

**New Jersey Commerce Commission  
August 22, 2007  
Board Meeting Minutes**

**Members of the Board Present:**

Gary Rose, Designee for Governor Corzine; Marilyn Davis, Designee for Commissioner David Socolow; Jane Oates, Designee for Commission on Higher Education; Gary Sondermeyer, Designee for Commissioner Lisa Jackson; Jennifer Godoski, Designee for Commissioner Kris Kolluri; and Dr. Sang Kim, Public Member.

Also present at the table were DAG Laura Rivkin, Maggie Manza, Board Liaison and Carol McPhillips, Deputy Director.

**Minutes:**

The meeting was called to order at 10:05 a.m.

**Open Public Meetings Act Statement:**

Maggie Manza announced that this is a regular meeting of the New Jersey Commerce Commission and that adequate notice of this meeting has been provided in accordance with the Open Public Meetings Act. On August 17, 2007, notice was mailed to the Star Ledger, the Trenton Times, the Trentonian, the Courier Post, the Atlantic City Press, the Bergen Record and the Home News. Notice has been duly filed with the Secretary of State and posted on the Secretary of State's bulletin board at the State House.

**Resolutions:**

**Res. No. 08-13                      Resolution ratifying Minutes of July 18, 2007 meeting.**

**Ms. Davis made a motion to approve Resolution NJC08-13 and Ms. Oates seconded the motion. Motion was approved by a 4 – 0 - 2 vote. Ms. Davis and Ms. Godoski abstained.**

**Res. No. 08-14                      Resolution recognizing and expressing gratitude to former Board Secretary for her service.**

Chairman Rose recognized Patty Warford as in attendance and thanked her for her service as Board Secretary.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-14 and Dr. Kim seconded the motion. Motion was approved by a vote of 6 – 0.**

**Res. No. 08-15                      Resolution recognizing and expressing gratitude to former Board Member for her service.**

Chairman Rose expressed gratitude for Ms. Tomalino's service and said that the Board would send copies of the resolutions to Ms. Warford and Ms. Tomalino.

**Mr. Kim made a motion to approve Resolution NJC08-15 and Mr. Sondermeyer seconded the motion. Motion was approved by a 6 – 0 vote.**

**Res. No. 08-16                      FY 2007 meeting schedule of the Board of Directors.**

Chairman Rose questioned whether the Board needed to approve the FY 2007 meeting schedule by resolution or if the Board may unofficially approve it. DAG Laura Rivkin responded that it is customary for the Board to approve the schedule by resolution.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-16 and Mr. Kim seconded the motion. Motion was approved by a vote of 6 - 0.**

**Res. No. 08-17                      Appointment of Board Officers and Committee Chairs.**

**Ms. Davis made a motion to approve Resolution NJC08-17 and Ms. Oates seconded the motion. Motion was approved by a 6 – 0 vote.**

**Res. No. 08-18                      Joint Project Agreement between the New Jersey Commerce Commission and the U.S. Department of Commerce's U.S. and Foreign Commercial Service.**

Celeste Armenti, Vice President of International Trade, described the proposed agreement which authorizes the Executive Director to enter into a Joint Project Agreement between the New Jersey Commerce Commission and the U.S. Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service for the purpose of a coordinated promotion of New Jersey's export interests. This Agreement is identical to the current Agreement between these same parties, authorized in June 2005. Under this agreement, Commercial Service staff will maintain an office at the Commission Building in Trenton and the Commercial Service staff and Commission staff will share resources to advance the trade interests of both. This co-location partnership will improve communication and collaboration among federal and state trade agencies and give the Commission access to the Commercial Service's database, international staff and referral resources.

**Ms. Davis made a motion to approve Resolution NJC08-18 and Ms. Oates seconded the motion. The motion was approved by a vote of 6 - 0.**

**Res. No. 08-19                      Resolution authorizing the Executive Director to contract with Global Insight to conduct an economic impact study on building offshore wind turbines.**

Cathy Scangarella, Vice President of Marketing and Communications, described the proposed contract with Global Insight, for an amount not to exceed \$123,500, to conduct an economic impact study on building offshore wind turbines. In April 2006, the State's Blue Ribbon Panel on Development of Wind Turbine Facilities in Coastal Waters recommended the Commission undertake a baseline study to measure how wind turbines would impact tourism and the State's economy. An "Evaluation Committee," comprised of representatives from the Commerce Commission, the New Jersey Department of Environmental Protection and the New Jersey Board of Public Utilities, undertook a competitive RFP process to select the vendor. The committee recommended that the contract be awarded to Global Insight, based on the company's extensive experience in conducting similar studies, its proficient staff, its detailed and convincing proposal for successfully completing the study within a satisfactory timeframe and its proposal price, which was the lowest of the applicants.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-19 and Dr. Kim seconded the motion. Motion was approved by a vote of 6 - 0.**

**Res. No. 08-20            Resolution approving proposed amendments to the BRRAG rules.**

Lauren Moore briefly described the proposed rule changes, which would clarify that the broad definition of "business" in three subchapters, N.J.A.C. 12A:1.2, 12A:2A:1.2 and 12A:2A-2.2 may include organizations under common control, as that term is defined in the Internal Revenue Code, such as affiliated groups of corporations, partnerships, and other organizations. The purpose of the amendments is to clarify that groups or organizations under common control, such as affiliated partnerships, may count all of their "retained" employees together to qualify for BRRAG benefits, when separately these groups may not have enough retained employees to qualify.

Mr. Sondermeyer asked him whether this regulatory change would bring the State into conformity with federal rules and Mr. Moore answered that it would.

**Ms. Oates made a motion to approve Resolution NJC08-20 and Mr. Sondermeyer seconded the motion. Motion was approved by a vote of 6 - 0.**

**Res. No. 08-21            Approval of Operating Authority.**

Carol McPhillips, Deputy Director, described the resolution, which would approve the operating authority of the Board of Directors and certain high-level Commission employees to approve contracts, execute legal documents, sign checks and make other administrative and program-specific decisions on behalf of the Commission. She referred to the attached chart, "Initial Operating Authority," which establishes six operating levels for decision-making: (1) Board of Directors, (2) Executive Director, (3) Deputy Director, (4) Chief Financial Officer, (5) Senior Director, and (6) Director and details the fiscal and administrative decisions they are authorized to make.

Ms. McPhillips indicated that this Initial Operating Authority would likely be amended in the future as the management of the Commission evolves.

Mr. Sondermeyer commented that he was pleased with the quality of the Initial Operating Authority document and then asked whether the Commission had consulted with other agencies in developing it. Ms. Rivkin responded that yes, in developing its Operating Authority, the Commission had consulted with other agencies, including the NJ Economic Development Authority.

**Dr. Kim made a motion to approve Resolution NJC08-21 and Mr. Sondermeyer seconded the motion. The motion was approved by a 6 - 0 vote.**

**Res. No. 08-22                      Approval of a Memorandum of Understanding between the New Jersey Commerce Commission and the Department of Labor and Workforce Development for economic research.**

Ms. McPhillips briefly described the resolution, which would approve a MOU between the Commission and the Department of Labor and Workforce Development (LWD) for economic research. The Commission wants to have economic research performed whose methodology is consistent with that of LWD. To that end, the MOU would provide that two Commission employees, unclassified research specialists, would assume temporary full-time mobility assignments with the LWD's Office of Labor Planning & Analysis.

Ms. Davis stated that she was pleased by the agreement, which would benefit both agencies, and further noted that LWD is seeking other State agency partners for similar agreements.

**Ms. Davis made a motion to approve Resolution NJC08-22 and Dr. Kim seconded the motion. The motion was approved by a 5-0-1 vote. Ms. Davis abstained.**

**Res. No. 08-23                      J. Supor, LLC – Approves Brownfield Contaminated Site Reimbursement Application.**

Mr. Moore noted that this meeting constitutes the first time that the Brownfields projects are presented to the Board for approval. He said that he would present the Brownfields projects in the same format as the other tax incentive program projects that come before the Board, and he further asked the Board to provide feedback on this format.

Mr. Moore described the J. Supor Brownfields project to build a Burger King in an area of Harrison, NJ where the predominant property uses are residential and industrial. The project is expected to generate sales taxes of \$72,000 annually, allowing for the repayment of 75 percent of the past and future remediation costs in less than 10 years. The construction of the project is expected to take approximately six months to complete and employ an average of 12 to 16 construction workers full-time during construction. Upon completion of the redevelopment project, the facility will provide full time

employment for at least 20 workers. After completing an independent review of the application, the Treasurer recommends authorizing J. Supor to be eligible for reimbursement of up to \$712,500 (75%) of approved remediation costs.

In response to a question by Mr. Sondermeyer, Mr. Moore confirmed that all Brownfields project approvals are contingent upon the issuance of a No Further Action Letter (NFA) from the DEP.

**Dr. Kim made a motion to approve Resolution NJC08-23 and Mr. Sondermeyer seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-24                      Peron Construction, LLC – Approves Brownfield Contaminated Site Reimbursement Application.**

Mr. Moore described the Peron Brownfields project in Phillipsburg. River View at Delaware Station will consist of 449 market-rate town homes within 48 residential buildings, a clubhouse, pool and walking trail. Total redevelopment costs are estimated at \$83,000,000, not including environmental investigative costs of \$210,472 and projected remediation costs of \$3,348,870, totaling \$3,559,342. Peron Construction is applying for reimbursement of 1% of the total project costs. Given the projected project costs, this is anticipated to be \$839,594, or approximately 23% of the projected environmental expenses. Construction is expected to begin in 2008, with a five-year build out. The projection of \$2,814,006 in generated sales taxes is based solely on sales taxes from the purchase of building materials. The new taxes generated from the site will exceed the reimbursement request by approximately 3.5 times each year.

The Treasurer recommends authorizing Peron be eligible for reimbursement of 1% (\$839,594) of the project cost of Eighty-three Million Dollars (\$83,000,000), pending the issuance of a NFA from the DEP.

**Dr. Kim made a motion to approve Resolution NJC08-24 and Mr. Sondermeyer seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-25                      International Senior Development, LLC - Approves Brownfield Contaminated Site Reimbursement Application.**

Mr. Moore described the International Senior Development Brownfields project, located in an area of Woodbury, NJ in which the predominant property use is residential (senior living), which consists of 130 apartments, including 98 assisted living and specialty memory care. To date, the project has generated sales tax revenue of \$658,849 from construction materials used for the new residences. The additional phases are estimated to produce and additional \$438,113 in tax revenues. The completion of reconstruction is expected to take approximately 12 months and will employ a number of construction workers and managers during the construction phase. Upon completion, it is expected that the site will employ 68 full-time and 24 part-time employees, creating 92 new jobs.

After completing an independent review of the application, the Treasurer recommends authorizing International Senior Development to be eligible for reimbursement of up to \$385,608 (75% of \$514,145) of approved remediation costs, pending the issuance of a NFA from the DEP.

Ms. Davis requested that the Commission connect the Brownfields developers with the LWD's One Stop Career Centers (OSCCs) clients seeking construction jobs. Chairman Rose indicated that the Commission will collaborate with LWD to fill construction jobs for Brownfields projects.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-25 and Dr. Kim seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-26      Vector Urban Renewal Associates I & II – Approves Brownfield Contaminated Site Reimbursement Application.**

Mr. Moore described the Jersey City Brownfields project to build two multi-use towers rising out of a seven-story base, housing a garage with 696 parking spaces and 23,000 square feet of retail space. The base will accommodate a business center, home theater screening room, a private fitness center, home theater screening room, a rooftop plaza and other amenities. The project is expected to generate tax revenues totaling \$11,606,465.

The project will generate many temporary jobs in connection with construction of the project and many permanent jobs in connection with maintenance of the redevelopment. The additional 1,000-plus residents anticipated to occupy the project will generate a new demand for goods and services that will result in new job creation and expansion of the local economy.

After completing an independent review of the application, the Treasurer recommends authorizing Vector Urban Renewal Associates I & II to be eligible for reimbursement of up to \$3,042,750 (75%) of approved remediation costs, pending the issuance of a NFA from the DEP.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-26 and Dr. Kim seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-27      Grove Street at Tenafly, LLC – Approves Brownfield Contaminated Site Reimbursement Application.**

Mr. Moore described the Grove Street project, a site being developed into 44 residential units housed within five buildings. Nine affordable housing units are included in the redevelopment as required as the Borough of Tenafly as a condition of site plan approval. Redevelopment costs are estimated at \$19.5 million for the project. Tax revenues

generated from the sales tax on building materials is calculated at \$675,000, representing fifty-one percent of the total cost of remediation.

The development will create 150-170 construction-related jobs and an anticipated two permanent jobs upon completion.

After completing an independent review of the application, the Treasurer recommends authorizing Grove Street at Tenafly to be eligible for reimbursement of up to \$396,400 (30% of \$1,318,000) of approved remediation costs, pending the issuance of a NFA from the DEP.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-27 and Ms. Davis seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-28            B & B Poultry Company, Inc. – Approves Energy Sales Tax Exemption For Certain Counties.**

Mr. Moore described the resolution, which would approve the Energy Sales Tax Exemption for B&B Poultry in Norma (Salem), which has 145 jobs that qualify under the exemption program, most of which are manufacturing jobs. The value of the tax exemption to B&B Poultry is \$51,450.

**Dr. Kim made a motion to approve Resolution NJC08-28 and Mr. Sondermeyer seconded the motion. The motion was approved by a 6- 0 vote.**

**Res. No. 08-29            E.I. duPont de Nemours & Company - Approves Energy Sales and Use Tax Exemption.**

Mr. Moore described the resolution, which would approve the Energy Sales Tax Exemption for DuPont's Deepwater (Salem) facility, which employs 810 (eligible) personnel, most of whom are employed directly in the manufacturing process. The value of the tax exemption to Dupont is \$749,00.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-29 and Ms. Davis seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-30            L'Oreal USA Products, Inc. - Approves Sales and Use Tax Exemption.**

Mr. Moore described the L'Oreal expansion project to consolidate five R&D sites in New Jersey into a new Middlesex County facility, retaining and increasing enough jobs to make it eligible for the Sales Tax Exemption and the BRRAG Tax Credit programs.

Mr. Moore also noted that L'Oreal is an important employer in New Jersey, providing many jobs and performing significant R&D work.

**Mr. Sondermeyer made a motion to approve Resolution NJC08-30 and Dr. Kim seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-31            L’Oreal USA Products, Inc. – Approves Business  
Retention and Relocation Assistance Grant Tax Credit.**

**Mr. Sondermeyer made a motion to approve Resolution NJC08-31 and Dr. Kim seconded the motion. The motion was approved by a vote of 6 – 0.**

**Res. No. 08-32            Church & Dwight Co., Inc – Approves Urban  
Enterprise Zone Energy Sales and Use Tax Exemption.**

Kathy Kube briefly described the resolution, which renews the UEZ Energy Sales Tax Exemption for Church & Dwight’s Lakewood Facility. This operation employs 268 personnel in manufacturing jobs, qualifying it for the UEZ Energy Sales Tax Exemption program, which is open to manufacturers with at least 250 full-time employees, at least 50% of whom are involved in the manufacturing process.

**Ms. Oates made a motion to approve Resolution NJC08-32 and Dr. Kim seconded the motion. The motion was approved by a vote of 6 – 0.**

**Public Comment:**

The Chairman asked if there were any additional comments; there were none.

**Adjournment:**

Mr. Sondermeyer made a motion to adjourn the meeting at 10:50 a.m. and Mr. Kim seconded the motion. The motion was approved by a vote of 6 - 0.