

**New Jersey Commerce Commission
December 18, 2007
Board of Directors Meeting Minutes**

Members of the Board Present:

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 at the table were Kevin Drennan, Executive Director; Laura Rivkin, DAG; Maggie Manza, Board Secretary; and Rob Shane of the Governor's Authorities Unit.

Minutes:

The meeting was called to order at 10:00 am.

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 December 12, 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. 08-51 **General Mills Operations, Inc. – Approves Renewal of
Urban Enterprise Zone Energy Sales and Use Tax
Exemption****

Mr. Drennan discussed the resolution to authorize an Urban Enterprise Zone (UEZ) Energy Sales Tax Exemption renewal for General Mills Operations, Inc., a food manufacturer in the Millville/Vineland UEZ. General Mills has a major facility in Vineland, with 454 full-time employees, 84% of whom are involved in the manufacturing process. General Mills has certified that it is not in default under any State program and the Department of Labor and Workforce Development and the Division of Taxation confirm that they are not aware of any defaults.

Dr. Kim made a motion to approve Resolution NJC08-51 and Mr. Sondermeyer seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-52

Approves sale of unused BRRAG Tax Credits from Celgene Corporation to Custodial Trust Company

Lauren Moore described the resolution to approve the sale of unused BRRAG tax credits from Celgene Corporation, a biopharmaceutical company based in Summit (Union County), to Custodial Trust Company, a commercial bank and subsidiary of Bear Stearns, based in Princeton (Mercer County). Previously, the Commerce Commission Board of Directors approved Celgene's application for a grant of tax credits under the BRRAG program. The BRRAG incentive was approved for Celgene to retain 266 full-time employees in New Jersey and consolidate two separate divisions into one new corporate headquarters in Summit. Celgene received tax credits valued at \$345,800. Recently, Celgene certified to the Commission that it is unable to use these tax credits. The company is seeking final approval to sell these credits for \$260,350 to Custodial Trust Company, as permitted under the BRRAG Tax Credit Certificate Transfer Program.

Mr. Moore told the Board that Commission staff found that Custodial Trust's legal disclosures reveal no cause for disqualification or debarment from participation in this program. Discussion ensued about establishing policy to ensure that all future buyers will have appropriate debarment checks.

Mr. Sondermeyer made a motion to approve Resolution NJC08-52 and Dr. Kim seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-53

Authorizes Executive Director to execute an agreement with Agate Software, Inc. for System for Administering Grants Electronically (SAGE) for an amount not to exceed \$91,300

Mr. Drennan described the resolution to execute an agreement with Agate Software, Inc. for use of its online grants software, System for Administering Grants Electronically (SAGE), for \$91,300, to be used by State and local UEZ Program staff. The Commission's Office of Urban Programs wants to replace its paper-based UEZ grants process with SAGE, which will allow applications to be submitted, approved and monitored online. In March 2007, the State contracted with Agate to allow State agencies to establish agreements with the company for use of its SAGE grants software. Several state agencies have implemented or are expected to implement SAGE in the near future, including DCA and DOT. Mr. Drennan noted that in selecting Agate, the Commission is exempted from its public bidding requirement, because the purchase is made through the Division of Purchase and Property.

The consensus was that SAGE would streamline the grants process. The Board noted that Commission and DOT staff should provide each other feedback on SAGE.

Ms. Steenrod questioned whether SAGE was a secure system and, after discussion, the members were satisfied that it was secure.

Mr. Stout made a motion to approve Resolution NJC08-53 and Ms. Davis seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-54

MCR Air Conditioning & Heating, Inc. - WBE certification - Approves Final Decision

Nina Moseley told the Board that the resolution would approve the Commission's "Final Decision" to reverse an earlier decision and approve the application of MCR Air Conditioning and Heating, Inc. (MCR) for certification as a Women-owned Business Enterprise (WBE). The Hearing Officer recommends WBE approval on the basis that the woman owner has the technical expertise in the business necessary to exercise managerial and operational control over her business.

Mr. Sondermeyer made a motion to approve Resolution NJC08-54 and Ms. Davis seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-55

Approves the 2007 audits of the New Jersey Commerce Commission and the Urban Enterprise Zone Assistance Fund

Mr. Drennan described the resolution to approve the 2007 audits of the New Jersey Commerce Commission and the Urban Enterprise Zone Assistance Fund that were conducted by our independent auditing firm. Mr. Drennan noted that the auditors identified no major problems with the fiscal management of the Commission. He also noted that the audit of the UEZ Assistance Fund identified two fiscal management weaknesses, both of which have since been corrected.

Mr. Sondermeyer made a motion to approve Resolution NJC08-55 and Dr. Kim seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-56

BioNJ 2008 State Sponsorship Benefits Agreement

Mr. Drennan described the resolution to authorize a State Sponsorship Benefits Agreement with BioNJ for \$50,000 to market New Jersey as a leader in the biotechnology industry at the Biotechnology Industry Organization (BIO) 2008 Annual International Convention in San Diego in June. An additional \$20,000 is being contributed by the NJ Economic Development Authority (EDA), which is partnering with the Commission in a joint marketing effort at the convention and with which the Commission is entering into a MOU for this joint effort. New Jersey agencies, businesses and associations will be participating at this international convention for the

fourth consecutive year. The Board noted that the Commission is satisfied with BioNJ's previous years' service.

The Board emphasized that biotechnology is a high-growth industry for New Jersey.

Mr. Stout made a motion to approve Resolution NJC08-56 and Ms. Steenrod seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-57

Authorizes the Executive Director to enter into a MOU between the Commission and the NJ EDA to share the cost of BioNJ 2008 State Sponsorship Benefits Agreement

Mr. Sondermeyer made a motion to approve Resolution NJC08-57 and Ms. Davis seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-58

Economic Development Site Fund - Burlington County Revolving Loan Program - Approves the Village Properties Urban Renewal, L.L.C. and Dietz & Watson, Inc. loan application

Mr. Moore discussed the resolution to approve a \$2 million loan from the Corridor Revolving Loan Fund, administered by Burlington County, to Village Properties Urban Renewal, L.L.C. and Dietz & Watson, Inc. for the acquisition of property and the creation of a meat distribution plant.

Discussion ensued on whether an environmental assessment of the property had occurred and the status of any assessment and/or cleanup. The Board decided to table the resolution to allow time for these questions to be answered.

Resolution No. 08-58 was tabled.

Res. No. 08-59

K. Hovnanian at Hudson Street Urban Renewal Company, LLC – Approves Brownfields application

Mr. Moore described the resolution to approve the brownfields application of K. Hovnanian at Hudson Street Urban Renewal Company, LLC for up to \$715,910 reimbursement of brownfields clean-up costs for a Jersey City redevelopment project to build two high-rise buildings.

Discussion arose on the possibility of the developer including affordable housing as part of this project. The Board decided to table the resolution so that staff may discuss this possibility with K. Hovnanian.

Resolution No. 08-59 was tabled.

Res. No. 08-60

Approves Minutes of November 1, 2007 Board of Directors Meeting

Mr. Sondermeyer made a motion to approve Resolution NJC08-60 and Dr. Kim seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-61

Conopco/Unilever - Amendment to Sales and Use Tax Exemption (STX) Project Approval Agreement and Business Retention and Relocation Grant (BRRAG) Application

Mr. Moore discussed the resolution which approves amendments to Conopco/Unilver's STX Project Agreement contract and the BRRAG application. He also introduced two representatives from the company who were in attendance.

Conopco/Unilever is a multi-national food and consumer goods manufacturer with corporate offices in Englewood Cliffs, N.J. and Turnbull, Connecticut. The company is developing a long-term strategy to consolidate functions based in New Jersey and Connecticut. This past February, Conopco/Unilever entered into a Sales Tax Exemption Project Agreement contract with the Commerce Commission to retain and relocate 273 employees to renovated space at Englewood Cliffs. Recently, Unilever expanded the scope of the headquarters project to include relocating an additional 175 jobs and the construction of a \$12 million Customer Engagement Center. With these changes in scope, the company is now requesting amendments to its STX Project Agreement contract and to its previously approved BRRAG Tax Credit application.

Mr. Sondermeyer made a motion to approve Resolution NJC08-61 and Dr. Kim seconded the motion. The motion was approved by a 7 - 0 vote.

Public Comment:

The Board discussed the possibility of approving the Minutes of the August, September and October Board meetings at the upcoming January meeting.

Then a representative from Unilever thanked the Board and Commission staff for its support and help.

Adjournment:

Ms. Davis made a motion to adjourn the meeting and Mr. Sondermeyer seconded the motion. The motion was approved by a vote of 7 – 0 and the meeting was adjourned at 10:45 am.