

## Grow NJ Assistance Program

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### 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](#)
- 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 classified as "Mega Projects"
  - 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.
- [Distressed municipality](#) (see Definitions below for more information)
- 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 Area 3; certain portions of Meadowlands, Pinelands and Highlands; and certain portions of Planning Areas 4A, 4B & 5.

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

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## 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

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 penny.

3. Demonstrate that the award of the tax credit is a “material factor” in the company’s decision to create or retain 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 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.

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6. Within six months (12 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. 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 approval.
7. Enter into any construction contracts associated with the project using "prevailing wage" labor rates and affirmative action requirements.
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.
9. Businesses receiving tax credits must maintain a minimum of 80% of its full-time workforce from the last tax period prior to the grant approval. If the full-time workforce falls below 80%, the business will forfeit its tax credit amount for that tax period and each subsequent tax period until the full-time workforce is restored back to the minimum level and documentation reflecting such has been reviewed and approved by the EDA Board. If, in any tax period, the number of full-time employees employed by the business at the qualified business facility located within a qualified incentive area drops below 80 percent of the number of new and retained full-time jobs specified in the incentive agreement, then the business shall forfeit its credit amount for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the number of full-time employees employed by the business at the qualified business facility to 80 percent of the number of jobs specified in the incentive agreement.
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) only 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 - GSGZ- Camden)

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## Base Calculation of Tax Credits (continued):

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
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
Disaster Recovery Project	\$2,000	\$2,000	One of the above, as applicable.

\* 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.

## Bonus Criteria:

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 that includes 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.</a>	\$1,000
Qualified incubator facility	\$500
Mixed-use development - 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 median for GSGZ	\$1,500 maximum
Large numbers of new and retained full-time jobs:	
251 to 400	\$500
401 to 600	\$750
601 to 800	\$1,000
801 to 1,000	\$1,250
1,001+	\$1,500

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## Bonus Criteria (continued):

Bonus Type* (*Summarizes bonus types most widely available.)	Bonus Amount Per Job, Per Year
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

A different tax 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 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. Projects with annual tax credits of \$4,000,000 or less must pay the Approval Fee prior to executing the Incentive Agreement. Projects with annual tax credits in excess of \$4,000,000 must pay the Approval Fee 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: \$2,500
- Minor Modification Fee:
  - \$2,500 (\$5 million tax credit annually or less);
  - \$5,000 (all others)
- Major Modification Fee:
  - \$7,500 (\$5 million tax credit annually or less);
  - \$25,000 (all others)
- Extension Fee:
  - \$1,000 (first 6 months);
  - \$2,500 (second 6 months)
- Full amount of direct costs of any analysis by a third party retained by the EDA

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## Fees\*\* (continued):

Division of Taxation Tax Clearance Certificate required. Certificates may 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.

**Applications for assistance under the Grow NJ Program must be submitted no later June 30, 2019.**

**Additional terms and conditions pursuant to P.L. 2013, c. 161 apply**

[Application](#)

[Median Annual Salaries](#)

[Mapping Tool](#)

[TOD Bus Terminal List](#)

[Buyers List](#)

[Grow NJ Program Rules, N.J.A.C. 19:31-18.1 through 18.19](#)

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