

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 18, 2013

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Melissa Orsen representing the Executive Branch; Commissioner Kenneth Kobylowski of Banking and Insurance; Jim Leonard representing the State Treasurer; and Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development.

Present via conference call: Al Koepp, Chairman; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Larry Downes, Marjorie Perry, Brian Nelson, Richard Tolson, Jerry Langer, Ray Burke, First Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Also present: Michele Brown, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; and staff.

Also present via conference call: Amy Herbold, Governor's Authorities' Unit.

Absent: Joseph McNamara, Vice Chairman; Charles Sarlo, Elliot M. Kosoffsky, Second Alternate Public Member.

Chairman Koepp called the meeting to order at 12 p.m.

In accordance with the Open Public Meetings Act, Ms. Brown announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

MINUTES OF AUTHORITY MEETING

OFFICE OF RECOVERY

Chairman Koepp opened the meeting by thanking the Board for coming together quickly to address an emergent situation. He also thanked the staff of the EDA for their hard work.

CEO Michele Brown also acknowledged and thanked the Board for coming together so quickly to help the communities of Seaside Park and Seaside Heights in the wake of the fire last week. She also thanked staff for their support and commitment.

Ms. Brown stated that the fire destroyed dozens of businesses, the boardwalk and other public infrastructure just 11 months after these communities were devastated by Superstorm Sandy. The unsafe conditions and the additional business losses caused by the fire have not only greatly exacerbated the impact from the storm, but have also created a dangerous health and safety hazard which must be addressed immediately.

She continued to state that after a thorough investigation, the cause of the fire was determined to be an electrical malfunction resulting from a combination of the age of the electrical wiring under the boardwalk and corrosion from the ocean following Hurricane Sandy.

Ms. Brown continued by addressing confusion among the press, business owners, and the general public about the aid the EDA will make available to fire-impacted businesses. She stated that:

- Businesses will submit claims to their insurance companies and wait for a determination of benefits before we can offer them any assistance.
- The \$5 million from the NCR program that we are asking the Board to approve today to help with demolition and debris removal was already allocated for projects of this nature.
- The assistance we are offering to Seaside businesses in no way adversely affects our ability to help any business damaged by Hurricane Sandy, nor does it take away from any of the residential assistance programs offered by other agencies. To clarify, these are existing funds for businesses that EDA administers, not funds allocated for residential programs.

She further stated that following through on the Governor's commitment to provide support to these communities, the Board is being asked to approve the allocation of \$5 million from the Stronger NJ Neighborhood and Community Revitalization Program to support Seaside Park and Seaside Heights with debris removal, demolition, and the rebuilding of public areas.

All of those businesses impacted by the fire are encouraged to apply for funds through the Stronger NJ Business Grant and Loan programs. Based on the initial needs identified, the Authority expects to advance approximately \$10 million of funding to these businesses through the grant and loan programs, and possibly more, if needed. This approach has been presented and approved by the U.S. Department of Housing and Urban Development, and we believe it is the most efficient, practical way to get help to the Seaside business community, which has been dealt a second, terrible blow.

Chairman Koeppe asked Ms. Brown to summarize the request:

REQUEST: Approve up to \$5 million from the Stronger NJ Neighborhood and Community Revitalization Program to be utilized for demolition and debris removal of the damaged structures in Seaside Heights and Seaside Park; as well as authorization to the CEO to approve applications and to execute sub-recipient agreements with Seaside Heights and Seaside Park in order for each to undertake procurement and contracting for the work.

MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Orsen

President and COO Tim Lizura asked that Board consider amending the Board Memo and resolution to include mitigation efforts and the rebuilding of the impacted section of the boardwalk, to the extent allowable by the U.S. Department of Housing and Urban Development.

REQUEST: Approve a change to the resolution and board memo to include mitigation and rebuilding of the boardwalk as eligible uses to the extent approved by HUD.

MOTION TO APPROVE: Ms. Perry **SECOND:** Commissioner Kobylovski **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:

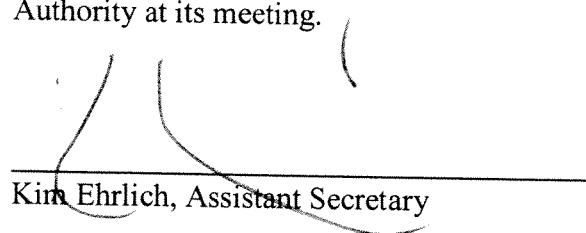
REQUEST: Approve the amended resolution and board memo. **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Ms. Perry, seconded by, Ms. Orsen, the meeting was adjourned at 12:30p.m.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.



Kim Ehrlich, Assistant Secretary