

**Small Business Lease Grant Program Specifications
August 2021**

<p>Funding Source</p>	<ul style="list-style-type: none"> • \$10 million Main Street Recovery Finance Program (NJ Economic Recovery Act), with delegation to CEO to increase funding to \$20 million. • 40% of all funding (\$4 million) will be set-aside for entities located in eligible NJ Opportunity Zone census tracts.
<p>Program Expiration</p>	<p>This program will replace the NJEDA’s existing Small Business Lease Grant Program. Applications will be accepted until funding is exhausted</p>
<p>Program Structure Purpose</p>	<p>The Small Business Lease Grant supports the growth and success of small businesses by providing grant funding to cover a portion of lease payments for businesses to lease new or additional space. These resources will help the establishment and growth of small businesses, while also helping to fill space that is currently vacant or preventing future vacancies. This program will help with creating more vibrant main street corridors throughout New Jersey.</p>
<p>Eligible Applicants</p>	<p>A limit of one Small Business Lease Grant award over the life of the program per business or EIN per location. A location is eligible for both a onetime Business Lease Grant and Business Improvement Grant award. Previous lease incentive recipients are not eligible but have the option to opt out of their existing grant agreement in order to pursue this grant.</p> <p>Requirements for eligibility:</p> <ul style="list-style-type: none"> • Business must meet SBA definition of Small Business based on employee count and NAICS industry classification. • Business must provide a current tax clearance certificate prior to approval • Business must be in good standing with Department of Labor • Business must be in good standing with DEP • Business must certify at time of application that they are not in default of any other EDA or State assistance. • Lease must include: <ul style="list-style-type: none"> ○ 250 s.f. – 10,000 s.f. of market-rate office, commercial space, or retail space. A lease of more than 10,000 s.f. is eligible for a grant, but the program will only provide grant funding for the first 10,000 s.f. of space. ○ First-floor (street-level) space. Businesses leasing two floors - of which one floor is street level - would be eligible. ○ Minimum 5-year term. • Leases would have to be executed 12 months prior to application, and after March 9, 2020 to be eligible. • EDA determines lease is market-rate at time of application. • Applicants cannot terminate existing lease and enter into new lease for same square footage in order to pursue this grant. These applicants would be considered ineligible. • Grantees must occupy and operate in the leased space for the full year under which reimbursement is being requested. If they default on lease payments or leave the space, they are no longer eligible for the incentive and must repay any advanced funding they may have received by EDA. • Applicants who have already expanded or renewed their lease, or who are seeking to expand or renew their presently leased space, must demonstrate that they are current on rent payments.

	<ul style="list-style-type: none"> • Applicants are eligible to receive a Small Business Lease Grant and Small Business Improvement Grant for the same location. • Applicants are limited to one application per location • Non-profits and commercial businesses are eligible
Grant Amount	Two grant awards of 20% of the annual lease payments on a minimum 5-year lease term:
Funding Disbursement	<p>Grants will be disbursed as follows:</p> <ul style="list-style-type: none"> • Upon closing or execution of grant agreement: 20% of annual lease payment is disbursed to the applicant • After 12 months of lease payments have been paid by the applicant: another 20% of annual lease payment is disbursed to the applicant, after confirmation of no monetary or other material lease agreement default, payroll certification, self-certification by the applicant the applicant is still in lease and current on payments, and receipt of a current NJ State Tax Clearance Certificate.
Exclusions and Additional Requirements	<ul style="list-style-type: none"> • Grantee must agree at time of application that going forward after executing grant agreement they are to provide annual filed WR-30, payroll information, or equivalent documentation to EDA for at least the 5-year term of the lease and grant agreement. This documentation must verify that grantee is paying wages to all employees of at least \$15/hour or 120% of the minimum wage rate (whichever is higher) for the minimum of 5 years. Regularly tipped employees are required to be paid 120% of minimum wage. • High Tech and Business Incubator members in Not for Profit facilities would not be eligible for independent lease incentives (operators of incubators are eligible). • All leases will be analyzed for market-rate pricing by EDA based on comparable market rates provided by third party (i.e. CoStar). • Landlord cannot have an ownership interest in the applicant. <ul style="list-style-type: none"> • Businesses that are engaged in the following are not eligible for funding directly from the Authority or through grants and loans to eligible microbusiness lenders: the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; or any activity constituting a nuisance.
Application Process and Board Approval/ Delegated Authority	<ul style="list-style-type: none"> • Applications will be reviewed on a rolling basis if funds are available until all funds are committed. • EDA staff will be responsible for reviewing applications and approving projects for assistance under Delegated Authority. Delegated approvals can come from the Director of Small Business Services, Managing Director of Community Development and Small Business Services, and Chief Community Development Officer.
Fees:	<ul style="list-style-type: none"> • Approval Fee: \$100 payable after EDA approval and prior to execution of grant agreement.