

# Small Business Lease Grant

**A \$20 million program that provides grants to businesses entering new or amended leases with at least five-year terms that include at least 250 square feet of street-level space.**



## Program Details

The Small Business Lease Grant supports the growth and success of small businesses and nonprofits by providing grant funding to cover a portion of lease payments. This resource will help establish and grow of small businesses, while also helping to fill space that is currently vacant and prevent future vacancies. A total of \$20 million of Main Street Recovery Finance Program funding will be utilized to capitalize the Small Business Lease Grant.

Of this \$20 million allocated for the program, 40 percent will be reserved for businesses located in Opportunity Zone eligible census tracts.

Applications will be accepted on a rolling basis until funding is exhausted.

## Award Size

Two grant awards of 20 percent of the annual lease payment on a minimum 5-year lease term:

- First disbursement will be made after execution of grant agreement, for an amount equal to 20 percent of the annual lease payment.
- Second disbursement will be made after 12 months of lease payments have been paid by the applicant, for an amount equal to 20 percent of the annual lease payment.

## Eligible Applicants

This program is open to businesses and nonprofits.

Applicants with multiple locations are limited to one application per location. Applicants cannot terminate an existing lease and enter into a new lease for the same square footage in order to pursue this grant.

Applicants must:

- Be a commercial business, nonprofit, or operator of an incubator.
- Meet SBA definition of a Small Business – determined by employee count and NAICS code.
- Provide a current tax clearance certificate prior to approval.
- Provide certification from the landlord showing they are current on lease payments.
- Be in good standing with New Jersey Department of Labor and Department of Environmental Protection.
- Certify at time of application that they are not in default of any other NJEDA or State assistance.
- Certify at application that they will pay wages that are the greater of \$15/hour or 120% of the minimum wage rate for the term of the grant agreement (five years). Tipped employees are required to be paid 120% of minimum wage rate.
- Commit to remaining in the facility for at least five years.

## Eligible Leases

- 250 – 10,000 s.f. of office, commercial or retail space. A lease of more than 10,000 s.f. is eligible, but the program will only provide grant funding to support 10,000 s.f.
- Must be a new lease, lease amendment, or lease extension. New or amended leases must be for space at least 250 s.f. larger than prior space.
- Must include first-floor (street-level) space. Leases that include two floors are eligible, but must include first-floor space.
- Must be a minimum 5-year term.
- Leases must be executed within 12 months of application.
- Lease must be market-rate based on comparable commercial real estate

## Fees

**Approval Fee:** \$100

Payable after EDA approval and prior to execution of the grant agreement

## Additional Requirements

The full statutory text of the program can be found in sections 82-88 of the Economic Recovery Act of 2020.

A Division of Taxation Tax Clearance Certificate is 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.

## Exclusions

- Businesses currently operating under an existing Small Business Lease Assistance Program grant agreement are not eligible to apply, but may opt out of their existing grant agreement to pursue this grant.
- Grantees that default on lease payments or leave the space during their grant term are no longer eligible for the incentive and must repay any funding they received from the NJEDA.
- High Tech and Business Incubator members in Not-for-Profit facilities would not be eligible for independent lease incentives.
- Landlord cannot have an ownership interest in the applicant.

For more information or to ask a specific question please send an email to [smallbusinessservices@njeda.com](mailto:smallbusinessservices@njeda.com) and a team member will reach out to you.

<https://www.njeda.com/small-business-lease-grant-program/>



@NewJerseyEDA