



**NJ EDA**

ECONOMIC DEVELOPMENT AUTHORITY

# NJEDA GRANTS & FINANCING

for Small Businesses

**OCTOBER 2023**





# Kathy Guzman

Senior Small Business Liaison  
Small Business Services

[Kathy.Guzman@njeda.gov](mailto:Kathy.Guzman@njeda.gov)

(609) 931-1378



# Saurin Parikh

Senior Business Development Officer  
Business Banking

[Saurin.Parikh@njeda.gov](mailto:Saurin.Parikh@njeda.gov)

(609) 414-3624

 [smallbusinessservices@njeda.gov](mailto:smallbusinessservices@njeda.gov)  
 [NJEDA.gov](http://NJEDA.gov)  (844) 965-1125  
     @NewJerseyEDA



# About the NJEDA

The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth.

- ▶ Real Estate and Development
- ▶ Community Revitalization
- ▶ Financing and Incentives
- ▶ Strategic Industry Support
- ▶ Community Development
  - ▶ Small Business Services and Financing
- ▶ Emergency Resources



[njeda.gov/activeprograms](https://njeda.gov/activeprograms)

HELPING TO BUILD A **STRONGER AND FAIRER** NEW JERSEY ECONOMY

# MAIN STREET RECOVERY PROGRAM

- ✓ \$124 Million in Approvals
- ✓ 34% awarded to Minority-Owned Businesses
- ✓ \$50 Million allocation in fiscal 2024 budget for SB programs



# CURRENT GRANT PROGRAMS



## SMALL BUSINESS LEASE GRANT

Provides grant funding to offset a portion of lease payments for businesses leasing new or additional space.

**Launched 10/20/21**



## SMALL BUSINESS IMPROVEMENT GRANT

Reimburses business owners for costs associated with making interior and/or exterior building improvements, and/or purchasing/installing furniture, fixtures, and/or equipment.

**Launched 2/10/22**



## SMALL BUSINESS E-COMMERCE SUPPORT PROGRAM

Provides free e-commerce & digital marketing consulting services to NJ small businesses in the restaurant, retail and personal care industries that operate from a commercial location. **Launched 2/24/23**



# SMALL BUSINESS LEASE GRANT



Provides grant funding to offset a portion of lease payments for businesses leasing new or additional space.

Launched 10/20/21

- Minimum **5-year** lease term.
- Leases must have been executed **within 12 months** prior to application date.
- **First payment:** 20%, after execution of grant agreement. **Second payment:** 20%, after 12 months of lease payments.
- Landlord **cannot** have an ownership interest in the applicant.
- **250 to 10,000 square feet** of office, commercial, or retail space. **Must include street-level space.**
- New or amended space **must be at least 250 square feet larger** than prior space.

# SMALL BUSINESS LEASE GRANT



- Applicants with multiple locations are allowed **one application per location.**
- **Cannot be in default** on any other NJEDA or State assistance at time of application.
- Operators (not members) of **high-tech & business incubators** are eligible for this grant.
- Employees must be paid **the greater of \$15/hour or 120% of minimum wage.** Tipped employees are required to be paid **120%** of minimum wage.
- Provide a current **Tax Clearance Certificate.** Be in good standing with **NJ DOL & NJ DEP.**
- **\$100 due at time of approval** and prior to the execution of the grant agreement. *(Nonrefundable)*



# SMALL BUSINESS IMPROVEMENT GRANT



Reimburses business owners for costs associated with making interior and/or exterior building improvements, and/or purchasing/installing furniture, fixtures, and/or equipment.

**Launched 2/10/22**

- Work must be paid for **no more than 2 years** prior to application date.
- **Home-based businesses** are only eligible to receive reimbursement for purchase of **NEW** furniture, fixtures and/or equipment.
- Minimum project cost: **\$5,000** (*one or more projects*)  
Maximum grant amount: **\$50,000** (*50% of \$100,000*)
- **Landlord's permission** is required for leased space.
- For grants of **less than \$25,000**, the business must commit to remaining in the facility for **2 years**.
- For grants of **\$25,000 or more**, the business must commit to remaining in the facility for **4 years**.



# SMALL BUSINESS IMPROVEMENT GRANT



- Limited to **one application per EIN**, but a single application may include costs across multiple NJ locations.
- **Cannot be in default** on any other NJEDA or State assistance at time of application.
- Must provide **documentation proving payment was fully made** for completed work (invoices, statement, payments, and/or cancelled checks).
- Employees must be paid the greater of **\$15/hour** or **120% of minimum wage**. Tipped employees are required to be paid **120%** of minimum wage.
- Provide a current **Tax Clearance Certificate**. Be in good standing with **NJ DOL & NJ DEP**.
- **\$100 due at time of approval** and prior to the execution of the grant agreement. (*Nonrefundable*)

# SMALL BUSINESS

## E-COMMERCE SUPPORT PROGRAM



Provides free e-commerce and digital marketing consulting services to NJ small businesses in the restaurant, retail and personal care industries that operate from a commercial location.

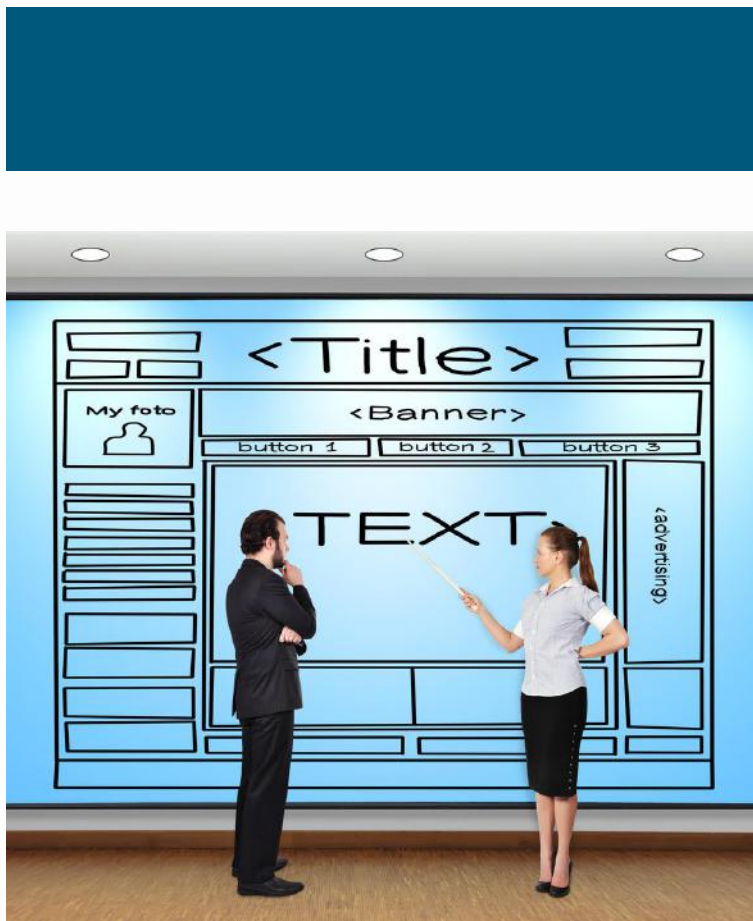
**Launched 2/24/23**

- **Restaurants, Retail Stores or Personal Care businesses** (*e.g., barbershop, hair salon, nail salon, etc.*)
- Situated in a **commercial location with a physical storefront** in NJ.
- Interested businesses should **contact a consultant directly** for more information or to request services.
- **Restaurants: Max Grant Amount: \$11,400**  
**Retail Stores: Max Grant Amount: \$10,800**  
**Personal Care businesses: Max Grant Amount: \$11,400**
- **No fees will be charged.** NJEDA will pay consultants directly for services provided.



# SMALL BUSINESS

## E-COMMERCE SUPPORT PROGRAM



- Website Development/Optimization
- E-Commerce Platform, Adaptation/Migration
- Online Ordering Platform
- Online Appointment Booking Platform
- Digital Marketing Plan/Online Marketing

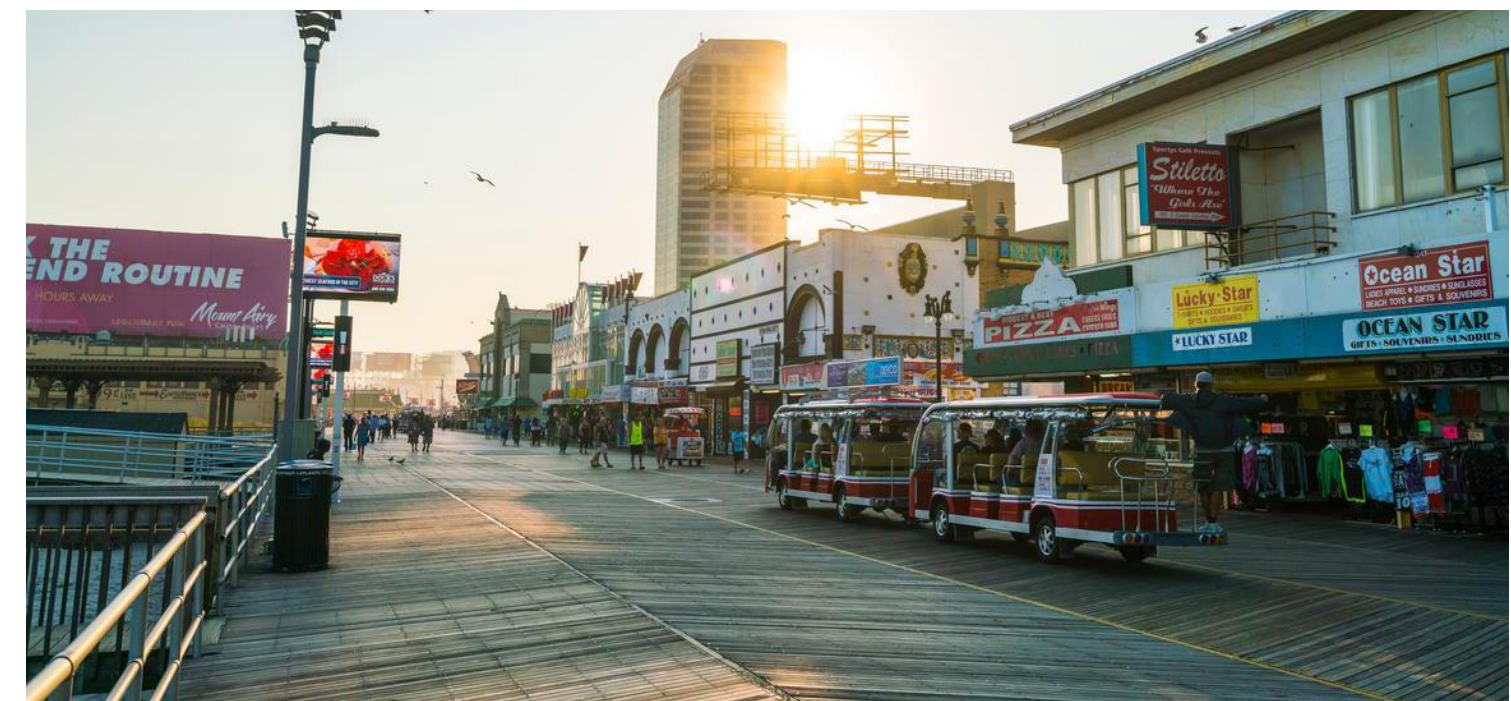




# Business Banking



# LOAN PROGRAMS





# LOAN PROGRAMS



## Small Business Fund

New Jersey-based small businesses in operation for at least one full year with revenue less than or equal to \$3 million; not-for-profits in operation for at least 3 full years.



## Direct Loans

New Jersey-based businesses in operation for two years and reporting a profit that are committed to job creation/retention, may be eligible for direct loans through the NJEDA when conventional financing is not available.



## Premier Lender Program

Partnering with banks to ensure that New Jersey businesses and communities have the resources necessary to expand and that our communities have a healthy climate for growth.

**HOME-BASED BUSINESSES ARE NOT ELIGIBLE**

# SMALL BUSINESS FUND

◀◀◀ Funding up to **\$500,000** ▶▶▶

## BENEFITS ▶▶▶

- ▶▶ Up to **\$500,000** for **fixed assets**.  
*(Real estate or equipment)*
- ▶▶ Up to **\$500,000** for **working capital**.  
*(Fixed asset required as collateral)*
- ▶▶ Interest rates based on the **5 Year Treasury Rate**. *(Additional basis points added for credit risk)*
- ▶▶ **Amortization adjusted** to collateral.

## ELIGIBILITY ▶▶▶

- ▶▶ Businesses with revenue **up to \$3 million**.
- ▶▶ Must have **fixed asset collateral** to secure the loan.
- ▶▶ Must meet **1.1x global** *(1.0x for not-for-profits)* Debt Service Coverage Ratio.
- ▶▶ **\$300** application fee, **.5%** commitment fee and **.5%** closing fee. *(Nonrefundable)*
- ▶▶ Up to **100% loan-to-value** for **real estate** and **90%** for **equipment**.



# DIRECT LOANS

Funding up to **\$2,000,000**

## BENEFITS

- **Up to \$2,000,000 for fixed assets.**  
*(Real estate or equipment)*
- **Up to \$750,000 for working capital.**  
*(Fixed asset required as collateral)*
- Interest rates based on the **5 Year Treasury Rate.** *(Additional basis points added for credit risk)*
- **Amortization adjusted** to collateral.

## ELIGIBILITY

- Commit to **creation or retention** of one new, **full-time job** for every \$65,000 of NJEDA exposure within two years.
- Need **fixed asset collateral** to secure the loan.
- **\$1,000** application fee, **.875%** commitment fee and **.875%** closing fee.
- Must meet **1.1x global** (*1.0x for not-for-profits*) **Debt Service Coverage Ratio.**
- **Up to 100% loan-to-value** for real estate and 90% for equipment.

# PREMIER LENDER

Funding up to **\$2,000,000**

## BENEFITS

- Able to finance both **for-profit and not-for-profit** businesses.
- **Up to \$2,000,000** for fixed assets.  
*(Real estate or equipment)*
- **Up to \$750,000** for working capital. *(Fixed asset required as collateral)*
- Line of Credit Guarantees **up to \$750,000**.

## ELIGIBILITY

- Commit to **creation or retention** of one new, **full-time job** for every \$65,000 of NJEDA exposure within two years.
- **1.1x** Global Debt Service Coverage Ratio.  
*(For-Profit Businesses)*
- **1.0x** Debt Service Coverage Ratio.  
*(Not-for-profit Businesses)*
- **Up to 100%** loan-to-value for real estate and 90% for equipment.





# PREMIER LENDER



## Participating Banks



BANK OF AMERICA

FULTON FINANCIAL CORPORATION

JPMORGAN CHASE & Co.

Northfield Bank

Provident BANK  
Commitment you can count on.™

TD Bank

CENTURY SAVINGS BANK  
Since 1865

Lakeland Bank  
We're simplifying banking.

OCEANFIRST BANK

REPUBLIC BANK

The Bank of Princeton

Columbia Bank

PEAPACK-GLADSTONE BANK  
Private Banking since 1921

Santander

TRISTATE CAPITAL

M&T Bank

Peoples Security Bank & Trust Est. 1905

STERLING NATIONAL BANK

Valley

ConnectOneBank  
a better place to be

Newfield National Bank

PNC

STURDY SAVINGS BANK  
Committed to Personal Service®

WELLS FARGO

CORNERSTONE BANK

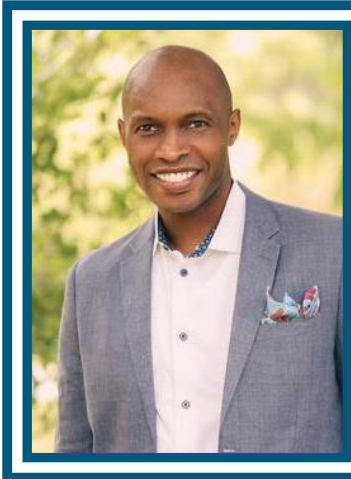


## Warren Birchmore

Senior Business Development Officer

[Warren.Birchmore@njeda.gov](mailto:Warren.Birchmore@njeda.gov)

(609) 960-7341



## Neil Caesar

Senior Business Development Officer

[Neil.Caesar@njeda.gov](mailto:Neil.Caesar@njeda.gov)

(609) 477-6465



## Saurin Parikh

Senior Business Development Officer

[Saurin.Parikh@njeda.gov](mailto:Saurin.Parikh@njeda.gov)

(609) 414-3624



## Rick Tighe

Business Development Officer

[Richard.Tighe@njeda.gov](mailto:Richard.Tighe@njeda.gov)

(609) 477-8654



## Kathy Guzman

Senior Small Business Liaison

[Kathy.Guzman@njeda.gov](mailto:Kathy.Guzman@njeda.gov)

(609) 931-1378



## Michelle Osorio

Small Business Liaison

[Michelle.Osorio@njeda.gov](mailto:Michelle.Osorio@njeda.gov)

(609) 202-0324



## Alberto Garrido


Small Business Liaison

[Alberto.Garrido@njeda.gov](mailto:Alberto.Garrido@njeda.gov)

(609) 256-0637

 [smallbusinessservices@njeda.gov](mailto:smallbusinessservices@njeda.gov)

 [NJEDA.gov](http://NJEDA.gov)

 (844) 965-1125

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