

**New Jersey Commerce Commission
November 1, 2007
Board Meeting Minutes**

Members of the Board Present (Via Telephone):

Gary Rose, Designee for Governor Corzine; Marilyn Davis, Designee for Commissioner David Socolow; Jane Oates, 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 via telephone were Michael Heliger, Director of Incentive Administration, ADP Tax Credit Services; James Stabenow and Tricia Russo from Novartis; and Rob Shane of the Governor's Authorities Unit.

Also present at the table were Kevin Drennan, Executive Director; DAG Bette Renaud; DAG Laura Rivkin; Lauren Moore, Director; Dale Wolfert, Confidential Aide; and Maggie Manza, Board Secretary.

Minutes:

The meeting was called to order at 3:00 p.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 October 26, 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. 08-49

**Novartis Pharmaceutical Corporation –
Approves Amendment to Business Retention and
Relocation Assistance Grant Application**

Mr. Moore described the two Novartis resolutions, which, respectively, would approve an amendment to the Business Retention and Relocation Assistance Grant Application and approve an amendment to the Sales Tax Exemption Program Agreement for Novartis Pharmaceutical Corporation's East Village Project. Both changes require Board approval under the Commission's Operating Authority.

When the Commission initially approved the project in June 2005, Novartis stated that all 960 jobs included in the relocation were eligible full-time positions, however the company recently revised the job retention to 500 eligible jobs, as a result of which the value of the BRRAG tax credit is reduced from \$1.44 million to \$750,000. Under the

Commission's Operating Authority, a BRRAG Amendment in which there is greater than a 20% change in the number of retained full-time jobs must be presented to the Board for approval.

Under its Sales Tax Exemption Program Agreement, Novartis has received a \$3.68 million benefit. The company has recently revised its total estimated capital investment from \$116.5 million to \$147 million, thus necessitating Board approval, as is required where the proposed project amendment constitutes a greater than 20% increase in the capital investment.

Ms. Steerod questioned whether these amendments were out of the ordinary, which gave rise to discussion on whether the amendments were positive for the Commission, the conclusion of which was that the amendments were typical and they will enhance economic growth.

Dr. Kim made a motion to approve Resolution NJC08-49 and Mr. Sondermeyer seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-50

**Novartis Pharmaceutical Corporation –
Approves Amendment to Sales Tax Exemption
Program Agreement**

Mr. Sondermeyer made a motion to approve Resolution NJC08-50 and Ms. Oates seconded the motion. The motion was approved by a 7 - 0 vote.

Public Comment:

There was no public comment.

Adjournment:

Ms. Oates made a motion to adjourn the meeting and Dr. Kim seconded the motion. The motion was approved by a vote of 7 – 0 and the meeting was adjourned at 3:11 p.m.