Emerge Listening Session – April 12, 2021

Patience Purdy: Good afternoon and thank you all for joining us. We're going to give some time for everybody to load into the webinar before we get started, so hang tight and we'll get this going in a couple of minutes.

We're just at three o'clock. I think we'll give it a minute or two for any latecomers and then get started.

Alright, I think we'll get started. So, thanks everyone for joining us this afternoon. This is the second of three public listening sessions that we're hosting on the Emerge program, part of the New Jersey Economic Recovery Act.

The Economic Recovery Act was signed into law on January 7, 2021 and creates a package of tax incentive, financing, and grant programs that will build a stronger and fairer New Jersey economy.

It is a broad-based recovery bill and reform bill that will better position New Jersey to recover from economic crisis caused by the COVID-19 pandemic while remaining true to the NJEDA’s commitments to transparency and accountability. For more information on the Economic Recovery Act, you can go to our website at njeda.com/economicrecoveryact. You can also provide general feedback there.

This is the second like I said, of three opportunities for engagement with the public. So, in order to be transparent, equitable and faithful stewards of taxpayer dollars, we are looking for input and feedback from all New Jerseyans as we work through the process of implementing the programs under the Economic Recovery Act. Specifically today - Emerge.

Pursuant to Governor Murphy's Executive Order Number 63, the NJEDA is providing opportunities for groups and individual stakeholders to engage with the EDA in crafting rules around the Emerge Program.

We welcome constructive input on how to ensure new programs created through the Economic Recovery Act are structured and administered in a manner that drives opportunities for all residents and communities.

Today's presentation will summarize the draft rules and then, at the end, provide an opportunity for public feedback.

We're expecting 75 to 90 minutes to be reserved strictly for public input.

Again, you may submit written feedback, as I said before, at njeda.com/emerge-feedback or /economicrecoveryact. Emerge, that will be open through April 16.

Our public feedback policy.

For today at the end of our presentation, if you do want to submit feedback, you're going to want to raise your hand.

Raising your hand on Zoom is a little yellow guy at the bottom of your screen and, as you raise that, you'll be placed in a queue in the order in which you raised your hand.

Each member of the public who wishes to speak during the public feedback period should use the raise-hand function in Zoom and I'll acknowledge each speaker in the order which they raise their hand.

We'll open up your microphone and let you know that you've been unmuted and it's time for you to make your statement.

Each speaker will have a maximum of three minutes to speak and should limit input to matters pertaining to the Economic Recovery Act of 2020, the Emerge Program, or the draft rules.

Each member will have one opportunity to provide remarks. If time remains at the end of the session, we will reopen the opportunity for additional remarks.

Speaker should not expect to engage in a dialogue. The NJEDA staff may respond to basic questions or clarify as speakers input.

However, the NJEDA staff are not obligated to answer impromptu questions or address remarks from members of the public.

And I do want to clarify one thing based on our last session. If you've got program specific questions that relate to your specific project, please know that when this program is set up and ready to go, we will be doing webinars that will address those types of things as well. Currently, this is for public feedback on the rules and regulations surrounding the program.

And then finally, speakers and members of the public should, at all times, maintain proper decorum and shall provide their remarks in a civil manner. When we call on you, we'll ask you to state your name and if you're calling, remarking from an organization or a municipality, to provide that information as well.

At this point, I'd like to turn the dais over to our Chief Executive Officer Tim Sullivan.

Tim Sullivan: Thanks Patience. I think my camera isn't working, so you just have to trust me that I'm here physically, not just on my phone. I'm not just some sort of voice so at this empty box on the screen. I kind of feel sheepish about that.

Put the slides up. That's perfect. There you go. Good. So I appreciate everyone taking the time to be on this, the second of three of these sessions that we're doing because we really want to lean into being as transparent and getting as much input as we can.

These are important programs. The Emerge program is an important program. It's one of many important programs that are included the in Economic Recovery Act of 2020 signed in early 2021 by Governor Murphy. We think it represents an extraordinary package of both recovery and reform initiatives.

We've put forward, as it relates to the Emerge program, which is one of numerous programs, one of nearly 15 programs that are contemplated or adjusted or reformed or created by the Recovery Act. This is the first one that will be bringing forward for public comment and for consideration to our Board at our May Board meeting.

We think it's an extremely powerful and potent and progressive tool for creating jobs and catalyzing investment, particularly in underserved communities where that investment can have such a meaningful impact, but also does so in a way that is targeted, in a way that is focused on making sure that the local community that host these programs, host these development projects, benefit -- the local hiring local purchasing, other partnerships that will be moralizing the Community Benefits Agreement and a whole host of other ways that we think this represents a really strong and coherent and thoughtful program to advance job creation and private investment in the State of New Jersey.

This is, as we said, the second of three listening sessions. We will be back to do a lot of public engagement. Executive order 63 that Governor Murphy signed requires. Again, it happens to be a really good idea as well.

Sort of the pre-engagement with the public, prior to formal proposal rules. That's a really good and smart idea because it helps us make these things better, makes these programs, these processes better.

We put forward, about 10 days ago, a draft of the rules and regulations that some of my colleagues will go through with you as a precursor to the open discussion in the Q&A and the public comment period later in this call. The only thing I can promise you is that they're not perfect.

We did our level best to provide as much clarity as we could to get the language right, to get the language precise.

But they will only benefit and get better and stronger from good, constructive public feedback in this moment, on this call, and on subsequent conversations and through the formal public audit process that will kick off in May. And so we're eager for feedback, we’re eager for constructive solutions and suggestions that will help us get this right, because, again, this is...

We have a stewardship obligation.

We are stewards of taxpayer resources and investing those resources, on behalf of the public, on behalf of the people in this great state is a solemn responsibility, one we couldn't take more seriously, and so getting these right is incredibly important, because we have to get a balance between having a program that works for the applicants and also works for the taxpayers. These rules are really where the rubber hits the road on getting that balance right.

So, I’m optimistic that we’ll benefit from these conversations and subsequent conversations to get this as close to right as we can, and continue to improve and listen and learn as we go.

So with that I’m going to hand it to my colleague Brian Sabina to take you through some slides. His camera works which is fantastic, so look at that.

It’s upgrade are ready for me, for how this is how the programs some of the initial proposals and decisions that we've rendered and will lead a discussion and then hopefully have lots of good questions and suggestions or feedback in the public comment period. So, with that, Brian, over to you.

Brian Sabina: Thanks so much, Tim. I would not say an upgrade, but certainly excited to be here, excited to be sharing more about the Emerge program with this group. I see we have 45+ members of the public on today. We're excited to share this information.

A little bit about what we're talking about today, the presentation you're going to get is just really scratching the surface of the depth of thinking that's gone into putting together draft rules for this program.

I would recommend if you haven't had a chance to go to our Economic Recovery website, that's njeda.com/economicrecoveryact or /era, either one works. Take a look around. You'll find lots of information about programs that are in the ERA.

You double click into a section called "Provide Specific Feedback" and you'll find information on the Emerge Program.

That's where you will find a full copy of the draft regulations, as well as industry definitions, as well as a copy of this presentation.

I know that a lot of folks find this presentation to be a helpful summary of what's in the regs. You can also get there directly by clicking the link that you see on this page or typing into your browser.

As we go through the process of making regulations, as many of you may be familiar with, there are some things are we have discretion to clarify or provide additional information on and some things are written into law.

We've tried to make that difference clear in this PowerPoint. Anywhere where you'll see something just kind of on a white background with text, that's written into the law and EDA does not have discretion.

Anywhere where you see something highlighted in this light green box highlight, that is an area where we have provided additional clarity for program operations through the rules that we've provided. So it just will help you kind of parse out what is what.

If we can go to the next slide.

At our highest level, we have the ERA, the Economic Recovery Act of 2020. As Tim said, 15 programs that are touched in that, so it's a large program, and we are kind of moving our way through into programs, and one of the first ones up is the Emerge Program.

For those of you who are familiar with the Grow program, this is a successor to the Grow program. So, this is a jobs-based tax credit program. It provides incentives to help bring businesses in or to retain major job projects here in the state.

Awards are calculated up on a per-job, per-year basis and, as we go through, you'll hear more and more, one of the key themes that comes across is that this program is very much focused on job creation.

There is some degree of retention in the program, although it's significantly reduced from where the Grow New Jersey program was. Those retention opportunities are for very large projects of 500 jobs and larger, and perhaps 1,000 jobs or larger, depending on your geography.

One of the lenses, while this is a jobs-based program, is that we also think about this as a program that can help direct projects and new investment into different areas of our state, especially areas of our state that are currently experiencing, or had historically experience, levels of distress.

So you'll hear us talk about geographies as an anchoring framework as we go through this program. You'll also hear another aspect of framework of targeted sectors or priority sectors. The EDA and the Governor outlined a number of priority sectors in our economic recovery or economic plan in 2018.

Those same industries are very much reflected in this law, as well as some additional priority sectors that will focus on for this program. So you'll see that theme of priority sectors woven throughout.

One of the things we're most excited about is the fact that this program is much more flexible compared to Grow for small businesses and smaller projects. That's something we take very seriously.

I think one of the criticisms of Grow in the past, was that it was harder for businesses who didn't have a lot of certainty about their future. If you were if you're going to grow quickly and a lot, but weren't exactly sure exactly what that looked like, and where that was going to happen and how fast and at what point, Grow was a hard tool to use and we're very excited this program provides an extra level of flexibility for those high-growth companies. We know that those are the largest net growth creators in our state and want to be supportive of those sorts of businesses.

And this program, and you can move on to the next slide, moves between now and March 2027, and we're going to be using this tool for at least next six years, likely into a seventh year.

The program overall is capped at $1.1 billion per year over the first six years, with the ability to roll over some additional funding into a seventh year if we're not completely exhausted in any of those years.

The cap, the $1.1 billion, is shared with another program – the NJ Aspire program, which we have not released additional information on yet, but will be coming later this year.

As I mentioned before, tax credits are also capped, so the program overall is capped, the tax credits per job are capped.

They're capped between $3,000 and $8,000 per job per year, based on project's location and kind of unique characteristics of the state.

It's also capped by what we call our net benefit, or kind of the belief that the state will get more in return in terms of tax dollars and economic growth benefits compared to the money than we'll invest up front.

A business can get their tax credits. They can get that per job per year tax credit for a maximum up to seven years, so slightly reduced compared to the growth program, which had rewards up to 10 years and in order to get that, businesses must commit to continue to operate in the state for at least 1.5 times whatever we give them in terms of tax credit here.

If they get seven years of tax credits, or what we call our eligibility period, they have to sign up for seven times 1.5 rounded up, or 11 years of a commitment period to stay in the states.

As Tim mentioned, and I'll pass it over to my colleagues in a few minutes to explain more, one of the key features of the program is that we're heavily engaging with our community partners as we look to push forward on this project. All products over $10 million must enter into a local community benefits agreement with a local municipality or, in some circumstances, the county. And those municipalities or county partners must hold public hearings and engage with the public advisory board to help on those programs.

As we go through it in more detail today, we're going to be talking about three key buckets.

One, we'll go through eligibility factors, and where we've tried to create clarity on what is in the law based on experience and Grow and what we see moving forward. So the first bucket is eligibility.

The second bucket is around targeted industries and set of areas and bonuses, so how do we size the awards.

And then, the third bucket talks a little bit about fiscal and resident protection, so how do we make sure that the awards that we are giving out are the right size for the project and impact that we expect will result from those projects.

Double clicking that first bucket, eligibility, I'll take a few of these, and I may hand it over to one of our colleagues Mat Abraham.

So, the first topic that many of you are familiar with the program or predecessor programs is a concept called material factor. As part of this program. It means that the tax credit must have a material factor or a real influence on the business's decision to actually locate a project, or retain a project, here in New Jersey.

It means that we re not just awarding projects to a project that would have normally been in New Jersey, or that we'd expect would be here, otherwise this really does focus taxpayer dollars on incremental growth.

One of the changes we've made for the emerge program was to really provide much clearer guidelines on what companies can and cannot do prior to their application and maintain a valid claim of the award being a material factor.

So, they can do things like spend money investing in options in things that we traditionally call diligence. They can validate costs. They can spend money on two different locations, as long as a source of money they're spending in both locations on similar due diligence is consistent.
Things businesses cannot do: So, they cannot undertake a real estate purchase prior to our board approval.

They cannot have a letter of intent to buy, unless that letter of intent has a penalty-free contingency, so they can walk away without any cost if they're not aware of the tax credits

So we've tried to make that more clear for the businesses and for real estate players in the market.

To our material factor, the law instructs that EDA must do an economic analysis across multiple sites, so across a New Jersey site and any out of state sites to confirm that there is a material factor, that this award does make a difference.

You'll often hear us refer to that as a cost benefit analysis.

What we've done is, in the regulations, we've really tried to outline in more detail what goes into that cost benefit analysis and how we start to make those decisions and we will provide additional clarity, through the rules that we're posting now.

And then, as we actually launch an application we’ll have FAQs, so there'll be even more information as to exactly how this works.

Some of the things that we do take into account when we do these cross site analyses, and they shouldn't surprise folks, are project location, the types of facilities, the size of the facilities, the cost per square foot, and the upfront costs.

If the company is considering moving, there may be a construction or fit out or furniture fixtures and equipment costs that go into fitting out that space. Those all can be included in the economic analysis for material factor.

There are also ongoing costs. So, rental costs, real estate carrying costs, salary differentials, building maintenance expenses, utility differentials, and such can all be included in the cost benefit analysis calculations.

Once we started to do those comparisons, one of things we're really trying to do, and the law makes this quite clear, is apples to apples comparisons.

So, what does that mean? It means that we're going to standardize when a company is looking at leasing one facility, but perhaps they own the alternative facility.

We're putting into practice some approaches to make sure that we have apples to apples comparisons, and the costs are fairly assessed on both of those sites.

We’re using standard discount rates across the board, and we will standardize the values, according to the quality of the facility, so it's not fair to taxpayers and it's also not fair to the company for us to think about Class B office space in one location in the same way that we think of Class A office space in another location, so we’re making sure we harmonize across those sorts of levels.

We may also seek additional information. So, there are opportunities when we will ask for certain information on the application, but the law provides us the ability to ask for even additional information in certain circumstances. So we may consider things such as proposals from other states, other prevailing economic conditions, and a set of other factors that our CEO has some discretion on in terms of what's asked for.

You can imagine those things may be proximity to customers, proximity to infrastructure, and how supply chain works. All of those questions and information help us really get underneath the hood and understand what's going on with this deal, and is the incentive really a material factor to that company's decision.

We can go to the next slide.

One of the things that you'll hear a lot about sectors and geographies, one of the things that this bill does that’s new or relatively new is create a feature called the mega project. The bill instructed the EDA to define a megaproject, so we've done that through the ranks and through the proposed rules.

These values shouldn't be too surprising to those who have studied all the programs in the past.

So, one, we consider a mega project a project that must have at least 500 new full-time jobs. And new jobs are specifically called out in the mega project definition within the law itself, so we didn't have discretion there. It specifically directed us around new jobs.

Two, it needs to have at least $50 million worth of capital investment, and it needs to be in a target industry.

And the third bucket is that the law says the project must provide New Jersey the opportunity to show leadership in a new technology area or in a new industry.

So, we have helped define that a little bit as a leading investment in a new technology or high growth sub sector or an investment that helps catalyze a new industry or new sub industry cluster within the state. And there's some additional information around that as well, but these are looking for flagship signature types of projects that the state could take on.

In terms of, I mentioned it earlier, one of the exciting features of the new law is that there's more flexibility around small businesses.

So how do we define a small business? The law is quite helpful here, but we've provided some additional meat there. One, a small business must be in one of our targeted industries, and we'll talk about what those are in a second.

It also must have less than 100 full time equivalent employees at application, so we will take a look at the company and say let's add up all of your W2 employees that are full time and part time.

Let's add up all of the other folks, the 1099s, and will create a full-time equivalent assessment based upon number of hours worked.

And they will see is that under 100. If it's under 100, you can qualify as a small business in the program as a one-time test application.

And if a company does qualify as a small business, here's some of the benefits. One, that business is not required to make capital investments as part of their project, so all they have to do is ensure that there's a commitment to remain in the state, and that can be done through a variety of different ways.

It can be done through a lease, it can be done through a membership agreement, if they're working in a kind of a coworking space or kind of flexible office space.

So, we will add more definitions around that, but flexibility is not a requirement for capital investment.

The second requirement is that the minimum number of jobs, and we'll talk about this for non-small businesses shortly, but the minimum number of jobs is not a fixed number that the project has to create. It's actually 25% of the company's size at application. So, if a company is 100 people at the time of application, the minimum number of jobs they'll have to create is 25.

If a company is 80 people, the minimum number of jobs will be 20. So, it creates kind of a new way of sizing the minimum job requirements. If a company is 20 people, for example, it's only five, so it's a much smaller number.

One of the other features is that we know small companies need money faster to help fuel their growth, so we allow those companies to start to get their tax credits earlier - even before all of those jobs are created - so they can get those tax credits earlier by committing to what we call a growth plan.

So, if a company says, "I'm at 100 or I'm at nine employees today and I'm going to create 20 jobs," I don't have to create 20 jobs for tax credits. I could commit to a growth plan that would include 10 jobs in the first year, and another 10 jobs the second year.

Even if I can prove that you did those 10 jobs in the first year, you can start to get your tax credits.

Also, the laws also allows those companies to move around, those smaller businesses and we provided in the regulations more clarity around how to handle things like the net benefit tests and some of the other calculations we do if a company moves locations within the state.

We can move on.

At this point, I'll pause and I'll hand it over to Mathew Abraham, who's a wonderful member of our team. He is the Emerge Program owner for our team, so I'll let Mat kind of help you through the rest of the topics, and then we can tag team questions afterwards.

Mathew Abraham: Awesome. Thank you, Brian. So, the bill states that the awards must have net benefit to the state.

The award for the tax credit, the result of capital investment, the result of new job creation, and or retention, must yield a net positive economic benefit to the state.

So, for projects that are located in restricted municipalities, and I'll define a little bit later on what these are, projects that are located in government restricted municipalities, or as Brian mentioned, a mega project, the net positive benefit to the state must be at least 200%.

Projects that are located in distressed municipalities or transit hub municipalities, the net benefit to the state must be at least 300%.

While other eligible areas and locations are at 400%, both the tax credit and the benefit to the state are evaluated on a present value basis using the same discount rate.

Mathew Abraham: The next slide.

The net benefit. So, the proposed policy for testing net benefits we’re using is the implant model, which will help us with our analysis.

Now, for construction benefits, we're going to use direct, indirect, and induced tax returns at the state level.

For ongoing benefits, we will use direct and indirect tax revenues at the state level, and all this goes into our modeling.

In the law, it does talk about regional multipliers, so we will have regional multipliers—one for South Jersey and one for North Jersey.

For all you Central Jersey folks that kind of get split between the north and the south, the bill didn't call out central, so not something I have power over, but I do feel for you on the central side.

Local tax benefits are only included when they benefit the state, so you have to show proof and evidence that, in fact, it does benefit the state. And then, that benefit model will use a 2% inflation rate and then an 8% discount rate.

Next slide.

So, for new jobs, a business engaged in a primarily targeted industry, the minimum is 25 net new full-time jobs.

For any other businesses, the minimum is 35 net new full-time jobs.

For retained jobs, that's a little bit higher, as Brian mentioned earlier, and significantly higher. So, for a qualified incentive track or government restricted municipality, we require 500 retained full-time jobs as a minimum for the program. For all other locations, the minimum is 1,000 or more retained full-time jobs. The jobs must stay above the statewide baseline for jobs and, at minimum, must offer health benefits and must pay no less than $15 an hour or 120% of the minimum wages.

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So, there's also a minimum capital investment requirement, which is very similar to how grow was for those who were familiar with grow.

So, projects that are industrial warehouse logistics, or research development that are doing just rehab improvement fit out, the minimum capital investment is $20 per square foot, For that same exact industrial warehouse logistics for R&D space, for new constructions, the minimum is $60 per square feet, that you have, for your facility.

For office space for rehab, it's $40 per square foot, and for new construction we look at $120 per square foot.

Here in the light green is what we were able to add in for clarity purposes.

So, with mixed-use buildings and buildings that are near each other, can aggregate the capital investment to meet the requirement. So, for example, if you had a headquarters in one building and right next door you had your R&D facility, you can combine the capital investment and that can be aggregated to meet the minimum requirements on the capital investment.

If your project is not near each other, it's not proximate, then each building would have to meet the minimum requirements based on the project type, as well as the project, if it's a rehab or new construction.

If you couldn't meet your minimum requirement, this program has the ability to use the delta, the differential of what your minimum requirements are, to be able to put that into the recovery infrastructure fund, which was created to provide capital alternative to benefit local communities.

So, the companies that don't have enough to meet the minimum requirements, you could use this vehicle to put the difference into the infrastructure fund, which really benefits the local municipality, and we've outlined it a little bit more in our rules as far as the direction of what the funds could be used for.

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Next, I will be talking about the targeted industry, incentive areas, and bonuses. After that I'll go over to the fiscal and resident protection.

Next slide.

There are three ways to be classified in a targeted industry. One, the applicant's project is a part of the targeted industry definition.

Two, the applicant's core business is defined to be in a targeted industry.

Three, we could look towards the applicant's parent company business and define it to be inside a targeted industry. So, that gives us a little bit more flexibility, and it also clears up any confusion with targeted industry.

As far as being classified, some of the targeted industries include advanced transportation and logistics, clean energy, and life sciences.

The list is pretty extensive, and I encourage you to review the draft rules for full definition, but I will say we are looking at disruptive technology. We are looking at innovators in the marketplace to really build out into New Jersey.

Next slide.

The Emerge program, and Brian kind of touched on it, focuses on providing higher award amounts within targeted communities with the greatest level of need.

So, we rewarded those with higher base awards and maximum amounts. So, government restricted municipalities, which include Atlantic City, Paterson, and Trenton, along with megaprojects, the base award for those new jobs is 4,000 per job per year, and they can go up to seven years for eligibility.

Max award per job per year is 8,000 for those that locate their project in an enhanced area, and enhanced areas are Camden, East Orange, Elizabeth, Hoboken, Jersey City, New York, New Brunswick, Passaic, Hillsborough, or Salem, the base award per new job per year is 3,500 and our max is 6,000.

The next tier is distressed municipalities, and distressed municipalities has well over 25 different municipalities, so I won't read it off, but I do encourage you to go to our website for a complete list. But that's 3,000 for the base award and 5,000 for a max award.

Our next tier on incentive area is employment and investment corridors and qualified opportunities zones that are not included above, so there are some qualified opportunities zones and investment corridors and employment corridors that are listed in some of the cities above.

These are the ones that are not listed on those sections. The base award is 2,500 and the maximum award is 4,000. All other eligible areas, the base award is 500 and the max award is 3,000 with retained jobs.

The full-time are only eligible for half of the award compared to the full-time new, so take these base awards or max awards, and you can take half off for retained purposes.

Next slide.

Mathew Abraham: So, these are the bonus credits, and they're broken down into four categories.

One providing bonus for higher amount of new job creation, which makes sense, you know, to reward some of those high in job creation.

Second is looking at location and providing bonuses based on those locations.

So, whether you're in a municipality with an MRI index score of greater than 50 or a marine terminal in a South Jersey port district, if your median salary is in excess of the existing median salary for the county, you'll get a bonus awards for it.

We want to make sure that we're trying to attract some high, you know, high salary jobs into some of these locations.

Next slide.

Oops! I think we missed—oh yeah.

To continue with bonuses, the other two-thirds being bonuses based on the facility, if a capital investment is greater than the minimum, if the building is using solar to generate at least half of their power, if the building is lead rated of gold or greater than gold or silver, if the company has a labor harmony agreement, those are all bonus credits that you can get on top of the base of awards.

And then, what I would consider, what we looked at, what the bill really looked at and focused on, are policy objectives and providing bonuses for those policy objectives.

And those bonuses include everything from training programs, child care access, which is really important, prisoner reentry program, having a diverse governing body, and that's just to name a few.

And again, we're referring you to the draft rules to be able to look at all the policy objectives in more detail.

Next slide.

Next, we'll look at some of the fiscal and resident protections, and that will be really critical and important in this bill. As Brian had mentioned, we want to create accountability of taxpayer dollars, as well as community involvement.

Next slide.

The NJEDA is required to look at the award sizes to see whether or not we need to induce a project to be located here in New Jersey.

So, the award could be a maximum amount, but the award, to induce them with the delta, might be at a million, and the award that they could qualify for is 10 million.

We would look at that and say, “Okay, how much would it take to induce a company to move to New Jersey,” and that amount would be somewhere in that delta or that range.

It would never be higher than the maximum amount, and we would use a standard methodology to determine the award level.

So, what goes into this? We will provide a quantitative scaling factor for the award size using percentage of award up to 100%, the size of the net benefit relative to the calculated award size, the gap, as I mentioned earlier, between New Jersey and the alternative site, the type of location, and the opportunity for the state to capture a leader or leadership in a targeted industry.

And then there are other considerations of public policy objectives that we will look at to try to induce a company to move to New Jersey. I think this gives us the flexibility, and as well, it holds us accountable to those taxpayer dollars that we're rewarding with these tax credit programs. Next slide.

So, for projects with total cost of $10 million or more, we'll need to enter into a community benefits agreement with the authority and the chief executive of the municipality for each incentivized municipality location.

As Brian mentioned, this is where we look for that community engagement. This is where we look for local engagement at the municipality level. The municipality also could request that the county lead the community benefits agreement work, so they can kick it up to the county level for them to review.

The municipality and county will need to set up at least one community engagement session where they're able to get the community to come out to listen to their feedback and to be able to write this agreement based off of a cohesive and more-involved relationship with the local residents.

The municipality or the county will negotiate the agreements with the business. The agreement may include requirements for training, employment for local folks, youth development, providing funding for the youth development, and free services to the underserved communities in and around the community in which the qualified business facility is located.

The municipality or county will need to appoint a Community Action Committee, with at least three members to monitor the agreement implementation.

There's more information within the rules about how the bill has outlined the community actions and committee and how that gets chosen, and how we looked for the Community Action Committee to provide us updates and reports on the progress at least once a year for the seven years of eligibility, or actually, it's for the commitment period to make sure that they do exactly what they've promised to do. Now I'll pass it back to Patience to finish up. Thank you.

Patience Purdy: Thanks, Mat. Thanks, Brian. Thanks, Tim, for setting a wonderful stage for public feedback.

If you're interested in providing feedback on the Emerge program, again, we ask you to raise your hand, using the little yellow-hand guy at the bottom of your screen. We will call on you in order. We would also like you, when you're called on, to state your name and your municipality, or state your name and the organization that you're calling on behalf of.

Don't be shy.

So, right now, it doesn't look like anyone would like to provide specific feedback verbally on the program. You can always go to NJEDA.com/Emerge-feedback and provide your feedback there. You can also go to njeda.com/Economic Recovery Act to provide feedback and input on the recovery act as a full. Again njeda.com/Emerge-feedback.

We'll give it a couple of minutes in case everyone is shy.

I think we will say thank you very much for joining us this afternoon. The next iteration of this event is, and I don't have it in front of me right now, is the 14th at three o'clock.

If you want to take some time and digest and reach back out to us and join us then and provide your feedback then, we'd love to have it.

Thanks, everyone! Have a nice afternoon.

Mathew Abraham: Thank you, everyone.