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Client Advisory

N.J. OFFERS ECONOMIC STIMULUS GRANTS TO BUSINESSES, NONPROFITS

The State of New Jersey recently enacted several laws intended to stimulate the economy of the State.

InvestNJ Business Grant Program Act

The InvestNJ Business Grant Program Act authorizes up to \$120,000,000 in grants for New Jersey businesses, administered through the New Jersey Economic Development Authority (NJEDA).

The InvestNJ grant fund includes \$70,000,000 available for capital investments for business entities in the State that have at least five full-time employees and have operated continuously in New Jersey for the two years prior to applying for the grant. Businesses that make eligible capital investments in excess of \$5,000 can receive a grant of up to 7% of the qualifying capital investment made after December 9, 2008, and prior to January 1, 2011, up to \$1,000,000. Qualifying capital investments include site preparation, construction, renovation, improvements, equipment purchases and installation of fixtures and machinery in newly constructed, renovated or improved real property.

InvestNJ includes \$50,000,000 available for creation of new full-time jobs for business entities in the State that have: (i) at least five full-time employees; (ii) operated continuously in New Jersey for the two years prior to applying for the grant; (iii) created an eligible position in the State after December 1, 2008, and prior to January 1, 2011, for a 12-month consecutive period, and (iv) experienced a net increase in employment of eligible positions in the State during the same consecutive 12-month period. Qualifying business entities can receive \$3,000 per eligible position created and retained, up to a maximum grant of \$500,000.

Applications for the InvestNJ Business Grant Program must be submitted to the NJEDA prior to January 1, 2011.

Main Street Business Assistance Program

The Main Street Business Assistance Program appropriates \$50,000,000 to provide loans and guaranties to be used for working capital, fixed assets or debt refinancing of businesses located and operating in the State of New Jersey for at least two years and that meet the underwriting requirement of NJEDA. Through the Main Street Business Assistance Program, NJEDA is authorized to provide: (i) loan participations of up to 25% of the total transaction, not to exceed \$1,000,000 for fixed assets or \$750,000 for working capital loans; (ii) loan guaranties of up to 50% of the total transaction, not to exceed \$2,000,000 for fixed assets or \$1,500,000 for working capital loans; or (iii) line of credit guaranties up to \$250,000.

For more information on how to qualify and apply for these and other grant and financing opportunities, contact David Weinstein, Esquire, at (856) 857-2787 or dweinstein@archerlaw.com

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