

Board of Directors
Minutes
December 13, 2010

The quarterly meeting of the South Jersey Economic Development District was convened on December 13, 2010, at Lucia's Restaurant in Cumberland County, New Jersey.

In attendance:

Atlantic County:

Jim Curcio
Frank Formica
John Bettis

Cape May County:

Stephen O'Connor
Barbara Tomalino

Salem County:

Beth Timberman
Earl Gage
John Hall

Cumberland County:

Louis Magazzu
Dante Rieti
Joseph Pepitone
Arthur Bretnall, Jr.
Kim Wood

Voting Proxy:

Frank Formica (Howard Kyle), Stephen O'Connor (Leonard Desiderio, Leslie Gimeno), Louis Magazzu (Don Ayres)

Guests: Rita Weber, Assistant to Freeholder Frank Formica

Staff: Gordon K. Dahl, Executive Director; Noah Bronkesh, SJEDD Attorney; Diana L. Schiavo, Senior Operations Officer; Deborah Dalton, Administrative and Construction Assistant; and Monica Kyle, Assistant to the Director; all of the South Jersey Economic Development District.

Mr. Curcio, Vice Chairman, called for the flag salute and began the meeting of the South Jersey Economic Development District Board of Directors.

Mr. Curcio called for a roll call of counties present and boardmember and staff introductions.

Mr. Curcio asked if there were any additions or corrections to the minutes.

There being none, Mr. Curcio requested approval of the minutes.

The minutes were approved as presented.

Mr. Curcio asked for the Treasurer's Report.

Mr. Dahl advised that in the packet provided is the listing of bills that have been paid since the last quarterly meeting, the Profit and Loss Statement, and Reconciliation of the Profit and Loss and Balance Sheet. He briefly reviewed the financial statements. He noted that there was a negative balance of -\$831,000 and this is based on the fact that a \$2.5 million grant from the EDA cannot be used until the final construction of the Next Generation Aviation Research and Technology Park building is awarded. He added that the EDA owes the SJEDD \$1.2 million, so the SJEDD is actually \$400,000 ahead once the construction contract is awarded.

Mr. Bretnall asked Mr. Dahl if he was comfortable with the cash flow situation. Mr. Dahl noted in the next couple of weeks the SJEDD should be fine.

Ms. Tomalino asked for additional information regarding the hiring of Parker & Parker. Mr. Dahl explained that they were hired for marketing work in reference to the research park. He added that Hill-Wallack and others actually put forth the money to hire the PR firm.

Mr. Curcio asked if there were any questions or comments regarding the financial information, there being none the Treasurer's Report was approved.

Mr. Curcio asked for a motion to pay the checks.

Mr. Magazzu questioned the expense of putting legal advertisements in the Press of Atlantic City. Mr. Bettis noted that when dealing with federal monies that there are guidelines that dictate what type of circulation is necessary for a newspaper and the legal notices. Mr. Magazzu noted that his interest is to save the SJEDD money. Mr. O'Connor noted that it is a legal requirement to place the ads in a newspaper.

Mr. Curcio asked if there were any additional questions or comments regarding the checks, there being none, the checks were approved.

Mr. Curcio then requested Mr. Dahl give the Executive Director's report.

Mr. Dahl provided a summary of the SJEDD's projects and progress since its last board meeting and reviewed some of the resolutions.

Mr. Curcio called for the introduction of Resolution:

Resolution 30:10- Bid Results – Contract Award- Next Generation Aviation Research and Technology Park – Landscaping, Graphic Panels, Fencing

Mr. Dahl noted that the first resolution 30:10 regarding landscaping, graphic panels and fencing at the Next Generation Aviation Research and Technology Park is broken down into two parts and that the bids for the landscaping and seeding came in with the lowest bid at \$73,470.87 and the second lowest bid came in at \$106,325.00. He is recommending that the Board approve the lowest responsible bidder for the landscaping and seeding of the Next Generation ARTP. He recommended that the board reject the bid for the graphic panels as it came in at approximately \$800,000. Mr. Dahl noted this portion of the project will need to be redesigned.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 31:10 - Small Cities Grant Award – City of Egg Harbor City – Affordable Senior Housing – Downtown Redevelopment Area

Mr. Dahl noted that resolution 31:10 is for senior housing in Egg Harbor City and is being funded with the assistance of two Small Cities Grants and ARRA funds. He is recommending that the Board not award the bid at this time as the lowest bid came in at an estimated \$2.1 million and is over budget.

Mr. Formica asked if anyone was working with the DCA or Pinelands directly, as it might be beneficial to be in contact with them first before starting the project to help save time.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 32:10- Construction Contract Award – Aliano Brothers General Contractors, Inc. – Atlantic County Historic Jail Facility – Mays Landing

Mr. Dahl explained that initially the Atlantic County Freeholders wanted to knock down the 1800s historic jail, but that the state historic preservation office would not permit it. The resolution includes a contract to design and reconstruct the historic jail facility into usable office space. Mr. Dahl recommended that the Board approve this resolution.

Mr. Curcio explained that another option the county looked into included a walled garden, but that the state also rejected this idea and the resolution reflects the best solution possible given the parameters of the state historic preservation office.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 33:10 – Small Cities Grant Award – Dixon Associates Engineering, LLC. – City of Egg Harbor City – Engineering Services for Unsafe Structure 101 & 143 Philadelphia Avenue

Mr. Dahl stated that this resolution applies to the demolition of two buildings that was done through a RFP process at a cost of \$4,000 versus \$9,000. He recommended that the Board approve this resolution.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 34:10 – Small Cities Grant Award – Site Contractors Inc. – City of Egg Harbor City – Demolition Services for Unsafe Structures – 101 Philadelphia Ave.

Mr. Dahl stated that the resolution applies to the SJEDD having been awarded a Small Cities Grant for the acquisition and demolition of redevelopment sites in the Downtown Redevelopment Area of Egg Harbor City at 101 Philadelphia Avenue. The SJEDD acquired this site that was deemed an unsafe structure and through an RFP process Site Contractors

Inc. was the lowest responsible bidder in the amount of \$25,501. Mr. Dahl recommended that the Board approve this resolution to Site Contractors Inc.

Mr. Curcio asked for any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 35:10 – Small Cities Grant Award – Filling Marble & Tile – City of Egg Harbor City – Material Purchase Contract for Unsafe Structures 101 & 143 Philadelphia Ave.

Mr. Dahl stated the resolution applies to the SJEDD being awarded a Small Cities Grant for the acquisition and demolition of redevelopment sites in the Downtown Redevelopment Area in Egg Harbor City and a material purchase contract for unsafe structures at 101 and 143 Philadelphia Avenue. Mr. Dahl explained that the SJEDD went through a RFP process and the bids came in excess of the allocated budget - the lowest bid was an estimated \$57,000. Instead the SJEDD was able to find volunteers to complete the work and the material purchase RFP came in at less than \$11,000. Mr. Dahl recommended that the Board approve the material purchase in the amount of \$10,320 to Filling Marble & Tile Co.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 36:10 – Construction Management Services – Proceed Request for Proposal Process – Next Generation Aviation Research and Technology Park

Mr. Dahl stated that this resolution applies to the SJEDD being designated as the land developer of the Next Generation Aviation Research and Technology Park and that the SJEDD is pursuing the construction of a 66,000 square foot research and development building and that the construction management services from a licensed professional are required during the construction phase. Mr. Dahl suggests that the Board approve this resolution to go through an RFP process in order to help get the most qualified candidate with the most competitive pricing.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 37:10 – Mount Construction – Change Order

Mr. Dahl stated the SJEDD awarded a construction contract to Mount Construction to install infrastructure at the Next Generation Aviation Research and Technology Park and that during the construction process there were unforeseen issues that required changes to the construction scope. He noted that the change order was due to a change in requirements from the EHT MUA for the installation and material of the sanitary sewer main. Overall there was a reduction in one area and the overall increase of the change order is a total of \$6,233.60. Mr. Dahl asked that the Board approve this change order.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 38:10 – Caruso Excavating – Change Order

Mr. Dahl stated the SJEDD awarded a construction contract to Caruso Excavating to construct a sanitary sewer pump station force main at the Next Generation Aviation Research and Technology Park and that during construction there were unforeseen issues that required a change to the scope of construction. He added that these unforeseen changes were verified through both the Atlantic County Improvement Authority (the onsite inspector) and PS&S (the engineer) and that the SJEDD was able to negotiate a fair and equitable price for the items. Mr. Dahl recommended that the Board approve the change order.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

**Resolution 39:10 – Supplement Number 1 to Master Lease –
Federal Aviation Administration Lease Number
– DTFASW-09-J-00002**

Mr. Dahl stated the SJEDD has been working to enhance the development potential of the Next Generation Aviation Research & Technology Park and that the length of the land lease is an important part of being able to provide

favorable financing options. He added that lease terms were doubled from the original length of 25 years to 50 years. Mr. Dahl noted that District Attorney, Noah Bronkesh, Esq., had reviewed all necessary documents. Mr. Dahl added that the new master lease allows for 10 year renewals.

Mr. Magazzu asked how many times the lease could be renewed for 10 years. Mr. Dahl noted that it could be renewed every 10 years for infinity.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of Resolution:

Resolution 40:10 – Environetics Design Inc. – Change Order

Mr. Dahl stated that the SJEDD has awarded an architectural contract to Environetics Design Inc., to design Building #3 of the Next Generation Aviation Research and Technology Park and that during the design phase unforeseen issues required a change in the scope of the building's design. He noted that this included a changed layout of the park and silver LEED certification of the building. He added that the SJEDD negotiated a fair and equitable price with Environetics and recommended that the Board approve this change order.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio called for the introduction of resolution:

Resolution 41:10 – Interlocal Agreement – South Jersey Economic Development District and Atlantic County

Mr. Dahl stated the SJEDD has completed most of the infrastructure work at the Next Generation Aviation Research & Technology Park under the Mount Construction contract and that Atlantic County has undertaken the Airport Circle/ Delilah Road improvement and that the county's engineering staff indicated that a seamless transition from the park into Delilah Road would enhance the durability and longevity of the improvements. He further explained that it would not be in the SJEDD's interest to have two separate contractors complete this work and is recommending that the Board approve the resolution, which provides for an interlocal agreement with Atlantic County to complete the work at an approximate value of \$150,000 - \$160,000.

Mr. Curcio asked if there were any questions or comments and there being none the resolution was approved as read.

Mr. Curcio requested Mr. Dahl give the loan report.

Mr. Dahl stated that all loans were current except for one and that the SJEDD was working on that.

Mr. Curcio asked if there were any questions or comments and there being none the loan report was approved as read.

Mr. Curcio requested the County Reports:

Louis Magazzu, Cumberland County, noted that the county was happy to be able to partner with the Small Business Development Center, three local cities and the UEZ to keep its small business center. He noted that it is one of three in the state. Mr. Magazzu said that South Jersey Business Magazine recognized Cumberland County for bringing a sports park to the county. He added that there is an on-going dialogue with the community for ideas on what the future of Cumberland County should look like. The county is also pursuing possibly bringing the University of Medicine and Dentistry of New Jersey to Cumberland County. He added that similar to other counties, the budget is a challenge this year. He also added that fellow Freeholder and outgoing SJEDD Board Member Joe Pepitone was one of the nicest people to work with. Mr. Magazzu also noted that the county is looking forward to the \$1.25 million grant money check for the Vine Street School.

Jim Curcio, Atlantic County, noted that Atlantic Cape Community College is the only college in the state to offer an Air Traffic Control Program. He added that aviation industry is anticipating hiring 15,000 air traffic control employees per year to help replace those that will soon be retiring from the workforce.

Stephen O'Connor, Cape May County, noted that the Air Traffic Control Program at ACCC also has its program applications at the Cape May County Campus and that numerous students have already applied.

Earl Gage, Salem County, noted that phase II of the Old Court House is underway. He noted that the county is looking into a care-taker leasing program with the Salem County Chamber of Commerce for its Johnson Building. He also noted that Salem County's budget is also a challenge this year. He also added that the county will soon be dedicating its landfill gas to energy project.

Plaques were presented to outgoing members Jim Curcio and Joe Pepitone, thanking them for their service to the SJEDD.

Mr. Curcio asked if there was any new business.

Mr. Dahl noted that in the past six months during in his travels he noted that any successful economic development has to be globally based. One market that is anticipated to rapidly expand is the application of Unmanned Aerial Systems, most notably in military application contracts. Mr. Dahl spoke about a proposed Institute for Aviation Center for Excellence at the Atlantic City Race Course site in Mays Landing, NJ. He also presented the Board with a rendering of the proposed center and noted that it could be used for UAS research and would be a complementary extension of the Next Generation Aviation Research & Technology Park in Egg Harbor Township, NJ. Mr. Dahl noted that the center has an estimated cost of \$400 million.

Mr. Magazzu questioned if it would be possible to have four \$100 million projects spread throughout the four counties the SJEDD serves.

Mr. Bettis wanted if there was a time frame associated with this concept. Mr. Dahl noted that it could take anywhere from three to five years.

Discussion continued on the conceptual project.

Mr. Dahl noted that there are four main areas of economic development in this area including: the aviation industry, tourism, the healthcare industry and renewable energy.

There was no additional new business to discuss.

Mr. Curcio asked if there was any old business.

There was no old business to discuss.

With no further business Mr. Curcio thanked everyone. The meeting was then adjourned.

Respectfully Submitted,

Louis Magazzu
Secretary

Approved: March 7, 2011