

DRAFT

Board of Directors
Minutes
May 16, 2011

The quarterly meeting of the South Jersey Economic Development District was convened on May 16, 2011, at Centerton Country Club in Salem County, New Jersey.

In attendance:

Atlantic County:

Frank Formica
Jim Bertino

Cape May County:

Leonard Desiderio
Stephen O'Connor
Barbara Tomalino

Salem County:

Beth Timberman
Earl Gage
John Hall
David Lindenmuth

Cumberland County:

Louis Magazzu
Dante Rieti
William Whelan
Arthur Bretnall, Jr.
Donald Ayres
Kim Wood
Sandy Forosisky

Guests: Doug Wright, CFO, Salem County Government; Robin Weinstein, Deputy County Administrator, Salem County Government; Howard Kyle, Chief of Staff, Atlantic County Government; and Rita Weber, Assistant to Frank D. Formica.

Staff: Gordon K. Dahl, Executive Director; Diana L. Schiavo, Chief Operations Officer; Deborah Dalton, Administrative and Construction

Assistant; Noah Bronkesh, Esq.; and Monica Kyle, Assistant to the Director; all of the South Jersey Economic Development District.

Mr. Desiderio, Chairman, called for the flag salute.

Mr. Desiderio called for introductions of those in attendance.

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

Mr. Hall noted that board member Lee Williams had attended the March 7, 2011, board meeting. Mr. William Whelan also noted later in the meeting that he had a clarification to the Cumberland County report section of the minutes.

With the two corrections duly noted, Mr. Desiderio requested approval of the minutes.

The minutes were approved with corrections noted.

Mr. Desiderio then requested the Treasurer's Report. Ms. Timberman deferred to Mr. Dahl on 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 Check Detail. He briefly reviewed the financial statements. Mr. Dahl noted that this month there is a total revenue of \$546,093.90. He added that the SJEDD has paid out in checks a total of \$424,949.35.

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

Mr. Desiderio then requested that Mr. Dahl provide the Executive Director's report, which included a review of the agenda.

Mr. Desiderio called for the introduction of Resolution:

Resolution 12:11 - Contract Modification – Atlantic County Improvement Authority (ACIA) – NextGen Aviation Research & Technology Park

Mr. Dahl explained that the SJEDD had engaged the ACIA as its onsite construction oversight representative and that the original contract amount was for \$150,000 and had expired in December 2010. Due to weather delays

and other issues, the construction schedule will continue through to June 17, 2011, requiring that the contract be modified to continue the monitoring. In addition, the SJEDD was able to negotiate a lower monthly fee for the oversight and construction services. Approval of this resolution would allow for the amendment of the contract.

Mr. Desiderio asked if there were any questions or comments.

A formal vote was taken for Resolution 12:11 following Resolution 13:11, after several board members noted that the above resolution had not yet been voted on. Mr. Desiderio called for a motion and a second and all being in favor, the resolution was approved as read.

Mr. Desiderio called for the introduction of Resolution:

**Resolution 13:11 – Purchase/ Research and Development with NJIT
– Hybrid Street Lights**

Mr. Dahl explained that this resolution is for an environmental grant and that more and more economic development grants are placing greater emphasis on local universities and technology. This grant is for purchase of hybrid wind-solar powered streetlamps with grant monies from LumiSolair. The SJEDD will be working with NJIT on a year-long study to field test the lighting systems. The streetlamps will be strategically placed in Sea Isle, Egg Harbor and Salem cities. One possible benefit of the testing may include the potential use of fiber glass materials, which could help the boat building industry in southern New Jersey. The resolution allows for the purchase of the street lamps as well as entering into an agreement with NJIT.

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

Mr. Magazzu noted later in the meeting that he would like the minutes to reflect that he abstained on Resolution 13:11.

(It was noted at this point that Resolution 12:11 had not yet been voted upon and a vote was taken approving the resolution.)

Mr. Desiderio called for the introduction of Resolution:

**Resolution 14:11 – Time Extension/ Contract Amendment – Caruso
Excavating Time Extension – PS&S Amended Inspection Services
Contract**

Mr. Dahl stated that the resolution applies to a telecommunications line for the Next Generation Aviation & Technology Park that was initially going to be bored underground; however; the SJTA had notified the SJEDD that this could not be done as the groundwater in that area is designated as a superfund cleanup site. This in addition to several unforeseen obstacles including unfavorable winter weather conditions, deemed that the construction timetable be extended from March 7, 2011, to June 17, 2011. This resolution allows for the time period extension in addition to a contract amendment in the amount of \$9,500 for additional fees to continue inspection services through the project completion date of June 17, 2011.

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

Mr. Desiderio called for the introduction of Resolution:

Resolution 15:11 – Change Order – Caruso Excavating

Mr. Dahl stated that this resolution involves a change order for Caruso Excavating and that the SJEDD goes through a number of tests before any change orders appear before the SJEDD Board of Directors. In addition to these tests, the EDA must also sign off on any SJEDD change orders. This resolution applies to an unforeseen event that occurred during construction that changed the construction scope. He added that the SJEDD was able to negotiate a fair and equitable price for these changes. Approval of this resolution provides concurrence with the change orders and associated costs.

Mr. Desiderio asked if there were any questions or comments on the resolution, there being none the resolution was approved as read.

Mr. Desiderio called for the introduction of Resolution:

Resolution 16:11 - WSI Security Contract – Next Generation Aviation Research & Technology Park

Mr. Dahl stated that the resolution applied to a contract for security services at the Next Generation Aviation Research & Technology Park during the construction of telecommunication conduit at the FAA William J. Hughes Technical Center. As part of construction the WJHTC fence will need to be opened at the tech center, which requires that its security service provider, WSI, be on site while the fence is open. The SJEDD is required to engage WSI for the security service. Approval of this resolution authorizes a contract with WSI not to exceed \$2,300.

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

Mr. Desiderio called for the introduction of Resolution:

Resolution 17:11 – Grant Submission Authorization – i6 Green Challenge Grant

Mr. Dahl stated the resolution involves a grant application to the Federal EDA for the i6 Green Challenge Grant and would provide for Rowan University to explore the design and application of submersible hydropower systems as a renewable energy source. Also included in the initiative is to test fiberglass materials in the construction of these turbines, which may help open up product lines for the composite material/ boat building industry. He added that this strategy may also open new market opportunities and spur well-paying sustainable jobs for the small business sector. Approval of this resolution authorizes the preparation and submission of the i6 Green Challenge Grant in cooperation with Rowan University.

Mr. Desiderio asked if there were any questions or comments and there were several comments.

Mr. Formica noted that at the upcoming meeting of the Atlantic County Board of Chosen Freeholders a resolution would be introduced supporting the SJEDD's endeavor with Rowan University. He noted that Atlantic City had the first underwater tide generators at the Million Dollar Pier in the early 1920s.

Mr. Dahl added that the flow of tides are constant and that since water has a density 800 times that of air, the energy produced by water is also 800 times greater. He also noted that there are more and more applications for patents regarding this type of underwater technology.

Mr. Desiderio asked if there were any additional comments or questions, there being none the resolution was approved as read.

Mr. Desiderio called for the introduction of Resolution:

Resolution 18:11 – Regional Technology Initiative – Innovation, Collaboration and Transformation Consortium

Mr. Dahl stated that the resolution applied to several Regional Industry Clusters that the SJEDD has identified as key towards driving the area's

economy forward. He added that many of these RICs, including Aviation, Alternative Energy and Healthcare, are dependent on new technologies as a means to grow and prosper and that universities can play an important role in creating these new technologies and transferring them to the private sector. He explained that the SJEDD would like to create an Innovation, Collaboration and Information Consortium (ICTC) to facilitate this type of technology transfer. Approval of this resolution encourages the SJEDD to broaden outreach through the ICTC to create strategic alliances with businesses, colleges and universities, and other entities that can assist in moving regional technology initiatives forward.

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

Mr. Desiderio called for the introduction of Resolution:

Resolution 19:11 – Revolving Loan Fund – Start-up Business Financing for Regional Innovation Clusters

Mr. Dahl explained that many new federal economic development initiatives will focus on Regional Innovation Clusters and that part of the SJEDD technology advancement initiative is to provide seed money for small businesses. He noted that the SJEDD's Revolving Loan Fund currently does not provide for startup business financing and that such a provision would allow for financing related to the SJEDD RICs and will help drive economic growth in the region. Approval of this resolution authorizes the modification of the RLF to permit startup financing for businesses related to the designated RICs.

Mr. Desiderio asked if there were any questions or comments and there were several from board members.

Mr. William Whelan asked where the money for the loans came from. Mr. Dahl explained that the money is provided for through grant funding. Mr. Whelan also wanted to know if many were aware of the availability of the funding. Mr. Dahl explained that the SJEDD has been building the balance back up so there would be enough capital to provide several loans.

Mr. Whelan asked if the underwriting standards for the loans were available on the SJEDD website. Mr. Dahl explained that there is an extensive background check and review process that also includes review by a loan board and the SJEDD Executive Committee.

Mr. Desiderio asked if there were any additional comments and questions, and there being none the resolution was approved as read.

Mr. Desiderio called for the Loan Report.

Mr. Dahl explained that there is one loan that the SJEDD is continuing to work on and that the individuals involved are struggling, but working to keep payments current. He added that all remaining loans were current.

Mr. Dahl asked if the board had any questions or comments regarding his report.

Mr. Magazzu noted that he voted in favor of all the resolutions presented tonight; however, he would like it noted that he abstained on Resolution 13:11.

Mr. Dahl also noted that the SJEDD is interested in pursuing a flight school in the area and is in the process of putting together a review board. He added that if anyone is interested in being a part of the review board to please contact him.

There was a break in the meeting for dinner.

The meeting soon resumed and Mr. Desiderio requested the County Reports.

Steve O'Connor, Cape May County, noted that there was no significant update in Cape May since the last meeting and that everyone was looking forward towards a strong tourist economy this summer.

William Whelan, Cumberland County, noted that Boeing recently extended its contract with Millville Airport in Cumberland County and that Marriott's new Fairfield Inn was recently completed with a ribbon-cutting scheduled later that week. He added that they County continues work on adopting its budget.

David Lindenmuth, Salem County, welcomed everyone to Salem County. He noted that the County is working on implementing countywide shared EMS services. He added that Salem County was recently recognized by the State as the second largest growing area for tourism. Mr. Lindenmuth said that the Johnson House has ghosts, which will be incorporated into a type of tour. Beth Timberman added that the Salem County Court House may also have ghosts, which could also be incorporated into this type of tour. Mr. Lindenmuth noted that a new tour regarding the history of the Underground Railroad and slavery is almost complete and will feature information that can

be downloaded to an iPod. He also noted that the County is excited about the prospect of testing tidal turbines in the Salem River.

Frank Formica, Atlantic County, stated that tourism in Atlantic City is important to the economy of the County. He added that with the loss of approximately 15,000 to 17,000 casino jobs, there is a related loss of 35,000 non-casino industry jobs. He noted that the Atlantic City tourism district is still a work in progress. He explained that Atlantic County marketing efforts also include cross promotion of neighboring counties such as Cape May. He added that if any other counties would be interested in cross-promotion to please let him know. He noted that the Atlantic City International Airport may be sold, which could present an opportunity for international flights; however, the actual impact of such a sale is yet to be determined. He added that Atlantic County is also working on providing countywide centralized 911 dispatch services. He added that he would like to discuss the NextGen project in the New Business portion of the meeting. He added that it is generally believed that the NextGen industry, once fully developed, will surpass that of casino gambling in the area.

There was no SJTA report.

Mr. Desiderio asked if there was any new business.

Mr. Dahl noted Mr. Whelan had a clarification to the previous set of board minutes.

Mr. Dahl explained that the SJEDD was undergoing an audit with Martini & Martini regarding the Aviation Research & Technology Park project transfer.

He added that the SJEDD is also working towards pursuing more grants regarding technology and renewable energy in particular, as well as healthcare and tourism. The SJEDD is also working to expand the tourism industry and has done much work regarding historical sites in the district.

Mr. Formica noted that at the previous SJEDD board meeting a discussion was held on the importance of transferring the FAA lease over to the ARTP. He also added that during an executive meeting there was a request to reimburse the SJEDD for out-of-pocket expenses and that an audit is being conducted to address this issue. He questioned if the SJEDD was at the point where the lease could be transferred.

Mr. Bronkesh explained that the SJEDD needed FAA approval in addition to completing several grant procedures before the lease could be signed over. Discussion continued on this topic between Mr. Formica and Mr. Bronkesh.

Mr. Kyle also spoke on the topic noting that the lease transfer was necessary in order to advance the development of the park and should not be delayed.

Mr. Formica agreed that transfer of the lease was critical to the development of the rest of the park. Discussion on the topic of transfer of the lease continued between Mr. Formica and Mr. Bronkesh. Mr. Bronkesh also noted that it may be necessary to discuss certain aspects of the process in executive committee.

Mr. Dahl noted that the executive committee agreed to an audit to work on the numbers and that the audit is nearing completion. He added that letters have already been mailed out informing those affected of the transfer over to the ARTP. He added that there is an upcoming meeting with the EDA to place the ARTP on the grant. He explained that the SJEDD is doing whatever it can to help facilitate the process and provide a "turn-key operation" over to the ARTP. Mr. Bronkesh noted that the auditors should have their review completed shortly and that more discussion can occur at that time. Mr. Bronkesh added that there numerous moving parts in the process that need to be addressed in order to transfer the lease.

Mr. Kyle noted it was important to stay on course and that one of the ARTP's goals is to have a RFP for a Master Developer by September 2011.

Mr. Desiderio noted that once the audit is complete there will be another meeting of executive board members to discuss the issue.

Mr. William Whelan noted that is has been interesting to hear the details of this project over the past two meetings and wanted to know how he could get additional information on projects/ proceedings such as this as a means to be better informed prior to making decisions on this project. Mr. Dahl explained the process of how issues/ topics get presented before the board. Mr. Whelan asked if it would be possible to receive some type of summary in advance of board meetings.

Mr. Formica noted that he could provide Mr. Whelan with some background information regarding the NextGen project. He and Mr. Kyle provided an overview of the NextGen project and the ARTP. Discussion continued on the project.

Mr. Whelan had a question regarding the Master Developer and how the person would be chosen. Mr. Kyle explained the process.

Mr. Formica agreed with Mr. Whelan that additional background information would be useful to board members prior to meetings.

Mr. Magazzu noted that, in particular, with big projects such as the Next Generation ARTP, it would be helpful to provide a summary sheet with updates to all board members.

There was no additional new business to discuss.

Mr. Desiderio asked if there was any old business.

There was no old business to discuss.

Mr. Desiderio thanked Mr. Kyle for all of his years of dedicated service to the SJEDD as he recently resigned from the SJEDD Board of Directors.

With no further business to discuss, Mr. Desiderio thanked everyone and the meeting was adjourned.

Respectfully Submitted,

Frank D. Formica
Secretary

Approved: