

REVISED

New Jersey Commerce Commission April 16, 2008 Board of Directors Meeting Minutes

Members of the Board Present:

Gary Rose, designee for Governor Corzine (via telephone); Marilyn Davis, designee for LWD Commissioner David Socolow; Jane Oates, designee for the Commission on Higher Education; Gary Sondermeyer, designee for DEP Commissioner Lisa Jackson; Mark Stout, designee for DOT Commissioner Kris Kolluri; Patrick O'Connor, designee for the State Treasurer; Sang Kim, public member; and Linda Steenrod, public member.

Also present at the table were Kevin Drennan, Executive Director; Betty Renaud, DAG; and Maggie Manza, Board Secretary.

Minutes:

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

Open Public Meetings Act Statement:

Ms. Manza announced that this was a regular meeting of the New Jersey Commerce Commission and that adequate notice of the meeting was provided in accordance with the Open Public Meetings Act. On March 14, 2008, 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 and notice was duly filed with the Secretary of State and posted on the Secretary of State's bulletin board at the State House.

Resolutions:

Res. No. 08-75 Approves proposal of new rules implementing the Urban Transit Hub Tax Credit Act

Board members and Commission staff discussed the new regulations implementing the Urban Transit Hub Tax Credit Act. Municipalities eligible to have designated urban transit hubs are those eligible for urban aid in which at least 30 percent of the real property is tax exempt.

To qualify for tax credits, a business must employ at least 250 full-time workers in a single facility in an urban transit hub and invest in that property in either of two ways. The business must make or acquire a minimum \$75 million capital investment in the property or the business must lease property in which a minimum \$75 million capital investment has been made and occupy space which represents at least \$25 million of the capital investment in the property. A qualified business will receive tax credits equal to

100 percent of its capital investment and it may apply 10 percent of the total credit amount per year against its corporation business tax, insurance premiums tax or gross income tax.

To qualify for the full 100 percent tax credit, at least 200 of the 250 required employees must be new employees, not workers moved from another location in the State. If less than 200 employees are new employees, the business shall only receive 80 percent of the tax credits. However, there is an exception to this rule: if existing employees are moved to an urban transit hub from a location in the same municipality, there is no reduction in the tax credits.

In addition, to remain eligible for the tax credit, a business may not reduce its Statewide workforce by more than 10 percent.

Mr. Drennan noted that the Commission had worked closely with the Division of Taxation on the regulations.

In response to a question from Mr. Sondermeyer, the Commission discussed how the annual servicing fee was determined.

Finally, Mr. Stout commented that the regulations are consistent with the policies and goals of the NJDOT, including increasing transit-oriented development.

Dr. Kim made a motion to approve Res. NJC08-75 and Mr. O'Connor seconded the motion. The motion was approved by a 7 - 0 vote.

Res. No. 08-86 Approves Minutes of March 5, 2008 Board of Directors Meeting

Ms. Davis made a motion to approve Res. NJC08-86 and Mr. O'Connor seconded the motion. The motion was approved by a 7 - 0 vote.

Public Comment:

Mr. Drennan publicly thanked DAGs Laura Rivkin and Bette Renaud for their outstanding dedication and work in drafting the urban transit hub regulations.

Treasury and the Governor's Office were also thanked for their contributions.

Adjournment:

Mr. Sondermeyer made a motion to adjourn the meeting and Mr. O'Connor seconded the motion. The motion was approved by a vote of 7 – 0 and the meeting was adjourned at 10:25 am.