptions) retained jobs receive the lesser of the capital investment divided by 10 divided by the sum of the new and retained full-time jobs in the project or 50% of the gross amount per retained job is allowed. Finally, the total amount of annual tax credits is subject to a maximum cap.

In addition, for each application for tax credits in excess of \$4 million annually, the amount of tax credits available to be applied by the business annually shall be the lesser of the permitted statutory maximum amount or an amount determined by the EDA necessary to complete the project, which shall be determined through staff analysis of all locations under consideration by the business and all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations and potential out-of State location alternatives.

## Base Calculation of Tax Credits

Project Type	Base Amount (Per New or Retained FT Job, Per Year)	Gross Amount Cap Per New or Retained FT Job, Per Year	Maximum Cap To be Applied by the Business Annually
GSGZ Project	\$5,000	\$15,000	\$30,000,000 (\$35,000,000 - Camden/ Atlantic City GSGZs)
Mega Project **	\$5,000	\$15,000	\$30,000,000
Urban Transit Hub Municipality	\$5,000	\$12,000	\$10,000,000
Distressed Municipality	\$4,000	\$11,000	\$8,000,000
Priority Area	\$3,000	\$10,500	\$4,000,000 * Not more than 90% of business withholdings
Other Eligible Area	\$500	\$6,000	\$2,500,000 * Not more than 90% of business withholdings

continued

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\* If a project is located in a “Priority Area” or “Other Eligible Area,” the annual 1/10th total actual certified credit amount is capped at 90% of employer withholding taxes remitted from the qualified business facility for such year.

\*\* Projects classified as “Mega Projects” include:

- o Logistics, manufacturing, energy, defense, or maritime businesses in a port district or businesses in the aviation industry located in an aviation district with:
  - o Capital investment of at least \$20 million and 250 jobs created or retained; or
  - o 1,000 jobs created or retained; or
- o A qualified business facility located in an urban transit hub, having a capital investment in excess of \$50 million and at which more than 250 full time employees of a business are created or retained; or
- o A project located in an existing area designated in need of redevelopment within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean or Salem counties having a capital investment in excess of \$20 million, and at which more than 150 full-time employees are created or retained.

## Bonus Criteria: (generally applicable bonuses)

Bonus Type* (*Summarizes bonus types most widely available.)	Bonus Amount Per Job, Per Year
Deep poverty pocket or Choice Neighborhood Transformation Plan area	\$1,500
<a href="#">Qualified business facility in a vacant commercial building having over one million sq. ft. of office or laboratory space available for occupancy for a period of over one year. (Qualified businesses listed here.)</a>	\$1,000
Qualified incubator facility	\$500
Mixed-use development with mod. income housing for min. of 20% of full-time employees.	\$500
Transit oriented development	\$2,000
Excess capital investment in industrial site for industrial use - Excludes mega projects.	\$3,000 maximum
Excess capital investment in industrial site for industrial use - Mega projects or GSGZ projects	\$5,000 maximum
Median salary in excess of county’s existing median or in excess of municipal median for GSGZ	\$1,500 maximum
Large numbers of new and retained full-time jobs: 251 to 400 401 to 600 601 to 800 801 to 1,000 1,001+	\$500 \$750 \$1,000 \$1,250 \$1,500
Business in a targeted industry	\$500
Exceeds LEED “Silver” or completes substantial environmental remediation	\$250
<a href="#">Located in municipality in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem counties with a 2007 MRI Index greater than 465</a>	\$1,000
Located within a half-mile of any new light rail station	\$1,000
Projects generating onsite solar energy of at least 1/2 of the project’s overall energy needs.	\$250

continued

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## Bonus Criteria (continued):

*A different tax credit award determination may apply if the project is located in a project in a GSGZ that qualifies under the MRERA (currently Camden) and will create 35 or more jobs new to Camden and make a capital investment of at least \$5 million. If so, please contact your EDA Business Development Officer.*

## Fees\*\*:

- Application Fee
  - \$1,000 (\$10 million tax credit or less and 100 or fewer jobs);
  - \$2,500 (\$10 million tax credit or less and over 100 jobs);
  - \$5,000 (all others)
- Approval Fee: 0.5% of the approved amount with a \$500,000 cap, payable prior to Board approval.

*Note: For projects capped at 90% of employer withholding taxes, EDA offers two approval fee options.*

- Issuance Fee: 0.5% of tax credit amount with a \$500,000 cap
- Servicing Fee: 2% of annual amount with an annual cap of \$75,000.
- Tax Credit Transfer Fee: \$5,000 first request; \$2,500 each additional request annually.

- Minor Modification Fee:
  - \$5,000 (\$5 million total tax credit or less);
  - \$10,000 (all others)

- Major Modification Fee:
  - \$7,500 (\$5 million total tax credit or less);
  - \$25,000 (all others)

- Extension Fee:
  - \$5,000 (first 6 months);
  - \$10,000 (second 6 months)

- Unwind Fee:
  - \$5,000 (minor); \$25,000 (major)

- Full amount of direct costs of any analysis by a third party retained by the EDA

Division of Taxation Tax Clearance Certificate required. Certificates must be requested through the [State of New Jersey's Premier Business Services \(PBS\) portal online](#)

- Under the Tax & Revenue Center, select Tax Services, then select Business Incentive Tax Clearance.
- If the applicant's account is in compliance with its tax obligations and no liabilities exist, the Business Incentive Tax Clearance can be printed directly through PBS.

**Please note: It is the applicant/client's responsibility to maintain a current and clear tax clearance certificate. If a current and clear certificate is not evidenced to EDA at time of closing, EDA will not proceed with closing.**

\*\*All fees are non-refundable except for the approval fee due prior to approval, which shall be refunded if the Authority does not approve the tax credit.

# Grow NJ Assistance Program

Applications for assistance under the Grow NJ Program must be submitted no later June 30, 2019, except that businesses seeking an award as a Mega Project must apply by September 18, 2017.

Additional terms and conditions pursuant to P.L. 2013, c. 161, as amended, and implementing regulations at N.J.A.C. 19:31-18.1 et seq. apply.

[Application](#)

[Median Annual Salaries](#)

[Mapping Tool](#)

[TOD Bus Terminal List](#)

[Buyers List](#)

[Reporting and Certification Forms](#)

[Courtesy Copy of Current Grow NJ Program Rules, N.J.A.C. 19:31-18.1 through 18.19 \\*](#)

[Courtesy Copy of Grow New Jersey Assistance Act, N.J.S.A. 34:1B-242 et seq.](#)