

**New Jersey Commerce Commission
September 19, 2007
Board Meeting Minutes**

Members of the Board Present:

Marilyn Davis, Designee for Commissioner David Socolow; Marguerite Beardsley, Designee for the Commission on Higher Education; Gary Sondermeyer, Designee for Commissioner Lisa Jackson; Mark Stout, Designee for Commissioner Kris Kolluri; Linda Steenrod, Public Member; and Sang Kim, Public Member.

Also present at the table were Kevin Drennan, Executive Director, DAG Bette Renaud, Maggie Manza, Board Secretary and Rob Shane of the Governor's Authorities Unit.

Minutes:

The meeting was called to order at 10:00 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 September 10, 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. 08-33 Approves Minutes of August 22, 2007 meeting

Ms. Davis made a motion to approve Resolution NJC08-33 and Mr. Stout seconded the motion. The motion was not approved; the vote was 5-0-1. Ms. Steenrod abstained. The Board noted that this resolution will be considered again at the next Board meeting.

**Res. No. 08-34 **ALCAN Global Pharmaceutical Packaging, Inc. -
Approves renewal of Urban Enterprise Zone Energy
Sales and Use Tax Exemption****

Kevin Drennan described the resolution, which approves and authorizes the Executive Director to execute a renewal of the Urban Enterprise Zone (UEZ) Energy Sales Tax Exemption for ALCAN, a manufacturer of glass tubes/vials and plastic bottles for pharmaceutical, personal care and food applications, for two of its facilities in the Millville/Vineland UEZ.

These two facilities together employ 476 people full-time, 86% of whom are involved in the manufacturing process. In addition, the LWD and the Division of Taxation confirm that they are not aware of any liability. Therefore, UEZA staff recommends approving ALCAN for a renewal. The estimated annualized benefit to ALCAN is \$500,000. The renewal will extend through September 24, 2008.

Ms. Davis made a motion to approve Resolution NJC08-34 and Mr. Stout seconded the motion. Motion was approved by a vote of 6 – 0.

Res. No. 08-35 Gerresheimer Glass, Inc. - Renewal of Energy Sales Tax Exemption

Mr. Drennan discussed the resolution, which approves and authorizes the Executive Director to execute a renewal of the Urban Enterprise Zone (UEZ) Energy Sales Tax Exemption for Gerresheimer Glass, Inc. (Gerresheimer), a manufacturer of pharmaceutical and scientific glass tubing and end products in the Millville/Vineland UEZ.

Gerresheimer has 1,012 full-time employees, 81% of whom are involved in the manufacturing process. In addition, Gerresheimer has certified that it is not in default under any State program, except that the company may owe a Sales Tax, a possible liability which was inherited from Gerresheimer's predecessor and which the company is working with the Division of Taxation to satisfy.

Having met all other statutory and regulatory requirements and considering that Gerresheimer is working with Taxation to resolve its possible liability, Commission staff recommends that the company's exemption renewal be approved pending the satisfactory resolution with the Division of Taxation of the possible Sales Tax liability. The estimated annualized U-STX benefit for Gerresheimer Glass, Inc. is \$1,600,000.

Mr. Drennan said that the Commission will report to the Board when Gerresheimer has resolved its Sales Tax issue with Taxation.

Ms. Davis made a motion to approve Resolution NJC08-35 and Mr. Stout seconded the motion. Motion was approved by a vote of 6 – 0.

Res. No. 08-36 Gargant Corporation - Approves Brownfields Contaminated Site Reimbursement Application

Lauren Moore discussed the resolution, which approves the Brownfields application of Gargant Corporation for reimbursement of Brownfields clean-up costs for a Jersey City redevelopment project under a Redevelopment Agreement.

Mr. Moore said that Jersey City is a transit-friendly urban center, therefore the redevelopment project supports the Governor’s economic growth strategy.

Mr. Moore noted that the reimbursement starts once the project has been constructed on the remediated site only after eligible costs have been approved by DEP and new tax revenues have been generated. He said that Commission staff recommends the approval of reimbursement of up to \$175,000.

Linda Steenrod asked him whether there is any affordable housing consideration in approving the Brownfields projects. Mr. Moore responded that there have been some Brownfields projects which have included affordable housing, but that consideration of whether a project includes affordable housing is usually taken up at the local level. He noted that the Brownfields Act doesn’t require a developer to meet a COAH obligation.

Ms. Steenrod, Mr. Moore and Gary Sondermeyer discussed how the Brownfields Program could encourage future developers to include affordable housing in their Brownfields projects.

Ms. Davis asked for a description of the reimbursement process, which Mr. Moore provided.

Mr. Drennan, Ms. Steenrod and Mr. Moore discussed the role of the DEP in the redevelopment and noted that the developer does not receive reimbursement until the DEP certifies that the site has been cleaned up. Further, they noted, the developer does not get reimbursed until the redevelopment project has been completed.

Mr. Stout made a motion to approve Resolution NJC08-36 and Ms. Davis seconded the motion. Motion was approved by a vote of 6 – 0.

Res. No. 08-37 Centuria – Fort Lee “East” - Approves Brownfields Contaminated Site Reimbursement Application

Mr. Sondermeyer asked for a description of both the Centuria East and the Centuria West Fort Lee projects. Mr. Moore described the projects by Town & Country Developers at Fort Lee and noted that these projects support the Governor’s economic growth strategy. He told the Board that the recommended reimbursement for Centuria East is \$1,710,000 and the recommended reimbursement for Centuria West is \$2,430,000.

Ms. Davis made a motion to approve Resolution NJC08-37 and Mr. Stout seconded the motion. Motion was approved by a 6 – 0 vote.

Res. No. 08-38 Centuria – Fort Lee “West” - Approves Brownfields Contaminated Site Reimbursement Application

Ms. Beardsley made a motion to approve Resolution NJC08-38 and Mr. Stout seconded the motion. Motion was approved by a 6 – 0 vote.

**Res. No. 08-39 Baldwin Asset Associates Urban Renewal Company -
Approves Brownfields Contaminated Site
Reimbursement Application**

Mr. Moore discussed the resolution, which approves the application of Baldwin Asset Associates Urban Renewal Company for reimbursement of Brownfields clean-up costs for a Jersey City redevelopment project under a Redevelopment Agreement. Commission staff has reviewed the Baldwin Asset Associates Urban Renewal Company, LLC application and finds that it is consistent with statutory eligibility requirements. The recommended reimbursement is \$3,825,000.

Mr. Moore also noted that this project includes retail stores that will generate reoccurring sales taxes. Ms. Steenrod asked whether the Brownfields developers generally conduct studies on the need for retail space in their project. Mr. Moore answered yes. He further noted that the amount of space developers dedicate for retail is driven largely by zoning laws.

Ms. Davis asked for clarification on the location of the project and Mr. Moore answered that it is on the old Jersey City Medical Center site.

Dr. Kim made a motion to approve Resolution NJC08-39 and Mr. Stout seconded the motion. Motion was approved by a vote of 6 – 0.

**Res. No. 08-40 United Rentals (North America), Inc. - Approves
Brownfields Contaminated Site Reimbursement
Application**

Mr. Moore discussed the resolution, which approves the application of United Rentals (North America), Inc. for reimbursement of Brownfields clean-up costs for a Ridgefield Park, Bergen County redevelopment project under a Redevelopment Agreement. The recommended reimbursement is \$3,225,000.

Mr. Moore noted that the developer has decided to significantly expand on the site due to the expectation of reimbursement through the Brownfields Program.

Ms. Beardsley asked how the term of reimbursement is decided and Mr. Moore described how Treasury determines the term. Mr. Drennan asked whether there is a cap on the term of reimbursement and Bette Renaud answered no.

Ms. Davis made a motion to approve Resolution NJC08-40 and Mr. Stout seconded the motion. Motion was approved by a vote of 6 – 0.

Res. No. 08-41 Camden Iron & Metal, Inc. – Authorizes Notice of Default for Camden Iron EDSF loan and request to Legislature for Re-appropriation of loan amount for another project consistent with the Economic Site Fund Act, P.L. 1997, c. 97

Mr. Drennan discussed the resolution, which authorizes a notice of default for a \$2.5 million economic site fund loan made in 2001 by the New Jersey Commerce Commission to Camden Iron and Metal, Inc. to acquire and install industrial shredding equipment. It further authorizes the Commission to request the Legislature to re-appropriate the loan amount for another project consistent with the Economic Site Fund Act, P.L. 1997, c. 97.

Mr. Drennan noted that the Commission twice agreed to amend the 2001 loan agreement to extend the time period for Camden Iron to install and operate the equipment, but declined to enter a third amendment to extend the time period beyond December 31, 2005 because the company had yet to identify a project to which the funds would apply. He further noted that Camden Iron is moving to Pennsylvania, therefore the company does not need the loan anymore.

Mr. Drennan stated that once the notice of default has been authorized, the Commission plans to terminate the loan agreement with Camden Iron and request that the Legislature re-appropriate the \$2.5 million for another project.

Mr. Sondermeyer asked whether there is precedent for this type of default notice and reappropriation request authorization coming before the Board. Ms. Renaud answered no - previously the default notice would have been authorized by the Secretary/CEO of the Commission.

Ms. Steenrod asked whether once the Legislature reappropriates the money another resolution approving the reappropriation would come before the Board. Ms. Renaud responded yes.

Ms. Beardsley made a motion to approve Resolution NJC08-41 and Mr. Stout seconded the motion. Motion was approved by a vote of 6 – 0.

Res. No. 08-42 Approval of amendments to Operating Authority

Mr. Drennan explained the resolution, which approves amendments to the Commission's Operating Authority, which confer upon the Board and the Executive Director certain

authority to approve, amend and execute BRRAG, Brownfields and Economic Development Site Fund agreements.

Mr. Sondermeyer noted that on August 22, 2007, the Board approved the Operating Authority of the Board of Directors, the Executive Director and certain other high-level Commission employees with the understanding that there would be future amendments to the Operating Authority.

Ms. Beardsley referred to the word “delta” in the Operating Authority and asked what it meant. Mr. Drennan responded that it means change.

Mr. Drennan added that any approvals he, the Executive Director, makes or other actions he performs under this new authority he will report to the Board.

Dr. Kim referred to international trade agreements in the Operating Authority and asked whether the Office of International Trade is still a part of the Commerce Commission. Mr. Drennan replied that the Office of International Trade is still part of Commerce, therefore the Board will approve international trade agreements.

Ms. Davis made a motion to approve Resolution NJC08-42 and Mr. Stout seconded the motion. Motion was approved by a 6 – 0 vote.

Public Comment:

Ms. Steenrod asked if she could receive her Board packet sooner. She then asked if the Board would consider allowing members to participate in the meetings by telephone on occasions when they are unable to attend in person; Mr. Sondermeyer and Mr. Drennan responded that the Board would consider it. Finally, Ms. Steenrod asked if the Board would look into helping small businesses attain employee health insurance, possibly through the local chambers of commerce. Mr. Drennan responded that he believed there were regulatory obstacles to getting insurance through the local chambers, and he would advise the Board at the next meeting.

Adjournment:

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