SALEM COUNTY IMPROVEMENT AUTHORITY

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RESOLUTION 12-

June 25, 2012

Resolution of Support of the Development, Construction and Operation of a New & Emerging Waste Processing Facility to be located at the Salem County Solid Waste Facility (SWF) located at 52 McKillip Road, Alloway Township, Salem County, New Jersey

WHEREAS, the Salem County Improvement Authority ("SCIA") oversees economic development and solid waste disposal within Salem County; and,

WHEREAS, SCIA, in order to meet the goals of creating jobs and new tax ratables, is focused on the following economic development initiatives:

- Developing a Skilled Workforce
- Business Retention
- Business Growth and Expansion
- Redevelopment of Existing Commercial and Industrial Sites
- Attracting New Business
- Support of the County's Tourism Initiative and Agribusiness Programs

WHEREAS, the mission of SCIA is to provide for the orderly planning, development and redevelopment of lands and buildings; to provide public facilities for environmentally responsible disposal and recycling of solid wastes and materials; to provide public facilities and equipment; to provide bond financing for capital development projects; and to encourage industrial and commercial development, and increase employment opportunities all in an effort to improve the quality of life for residents of Salem County; and,

WHEREAS, SCIA has broad bonding powers that can be utilized to fund a wide array of capital development projects, including public facilities, non-profit facilities, renewable energy projects, tourism and recreational facilities, utility projects, airport and marine terminals, transportation projects, and educational facilities; and,

WHEREAS, SCIA strives to develop a "Generation of Clean Renewable Energy Users" to provide a greener and safer future for Salem County; and,
WHEREAS, SCIA, through the use of state-of-the-art technologies, can collaborate with local County governments, school districts, public entities, and energy providers to develop a Renewable and sustainable energy program that will provide a source of low-cost energy for the region and preserve natural resources; and,

WHEREAS, SCIA owns and operates the Salem County Solid Waste Facility (SWF) located on McKillip Road in Alloway Township; the SWF covers 40-acres and is part of a 252-acre Authority owned site; tipping fees at the SWF are among the lowest in the State of New Jersey; the landfill currently accepts approximately 700 tons of trash per day from municipalities in Salem County and from non-flow controlled jurisdictions; and,

WHEREAS, SCIA is the designated implementing agency for the Salem County Solid Waste Management Plan

WHEREAS, SCIA’s SWF has recently been permitted for a 31-acre expansion by the New Jersey Department of Environmental Protection (NJDEP) which will insure additional capacity at the SWF for the next 25 years; the SWF has an excellent environmental compliance track record and is a good steward of the environment; and,

WHEREAS, a major goal of SCIA is to reduce the amount of material that goes into the landfill and to protect Salem County’s woodland areas and pristine waterways; this is achieved through recycling education to reduce waste, save valuable resources and protecting natural habitats; SCIA has formed partnerships with schools throughout Salem County incorporating recycling programs into their daily routine and educational curriculum; SCIA oversees a number of popular recycling and litter abatement programs including the Adopt-A-Road program, the Clean Communities Program, Household Hazardous Waste Days, document shredding events, electronics recycling, and business and residential recycling programs; and,

WHEREAS, SCIA facilitated the development of a Landfill Gas to Energy project at its SWF with AC Landfill Energy, LLC, a partnership between DCO energy, LLC and Marina Energy, LLC; the project utilizes landfill gas created by the natural decomposition process of organic waste material disposed in the SWF; the initial 1.9 MW unit is producing 15,600,000 Kwh of renewable electric power sold to the wholesale market through the PJM Power Pool; the site is in the process of expanding its Air Operating Permit and electrical interconnection to support an installed capacity of 3.8 MW; and the landfill gas to energy unit has a Power Purchase Agreement established for the energy component of the rate structure; additionally, the methane gas extracted from the landfill powers equipment used for the scientific glass, glass art, and industrial design programs at the Salem County Community College Samuel H. Jones Glass Education Center; these award winning projects not only protect the environment, but also demonstrate SCIA’s commitment to innovation and technology development; and,
WHEREAS, the SCIA SWF is located approximately 7.0 miles from the City of Salem and the Port of Salem which is rail served by 18 miles of shortline railroad which is owned by the County of Salem and operated by JP Rail, Inc. (owned and controlled by an affiliate of Evergreen Recycling, LLC) that connects to CSX & NS rail lines and barge served via the Delaware River less than 2 miles west of the Port; the SWF also has a rail service connection from the Port of Salem; and,

WHEREAS, Evergreen Recycling, LLC owns a 6+ acre site located at the SW corner of Broadway and Front Street in the City of Salem that has been permitted by the NJDEP to construct and operate a solid waste transfer station and material recovery facility (MRF) that is permitted to receive and process (MRF) up to 1,500 TPD of solid waste (MSW and/or C&D) for the purpose of recovering valuable recyclable commodities (i.e., glass, metal, paper, plastic, wood) and to transfer any residual MSW waste materials thereafter to permitted solid waste disposal facilities to SCIA’s SWF; the Evergreen MRF is anticipated to process approximately 900-1,350 tons of MSW per day recovering an estimated 25% of the MSW (as valuable recyclables); and,

WHEREAS, SCIA has received a proposal from Mustang Renewable Power Ventures, LLC, DCO Energy, LLC and Evergreen Recycling, LLC (collectively, the Project Developer) requesting that it host a new & emerging technology development at SCIA’s SWF that would include an anaerobic digestion facility (AD Facility), an Energy Recovery Facility (ERF) and a Compost Finishing Area (CFA) (collectively the three project components are referred to as the SCIA Resource Recovery Project) that would be located on approximately 15 acres of 1 or more site areas located at the Authority’s 252 acre site; and,

WHEREAS, the proposed SCIA Resource Recovery Project, upon completion of all phases has the potential to offer full-time employment to over 100 residents of Salem County; and,

WHEREAS, the AD Facility and compost finishing Area is anticipated to process organic waste material (i.e., food & green yard waste) representing an estimated 30% of the MSW into compost for sale and distribution to Salem County’s agribusiness and to produce approximately 2.2 MW of renewable electric power to be sold to the grid; and,

WHEREAS, the Energy Recovery Facility is anticipated to process the remaining residual MSW into approximately 12 Mw of renewable electric power and inert ash that may be marketed as road base construction material and/or an element of cement production or disposed of in the SCIA SWF at a tip fee to be agreed upon by SCIA and the Project Developer; and,

WHEREAS, the Project Developer intends to submit a proposal in response to a Request for Proposals from a municipal solid waste management agency located outside of Salem County that could award a contract for the processing of 900 tons per day of MSW for a 20 year term to the Project Developer for processing at the Evergreen MRF to be located at its permitted facility to be constructed at is site in the City of Salem and for further processing at the
proposed SCIA Resource Recovery Project to be located at one or more sites on or adjacent to the SCIA SWF; and,

WHEREAS, the proposed SCIA Resource Recovery project is consistent with SCIA’s economic development initiatives of:

- Developing a skilled workforce
- Attracting New Business
- Business Growth and Expansion
- Supporting the County’s Agribusiness Programs

WHEREAS, the proposed SCIA Resource Recovery Project is consistent with SCIA’s Mission Statement to provide and to encourage:

- Public facilities for environmentally responsible disposal and recycling of solid wastes and materials
- Bond financing for capital development projects
- Industrial and commercial development
- To increase employment opportunities
- All in an effort to improve the quality of life for residents of Salem County

WHEREAS, the proposed SCIA Resource Recovery Project is consistent with other SCIA goals and objectives:

- Reduce the amount of material going into the landfill through the use of organic waste diversion to compost and renewable electric power with the AD Facility and energy recovery from the MSW residual that will be converted into renewable electric power by the Energy Recovery Facility thereby significantly extending the life of the SWF
- Leverage the existing approved, permitted and operating Landfill Gas to Energy project’s unutilized Phase 2 capacity of 2.2 Mw
- Create new tax ratables
- Process MSW in the most sustainable manner utilizing best available new, emerging & innovative waste processing technology thereby reducing waste, recovering valuable resources and recyclables, protecting Salem County’s natural habitats, woodland areas, pristine waterways and other valuable environmental resources

WHEREAS, the proposed SCIA Resource Recovery Project will be privately financed, owned and operated by the Project Developer on one or more sites on or adjacent to the SWF to be leased from the SCIA under terms to be negotiated and agreed upon in the future and that no funds of
SCIA will be required by SCIA for the permitting, development, construction or operations of the proposed SCIA Resource Recovery Project.

NOW, THEREFORE, BE IT RESOLVED BY THE SALEM COUNTY IMPROVEMENT AUTHORITY BOARD OF DIRECTORS THAT;

1. The proposed SCIA Resource Recovery Project is consistent with the economic development initiatives, goals, objectives and mission of the SCIA;

2. SCIA will reasonably cooperate, support and facilitate the Project Developer’s permitting and approvals of the proposed SCIA Resource Recovery Project to be located on SCIA property adjacent to its SWF which is mutually agreeable to the SCIA and Project Developer;

3. Upon completion of all required permits, approvals and entitlements to construct and operate the proposed SCIA Resource Recovery Project, SCIA agrees to take such actions as necessary to enter into a long term ground lease with the Project Developer for one or more sites to be approved by the parties on terms and conditions to be mutually agreed upon in a ground lease having a minimum term of 20 years with at least two (2) 5 year renewal periods;

4. SCIA agrees to not consider a project from an entity other than this Project Developer for same Request for Proposal or to engage in activity that would adversely affect the feasibility of the proposed SCIA Resource Recovery Project until 12 months following adoption of this resolution or until the proposal is awarded by the municipal solid waste management agency, whichever comes first;

5. SCIA and the Project Developer reserves the right to evaluate the feasibility of co-locating a MRF on SCIA property adjacent to the AD and/or Energy Recovery Facility should it be more efficient and effective to do so;

SCIA and the Project Developer will seek to execute a Term Sheet that will outline the general terms and conditions of the ground lease and any other agreements within 12 months of adoption of this resolution; provided that Project Developer receives an award for 900 tons per day of MSW from the municipal solid waste management agency.

John Ober, Chairman
I hereby certify the above to be a true copy of a resolution adopted by the SCIA at a regular meeting held on June 25, 2012.

[Signature]

Ronald Howard, Secretary