



Economic Development Strategic Plan

2014 - 2017





Economic Development Strategic Plan

Salem County, New Jersey 2014-2017

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. Executive Summary	2
II. Introduction.....	3
III. Location and History of Salem County	4
IV. County Demographics and Statistics	5
V. County Infrastructure	6
VI. Available Land and Buildings	7
VII. Redevelopment Opportunities	7
VIII. S.W.O.T. Analysis	7
IX. Priority Projects	15
X. Implementation Plan	21
XI. Plan Updating Process	24
XII. Appendix	24



Economic Development Strategic Plan

Salem County, New Jersey

2014 – 2017

I. EXECUTIVE SUMMARY

Salem County Improvement Authority (SCIA), In conjunction with the County of Salem (the County), has developed this new *Economic Development Strategic Plan* to serve as a guide or “playbook” in the undertaking of a focused and coordinated program of economic development throughout the County of Salem, New Jersey. This new economic development strategic plan builds upon previous economic development strategic plans and in particular the current plan developed by the SCIA in 2010.

In the past four years since the last plan was prepared and adopted by the County and the SCIA, social and economic forces have again shifted, mostly in a positive direction, since the previous plan was developed when the nation and the County were suffering from the economic downturn generally referred to as “The Great Recession”. This new strategic economic development plan focuses on guiding the County’s economic development program to take advantage of an expected rebounding international, national, State and local economy.

Salem County has distinct competitive advantages for the certain business and industries based upon its location, affordable land costs, infrastructure and labor force. Following the completion of a Strengths, Weaknesses, Opportunities and Threats Analysis or SWOT Analysis, it was determined that five business sectors should be the focus of the County’s marketing effort. These sectors include logistics centers, food and beverage, energy generation facilities, redevelopment projects and agri-tourism and tourism expansion. These businesses include food processing, warehousing and distribution, semi-skilled assembly and recreation and tourism. The County should target its marketing effort to these industries that would have an increased interest in locating or expanding their operations within the County.

This plan calls for the County’s economic development program to focus its efforts on priority economic development opportunities that are listed within the plan. Although these projects

have been identified as priority projects, as new opportunities arise economic development professionals and business and community leaders will need to make decisions on modifying work priorities to take advantage of major economic development opportunities.

II. INTRODUCTION

The Salem County Improvement Authority (SCIA) has been managing the Salem County's economic development program since 2006 when it was transferred from the County by the passage of a resolution and a written shared services agreement. This is a model followed by many improvement authorities within the State of New Jersey. In 2010, the SCIA contracted with an economic development and redevelopment-consulting firm to complete an economic development strategic plan. That plan provided a guide to the County and the SCIA in the undertaking of a comprehensive economic development program.

Economic Development has become an important governmental function during the past 25 years. The creation of employment opportunities, generating new tax ratables and improving the quality of life for local residents is important to the social and economic well being of a community. Salem County faces competition from both foreign countries and other states and counties for new jobs and development. In fact, virtually every County in the United States has an economic development program, vying for jobs and tax ratables. Due to this competitive environment, Salem County needs a comprehensive yet focused plan to retain and attract business, jobs and tax ratables to the County. Salem County, utilizing the advantages of having an improvement authority finance economic development includes; the legal authority to arrange transactions with companies and real estate developers, issuance of bonds for infrastructure and the financing of redevelopment projects and the ability to structure real estate transactions outside of legal limitations imposed on County government under New Jersey law for the acquisition and disposition of real property.

This plan for economic development has been developed through a public participation process. The SCIA invited members of Salem County business, governments and citizens groups to attend one or more of three scheduled public input sessions held in different areas of the County. SCIA officials and their consultant made presentations to attendees and then solicited input from the participants. The recommendations of the participants have been taken into account in the formation of this plan. **A summary of the input and discussion items of each public input session is included in the Appendix.**

This plan includes both a strategy for attracting business and industry to the County and specific projects that the economic development professionals should focus on in order to be successful in creating new jobs, retaining existing jobs and generating new tax ratables that will permit the

County, local municipalities and school districts to keep local real estate taxes stable, thereby attracting more business and jobs.

III. LOCATION AND HISTORY OF SALEM COUNTY

Salem County is located in the southwest corner of New Jersey along the Delaware Bay. It is located in the Mid Atlantic States along the Eastern Seaboard of the United States. This region is one of the world's largest economic markets, the BosWash Megalopolis, which stretches from Boston, Massachusetts south to Richmond, Virginia and contains over 45 million residents. Salem County is located east of the Delaware River and Bay and is bordered by Gloucester County to the north, Cumberland County to the east and south and the State of Delaware to the west. The County is located across the Delaware River from the City of Wilmington, Delaware and 35 minutes south of the City of Philadelphia. The County is midway between New York City and Washington, D.C.

The County has abundant farmland and open space, wetlands, lakes and state wildlife management areas. The City of Salem is the County seat and has the County Courthouse and other governmental operations and commercial businesses located in its core. Urbanized areas are located in Salem City, Penns Grove, Pennsville, Elmer and Woodstown. Only approximately 10% of its land is developed for residential, commercial and industrial purposes. The County is traversed by two major highways, the New Jersey Turnpike and I-295 that enters the County from Gloucester County and connects with the Delaware Memorial Bridge, which connects the County to the State of Delaware and to points west and south of the County. U.S. Routes 40 and 130 and New Jersey State Highways 45, 49, 55 and 56 provide excellent access through the County. Over 40% of the US population and businesses are located within a one-day freight run of the Salem County.

The County has access to deep-water world ports through terminals on both shores of the Delaware River. There are currently inactive commercial marine terminals at the DuPont Chambers Works and the Calpine former coal dock near the Delaware Memorial Bridge. The City of Salem has a shallow-draft port that is operated by the South Jersey Port Corporation that provides limited service to ports throughout the eastern United State and Caribbean ports. The Salem Port is part of a Foreign Trade Zone (#142) that provides advantages to certain business that qualify for the federal tax incentives of operating their business in the zone.

Salem County's economic roots were dug deep into the agriculture of the land, where early European settlers got their sustenance from the rich soil of the County. From the raising of crops by the Lenni Lenape Native Americans to the succeeding arrival in the 17th Century of the Swedes, Finns and Quakers, economic sustenance was derived from the harvesting of crops,

hunting in the forests and fishing in the Delaware River and Bay and the numerous lakes scattered throughout the County.

Currently, over 40 percent of the County's land is actively involved in the raising of a wide variety of production crops including wheat, barley, sweet corn, potatoes, soybeans, green beans, asparagus, tomatoes, grain corn, nursery stock, sod and wineries. Livestock includes dairy cows for milk production, cattle, equestrian and laying hens. The largest majority of the farms are located in the eastern and central areas of the County. Salem County represents over 10 percent of the state's agricultural production and is the leader in production of numerous agricultural products. Newly emerging boutique crops such as herbs, greens, squash, peppers, eggplant, onion and garlic are taking root as farmers look to diversify, rotate soil uses and increase their profit margins.

The preservation of farmland and other open space within the County has been a major goal of the County and local municipalities during the past ten years. Salem County ranks #1 in the State of New Jersey with over 30,000 acres preserved for open space or farming.

Although agriculture remains a foundation of the County's economic engine, the western section of the County forms the industrial and commercial base of the County. E.I. DuPont de Nemours and Company (DuPont), in Carney's Point, established one of the nation's largest industrial facilities in the world at the Chamber Works industrial complex on the Delaware River. At its peak during WWI in 1917, DuPont reached an employment peak of approximately 25,000 workers, many of which were local Salem County residents that were involved in the manufacture of gunpowder. In the 1960s, DuPont's Chambers Works facility was one of the largest chemical plants in the world employing approximately 25 percent of the County's work force. Due to changing global markets and environmental restrictions, DuPont has reduced its operations within the Chambers Works complex but still employs over 700 highly skilled workers, making it one of the top employers within the County.

IV. COUNTY DEMOGRAPHICS AND STATISTICS

Salem County has a land area of 338 square miles of relatively flat to rolling land interspersed with lakes, streams and meadows that drain into the Delaware River. There are 65,774 residents living within the County. The County's workforce numbers 31,100 and there are 28,300 housing units within the County. There are 18,486 school children enrolled in local schools. The County's median household income is \$57,174 and the median value of a residential property is \$196,000.

Today, Salem County has a diversified work force. The County currently has a total manufacturing work force of 4,769, which is 16.2 percent of the Salem County work force of

31,100 in the year 2010. Education, health and social service workers now make up more of the employment base of the County than manufacturing, with 5,868 employees. Retail trade generates 3,587 jobs and transportation, warehousing and utilities create 2,925 jobs and construction provides 1,934 employment opportunities.

V. COUNTY INFRASTRUCTURE

The County has an extensive network of infrastructure, focused primarily on the developed western area of the County. In the more central and eastern areas of the County, public water and sewer utilities are limited.

There is a need to increase sewer capacity in the western area of the County. A plan for the development of an extensive new regional sewerage collection and treatment system that would also include the southern portion of neighboring Gloucester County is being advanced. This new network of sewerage collection systems would be treated at a wastewater treatment plant, possibly co-located at the DuPont Chambers Works industrial complex.

There is a need to increase the supply of potable water within the County. This increase in water capacity is challenging due to state limitations on the amount of water that can be drawn from underground aquifers. Water conservation and recycling measures should be advanced in order to insure the necessary supply of water required by new business and industry. Additionally, re-allocation of existing water supplies should be explored to equalize distribution.

The County's electrical needs are distributed and transmitted by Atlantic City Electric (ACE). There is a need to upgrade aging substations and transmission lines to accommodate additional business and industry in most areas of the County. The County needs to work closely with ACE to insure that the reliable electrical power is available to meet future power needs of its residents and businesses.

South Jersey Gas Company provides Natural Gas service in many areas of the County. There is a need to increase the size, volume and pressure of certain gas mains to meet projected growth within the County. With the current and future price of natural gas expected to be favorable, the expansion of gas service throughout the developed areas of the County will be a top priority.

Interstate, State and County roadways are strengths of the County. The New Jersey Turnpike, I-295, State Routes 40, 45, 49, 55, 56 and 130 and a network of County roads provide excellent access to national and regional markets. The County continues to invest in the repaving, widening and upgrades to its roads and bridges throughout the County.

Freight rail service in the County is provided by CSX along the Route 130 Corridor and is well maintained. However, the County short line freight railroad from Salem City to Swedesboro in Gloucester County needs to continue to be upgraded in order to provide adequate service to key industrial and manufacturing facilities within the County. The upgrading of this rail line to meet present and future freight needs will benefit the County and its businesses for a long time to come. Securing funding from sources such as CREDA, NJDOT, USRDA, TIGER has allowed the County to start upgrading the line to a Class 2 freight rail system. Funding will continue to be a primary focus for the County as they work to complete the remaining improvements. This project is discussed in detail as one of the priority projects.

VI. AVAILABLE LAND AND BUILDINGS

The Salem County Improvement Authority maintains an active inventory of numerous development sites and available buildings that can become the home for new business and industry. The SCIA continues to maintain a current listing of these development lands and buildings so that interested developers and businesses can evaluate these sites for their new business or expansion plans. These listing are available on the County website (www.salemcountynj.gov) and the Authority's web site (www.scianj.com).

VII. REDEVELOPMENT OPPORTUNITIES

The County has a number of designated redevelopment areas that will serve as a focus of economic development activity over the next three years. The County and the SCIA will continue to assist local municipalities in their efforts to establish additional redevelopment areas, assist in the financing of projects and attracting the right projects to these established redevelopment areas.

VIII. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

One of the principle elements of strategic planning is the completion of an analysis of an organization's strengths, weaknesses, opportunities and threats (SWOT). The SWOT analysis is a useful tool for developing a strategic plan and response to the results of this analysis. Below are the results input from business and community leaders and our analysis of Salem County's SWOT elements.

Strengths

- Abundant land
- Affordable land values
- Excellent interstate highway connections
- Waterfront development opportunities on the Delaware River
- Foreign Trade Zone at the Port of Salem
- NJ Sales Tax charged at 3.5% (1/2 the current State rate) for in-County retail sales
- Urban redevelopment opportunities in already designated redevelopment areas
- Abundant labor force
- Proactive governmental units
- A State of New Jersey Red Tape Reduction Committee, to lessen hurdles in the development process
- A reduced county tax rate
- Special State incentive eliminating Sales and Use tax on the purchase of natural gas in certain manufacturing facilities
- Active business organizations and community leaders
- Extensive number of historic, arts, eco-tourism and cultural sites
- Numerous outdoor recreational opportunities
- Solid education systems including K-8, high school, vocational/technical and community college
- Proximity to major urban areas for education, medical care, cultural and international air service
- Successful track record in offering and administering PILOT programs

Weaknesses

- Lack of large scale workforce that is readily able and currently trained to meet the present and future needs of the employers
- Limited high-end executive housing
- Limited workforce housing in key areas
- Constrained and aging electrical and natural gas services
- Gaps in fiber optic, high-speed and cellular communications network
- Under-rated freight rail service, still in need of upgrading
- Lack of a comprehensive Countywide public transit system
- Need for deep water port facility
- Relatively high tax rates compared to the value of services offered

Opportunities

- New Jersey Economic Opportunity Act incentives
- Expansion of the successful Gateway Business Park project
- Development, repurpose and rehabilitation of designated sites within the “I-295 Growth Corridor” located from Gloucester County to the Delaware Memorial Bridge between NJ Route 130 and I-295
- Redevelopment, reconstruction and refurbishment of existing buildings and former industrial and commercial sites
- Development and expansion of marine terminals, including South Jersey Port Corporation’s facility in Salem City
- Expansion and upgrade of general aviation airport
- Improve sewer, water, communication, natural gas and electrical service throughout the County

Threats

- Aggressive competition for business and industry from nearby states and surrounding counties
- Regulatory agencies' bureaucratic processing of development applications
- Uncompetitive tax environment vs. competitive locations
- Limited resources to support increased economic development activities
- High electric costs versus other areas of the country
- Lack of funding dedicated to improving infrastructure including water, sewer, railroad, electrical and natural gas supply in a timely manner
- Severe weather events such as hurricanes and flooding which affect the geographic area

STRATEGIC RECOMMENDATION FOR TARGETING INDUSTRY

Based upon a review of the Salem County SWOT Analysis, the County should focus its economic development resources on key projects that take advantage of its strength of abundant and low cost land, superior highway network and its available and trainable workforce. Salem County professionals should pursue the following industries and opportunities:

- RETAIL SALES TO TAKE ADVANTAGE OF THE 3.5% NJ SALES TAX RATE
- LOGISTICS CENTERS
- FOOD AND BEVERAGE PROCESSING, MANUFACTURING, WAREHOUSING AND DISTRIBUTION
- ENERGY GENERATION INCLUDING ALTERNATIVE ENERGY PROJECTS
- PROJECTS WHICH TARGET THE REDEVELOPMENT AREAS
- RETENTION AND EXPANSION OF EXISTING BUSINESS
- INCUBATOR FACILITIES, INCLUDING A POSSIBILITY AT THE FORMER NIKE BASE
- TOURISM AND AGRITOURISM DEVELOPMENT

Logistics Centers include dry and temperature controlled warehouses, truck terminals, pick-pack-and ship centers, Internet sales fulfillment centers, and regional distribution centers. The County has been successful in the past five years in attracting a number of logistics centers to the County due to the County's excellent highway system, available affordable land and labor.

Other areas within the region have been successful in targeting logistics centers including the Lancaster and Lehigh Valley areas of Pennsylvania and the central area of New Jersey along the New Jersey Turnpike. Salem County can be a competitive location for logistics centers over the next three years.

Food and Beverage Processing, Manufacturing, Warehousing and Distribution companies would be able to take advantage of the County's abundant and affordable land cost, excellent highway transportation network, available workforce and proximity to the County's farms. Adjacent counties of Gloucester and Cumberland have been successful in attracting food and beverage manufacturers so it is expected that Salem County would be successful in pursuit of this industry. Close proximity to deep-water ports permits food and beverage manufacturers to import food stock and export their products internationally. Salem County also has a competitive advantage of a special state incentive eliminating Sales and Use Tax on the purchase of natural gas in certain qualities manufacturing facilities.

Energy Generation Facilities have the potential to create hundreds of new jobs and provide competitive energy sources for existing and new business within the County. From the support of the construction of a possible fourth generating unit at Artificial Island by PSEG to construction and expansion of gas-fired, combined-cycle and co-generation facilities will make Salem County a center of energy development creating "The Powerhouse of the East". Alternative energy projects should also be pursued and supported thereby creating a diversified energy base within the County.

Redevelopment Projects present an opportunity for local municipalities to attract new business and development to their communities tailored to their economic assets and community needs. Each redevelopment area has unique assets that will need to be property planned, marketed and overseen to insure successful reuse of these areas of the County. From waterfront sites to inner-city development opportunities and business parks, redevelopment has the potential to create new employment, ratables and improvements to aesthetics of the communities and improve the quality of life for local residents. Strengthening these target areas is essential to achieving economic development goals across the County.

Retention and Expansion of Existing Business is of critical importance to an effective economic development strategy. It is much more cost-effective to retain and expand existing business than to attract new business to the County. The County will need to focus on supporting local business survival and expansion.

INCUBATORS provide a supportive environment for start-up companies to grow adding new jobs within the County. Existing industrial complexes usually provide an economical and supportive location for the establishment of growth of new business. The proposed Industrial

Park in Pedricktown, at the former Nike base would provide a good location for an incubator within the County.

Tourism & Agritourism Expansion takes advantage of the historic, cultural, artistic, hospitality and retail sales advantages of Salem County. There was strong support for the expansion and promotion of this business sector at the public input sessions that were held in 2013. Small businesses and artists have noted measurable profitability from Salem County's tourism initiative. Tourism brings new dollars from outside the County and improves the economic well being of the County. Agri-tourism and eco-tourism are innovative initiatives that are worthy of exploration and possible development.

The above industries have the potential to create hundreds of new employment opportunities for the County's workforce. In addition, the buildings and improvements that these industries will build will create significant new ratables for the County and local municipalities without creating excessive demand for water and sewer capacity. The additional tax flow to the County and municipal governments will help to continue the stabilized local tax rates. Stabilized or lower tax rates will benefit County residents and will serve as an incentive to attract additional business and industry to the County.

STRATEGIC PRINCIPLES

This section of the *Economic Development Strategic Plan* presents the key strategic principles, projects and programs that the County will follow in carrying out its economic development program over the next four years (2014 to 2017). Other projects are likely to emerge during this time frame and the Authority will review the viability and benefits of such projects and add those projects to the economic development portfolio. If projects or programs included in this plan are determined to be not feasible, they can be eliminated or moved back on the priority list.

The following key strategic principles serve as the basis for this Economic Development Strategic Plan:

1. Energy efficiency and diversification, making Salem County "*The Powerhouse of the East*"
2. *Grow What We Have* – expand current businesses and help them thrive
3. Sustainability of business and industry
4. Continue expansion of the County's highly successful preservation of farmland and open space which strengthens the County's agriculture's profitability and viability

while channeling development into targeted growth corridors and redevelopment areas

5. Regional cooperation with bordering states and counties
6. Creation of a wide array of employment opportunities which will provide life cycle jobs for first job seekers, prime earners and retirees
7. Stabilize property taxes for County property owners
8. County support for expanded employment, education and job training
9. Transparency and civic involvement
10. Continue to foster opportunity for cost effective shared services among the County, municipalities, schools, fire districts, authorities, commissions and other public entities

Energy Efficiency and Diversification

Seeking to improve the energy efficiency of buildings and business operations within the County will improve the economic base of the County, freeing up funding that can be invested in business capital and operations. Funding equipment replacement and upgrading programs will directly benefit public and private entities in the County. Diversification of the energy generation base of the County is also important to insure that the County has the sources of competitive energy from a diverse mix of sources including nuclear, natural gas, oil, coal and alternative energy sources. The creation of “power islands” will also position the County to become a more self reliant energy consumer in the event of wide-scale emergencies, such as those that affected coastal areas.

Sustainability of Business and Industry

The second key strategic principal of this plan is sustainability. The SCIA plans to support and invest in programs and projects that will be sustainable and will provide long-term benefits to the residents of Salem County. Investments in durable infrastructure such as roads, railroads, seaports, energy generation and viable private business will provide sustainable returns to the County. The County will avoid investments in speculative, non-durable projects that do not provide long-term benefits.

Preservation of Farmland and Open Space

The third strategic principle of this plan is the focused location for development. This economic development strategy recommends that new development of business and industry be targeted to be built from the I-295 Corridor in the western section of the County to the Delaware Riverfront on the western boundary of the County. This will lead to the preservation of farmland and open space in the majority of the County throughout the central, eastern and southern areas of the County. Preserving the agricultural sector of Salem County is a fundamental component of this economic development strategy and will preserve the future of the farmer and farmland. Linking farm diversification and the focus on high value specialty crops for nearby urban markets will enhance the County's economic base.

Regional Cooperation

Regional cooperation is the fourth guiding principle of this plan. The County will continue to work with Gloucester County on a number of projects including the rehabilitation of the railroad from Swedesboro to Salem and the construction of a new sewer main from Logan Township to Pennsville. In addition, cooperation with Cumberland County on job training, land preservation and infrastructure projects will continue. The County will also need to work cooperatively with the State of Delaware on a projects located on the Delaware riverfront.

Creation of a Wide Array of Employment Opportunities

A strategic principle of this plan is to develop a portfolio of project that will create a mix of various types of employment opportunities for County residents. Projects that create demand for unskilled, semi-skilled and advanced skilled workers will be sought. Some projects will offer highly paid executive and managerial positions while others will need a large pool of unskilled workers that will be trained for the new positions either prior to employment or on the job. Education and training program will need to be coordinated to match the skill needs for many of the projects planned.

Stabilize Property Taxes for County Property Owners

Another strategic goal of this plan is to provide non-residential revenue to the County and local municipalities so that property taxes can be reduced. This will reduce the tax burden on local property owners, which will permit spending on other consumer items for residential property owners and/or reinvestment in business by commercial and industrial property owners.

Transparency and Civic Involvement

The final guiding strategic principle is transparency and civic involvement. This plan has been developed for the benefit of the citizens of Salem County in an effort to improve economic prosperity and quality of life for its residents. This plan has been developed with the input from business members of a steering committee made up from a cross-section of residents and interests from throughout the County. Citizens, local governments and business representatives are welcomed to provide information on potential projects, which can be added to the development portfolio. The residents of Salem County will be made aware of this plan through its distribution and publication and will be able to comment on its contents. All projects undertaken as a result of this plan will be disclosed to the public as to public funding or financing involved and expected benefits from the project.

Grow What We Have

Growing what we have should be a core strategy of the County. It is more cost-effective to work on retaining, strengthening and expanding existing business and industry. The County should focus on supporting our existing businesses by assistance with regulatory and permit approvals, securing incentives and financing and promoting existing businesses products and services. Consideration to undertaking programs such as “Invest in Salem County” should be pursued.

IX. PRIORITY PROJECTS

ENERGY GENERATION

New Nuclear Unit at Artificial Island, Lower Alloways Creek

Public Service Electric & Gas (PSE&G) is working on the engineering required for the submission of a application to the US Nuclear Regulatory Commission (NRC) for a fourth reactor at the Salem-Hope Creek complex located on Artificial Island within the Delaware River of Lower Alloways Township. The NRC review process and the construction could take up to 12 to 15 years to complete.

Although this project has a long time frame to complete, the project has the potential to create significant short-term construction and long-term high-quality employment opportunities at the project site and throughout other areas of the County. With a potential development cost in excess of \$1 billion, significant new employment in engineering and design, permitting and

environmental studies, training and safety and actual construction of the reactor and support facilities would be generated by the development of this fourth reactor within the County. The creation of these new construction and permanent jobs will also stimulate the demand for housing and goods and services within the County, thus creating additional economic benefits Countywide and throughout the South Jersey Region.

Time Frame: 12 to 15 years

Funding Sources: Owner Equity and Debt, User Fees

INFRASTRUCTURE

Complete the Rehabilitation of the Salem County Short Line from Swedesboro to the City of Salem

The County of Salem will continue to seek funding for the completion of the rehabilitation of the 18 miles of railroad track from the Port of Salem to Swedesboro in Gloucester County. Since 2004, the County has secured \$10.6 million from local, state and federal funding sources. There is currently \$5.1 million in grant funding available to continue the rehabilitation program.

The line includes 4.5 miles of track in Gloucester County from the Salem County line north to Swedesboro. The line currently has inadequate gauges of track and deteriorated sleepers, ballast and tressels. In order to bring the entire line up to at least Class 2, the rail must be brought up to 136- gauge throughout its 18 miles of track.

The completion of this line is critical to the future of the Port of Salem, Ardagh (formerly Anchor Glass) and Mannington Mills, the South Jersey Farmers Exchange in Woodstown and other potential rail users along this vital freight line. The upgraded rail line will be instrumental in attracting new industries to the County that need rail service. The possibility of limited passenger service should be explored as a potential transit/freight shared short line providing potential tourist business within the two counties.

Time Frame: 2 to 4 years

Funding Sources: NJDOT, DRPA, CRDA, USRDA, TIGER, tax-exempt bonds.

Construction of a New Sewer Line from Southern Gloucester County to the DuPont Wastewater Treatment Plant in Pennsville/Carneys Point

The County and the SCIA will continue to work with Gloucester County officials on the proposed construction of a new sewer line linking as many as 11 Gloucester County municipalities with the 25 million gallons per day advanced wastewater treatment plant at the DuPont Chambers Works in Pennsville/Carneys Point. If designed properly and permits granted by NJDEP, this new line can provide additional benefits for industrial and commercial growth along the sewer line. The benefits of a Western Salem County Regional sewer system will also need to be investigated and evaluated as to local benefit for future growth and environmental quality.

Time Frame: 3 to 6 years

Funding Sources: Tax-exempt bonds, state and federal grants, public/private partnership, user fees.

Development of a Deep Water Port on the Delaware River, Carneys Point or Pennsville

The County will work on identifying potential locations for the development of a deep-water seaport on the Delaware River. Several potential existing pier and wharf locations have already been identified. Issues of permitting, economic feasibility, funding and financing, and jurisdictional issues and approvals by the State of Delaware will need to be addressed.

Time Frame: 4 to 10 years

Funding Sources: States of New Jersey and Delaware, US Army Corps of Engineers, Tax-exempt bonds, private equity and debt

Sponsor the Construction of an Alternative Energy Facility within Salem County

The SCIA will continue to work with the County on the development of an alternative energy facility at the County Complex in Mannington Township. Through the use of state-of-the-art technologies, the County will investigate the best method of having a new source of reliable lower-cost energy provided on a district basis to the buildings on the County Complex including the County Correctional Facility, Office of Emergency Management (OEM), Road and Bridges Department, and Vocational Technical School and Special Services School District.

Time Frame: 2 to 4 years

Funding Sources: Private Debt and Equity, bond financing, federal tax credits, utility savings.

Innovative Recycling and Energy Generation Projects at County Solid Waste Complex

The SCIA will investigate the development of innovative technologies that will increase recycling and/or extract energy from new sources of waste stream components. The SCIA has implemented a successful program to recycle agricultural plastic using a new baler and is developing markets for the recycled product. In addition, the SICA's innovative "Gas to Glass" project in partnership with the County College has proven successful. Potential sources include restaurant food waste, biomass, agricultural waste, wood chips etc. Gas to electricity facility project(s) should be supported in partnership with private-sector energy partners. Federal and state innovation grants will be pursued to study the economic feasibility of such projects.

PRIVATE DEVELOPMENT PROJECTS

Support the Continuation of the Redevelopment of The Industrial Park at Pedricktown

The former Pedricktown Nike Base on Route 130 in Oldmans Township is an approved redevelopment site and is now being marketed as The Industrial Park at Pedricktown. The site contains extensive existing infrastructure including potable water and its own sewerage treatment works. Salem Community College houses its Sustainable Energy Center in one of the historic buildings in the park and has applied for a grant to create a business incubator, aligned with sustainable energy goals.

Time Frame: This project is underway.

Funding Sources: Private Debt and Equity, Local Bond Financing

Ardagh Group (former Anchor Glass) Modernization

The County and SCIA will continue to work with Ardagh Group Glass to assist the glass manufacturer upgrade, expand and modernize the plant. Investment in new production equipment and the rebuilding of existing furnaces and anticipated construction of new furnaces will be needed in order to keep the plant operating efficiently. In addition, the rehabilitation of the Salem County Short Rail Line will also help Ardagh continue to receive raw materials on a cost effective timely basis. Job training and retraining will be needed as modernization occurs.

Time Frame: 1 to 3 years

Funding Sources: NJEDA, State Tax Credits, Company Equity and Debt

Penns Grove Waterfront & Central Business District Redevelopment

The Borough of Penns Grove has been seeking the redevelopment of the waterfront area in the Delaware River between West Main Street and Railroad Avenue. The Borough has completed a riverfront walkway and is now seeking private redevelopment. The County and SCIA will continue to work with the Borough in attempting to assist a private redeveloper develop the Borough's waterfront area into a mixed-use development including commercial, recreational and possible residential uses.

Time Frame: 2 to 5 years

Funding Sources: NJDEP, Taxable Bonds, Private Equity and Debt

The Salem Business Center

The 71-acre Salem Business Center is owned and operated by the Delaware River and Bay Authority (DRBA). It is located at Exit 4 of I-295 in Carney's Point. Three lots are available for sale and are available for immediate development based upon the master planning of the site. There is an 80,000 square foot Class A office building including in the center that has space available for office tenants at competitive rates. Salem County will continue to promote the build out of this site by collaborating with DRBA to identify, and attract specific businesses that would thrive in this location.

Time Frame: 1 to 3 years

Funding Sources: NJEDA financing, Private Equity and Debt

Calpine (Deepwater Generating Station)

Calpine owns the Deepwater Generating Station on the Delaware River in Pennsville Township. Calpine is considering options for future operations at the complex. County economic development professionals should continue to work with Calpine on their plans to develop energy, maximize its permitted uses on company-owned land on the waterfront. Identifying synergies among other potential users of the site and aligning them with Calpine can insure this site remains a viable economic engine well into the next century.

Time Frame: 1 to 3 years

Funding Sources: Tax-exempt bonds, private Equity and Debt

City of Salem Revitalization

The County and SCIA will continue to support the City of Salem's efforts to revitalize and rehabilitate the City, which serves as the County Seat. Reusing the City's former landfill, redeveloping "brownfields" sites and transforming and repurposing aging facilities will strengthen both the City and the County. Continued support to help the City strengthen the Main Street Program, assist in the revitalization of the City's housing stock and the development of new housing developments, continuation of the City's successful housing rehabilitation program, promotion of the benefits of the Economic Opportunity Act for the City and actively supporting the Economic Development Advisory Committee are important to the successful rebuilding of this City and surrounding areas.

Time Frame: Ongoing

Funding Source: State and Federal Programs, Bond Financing, Historic Preservation Grants, Private Debt and Equity

DuPont Chambers Works Industrial Redevelopment

The DuPont Chambers Works is a large chemical manufacturing plant consisting of 1,440 acres located on the Delaware River. It manufactures several lines of chemicals for DuPont. DuPont has been gradually downsizing its workforce. Although the company is not in a position to sell any of the site, the County will continue discussions with DuPont on potential attraction of independent compatible companies to the site that could take advantage of the numerous assets that are located at the site including the wastewater treatment plant and security system. This co-location of new industries that can take advantage of the existing infrastructure and security systems provides a competitive advantage to the County in attracting new business.

Time Frame: 3 to 5 years

Funding Sources: NJEDA, Bond Financing, Private Debt and Equity

Expansion of the Gateway Business Park, Oldmans Township

The SCIA has been working in partnership with the County of Salem, Oldmans Township and Matrix Development on build out of the first phase of the Gateway Business Park. The County will continue to work with Matrix and the Township on attracting new business and industry to the business park. The park should be expanded to the east towards both sides of I-295 and north across Straughns Mill Road, which will provide development sites for the park.

Time Frame: 3 to 5 years

Funding Sources: Taxable bonds, Private Equity and Debt

The Promotion of Tourism Throughout the County

Salem County has an attractive and marketable natural environment and an extensive cultural history that has been marketed throughout the region through an active marketing campaign, which has energy and focus over the past few years.

Tourism expansion was one of the major economic development activities that participants in the public input forums advocated. Suggestions included a *Sunday Shopping Spree in Salem County* program, agri-tourism wherein tourist would experience living on a farm firsthand and the promotion of the arts, crafts and historic structures throughout the County. Supporting programs such as *Arts in Bloom*, garden tours, history “walk and talk” will be continued. Other significant tourist attractions include the *Seven Steps to Freedom* tour, historic Fort Mott, the Salem County Fair, the Brick Patterned-End Housing, camping sites including Parvin State Park, gun and fishing clubs, Appel Farm Music and Arts Center, programs of the Salem County Historical Society and the world famous Cowtown Rodeo. Local school districts should consider including the study of arts, cultural, historic and other tourism venues as potential employment opportunities.

The County should work closely with the State of New Jersey’s Deepwater Tourist Welcome Center near the Delaware Memorial Bridge. This “Gateway to Salem County” and the state should have extensive information material on locations in the County. In addition, the County should support the expansion of hotel accommodations within the County.

X. Implementation Plan

Expand Programs to Help Existing Business to Expand and Remain Competitive

The County’s Economic Development Program will work with existing business and industry to help them remain competitive and expand within the County. Over 75% of new job growth comes from existing business so this effort will be highly effective. The County’s Economic Development staff will assist local businesses secure NJEDA, SBA financing and County loan funds. The new state Economic Opportunity Act should provide new incentives to encourage investment within the County. In addition, the federal EB5, Immigrant Investment Program

could also provide new investment and development. The County's One Stop Center will serve as a key resource in assisting residents identify employment opportunities and secure job-training assistance. These resources will be coordinated with local officials through the efforts of the county staff.

Support the City of Salem's Brownfield Development Area

The NJDEP has designated a portion of its Salem City River waterfront area designated as a Brownfield Development Area (BDA). This area has undergone extensive environmental remediation. The NJDEP has made funding from the Hazardous Discharge Site Remediation Fund (HDSRF) available for the cleanup of the site. The SCIA County will work with the City of Salem on the remediation of the sites and the redevelopment of the cleaned areas.

Pursue Educational Partnerships with the County College, Vocational-Technical Schools, County Career Institute & Private-Sector Training Efforts

The County will partner with the County College, County Career Institute, Salem-Cumberland Workforce Investment Board, the One-Stop Center and other private-sector training programs such as PSE&G's to help County residents upgrade their job skills. These partnerships could be marketed to business prospects as a way to insure that the County will have available skilled workers for their operations. Expand and build upon the successful Vocational Technical School Academy Program, which includes Process Engineering, Nuclear Technician and Solar Technician specialty training.

Support an Expansion of the County's Tourism Program

Tourism is a cost effective, low-tech activity that can bring more dollars into the County's economy from outside the County and state. Ecotourism, agri-tourism, arts and craft shopping, visiting historic sites and districts will serve as a basis for the tourism effort. The County will need to develop more of a hospitality infrastructure including additional hotel and guesthouse rooms. Additionally, the County should plan for the development of additional recreational facilities.

Expand Existing Business Loan Program

The County of Salem has had a successful small business loan program. This program has provided a limited amount of business expansion capital. The County issued bonds that included a new loan component for small business loans in targeted areas of the County. The SCIA will work with the County and local banks to increase the awareness of this program to existing, expanding and new business.

Support the Growth of the Salem County Chamber of Commerce

The County will assist the Salem County Chamber of Commerce increase its membership and become a partner in the economic growth of the County. The SCIA has a link to the chamber's Business Directory along with other business associations located within the County. The SCIA will assist members of the Chamber secure business expansion capital from the NJEDA, CBAC and the County loan program and loan guarantees from the U.S. SBA.

Provide Technical Assistance to Local Business Associations

Local business associations based in the City of Salem, Woodstown, Penns Grove, Carneys Point Pittsgrove, Upper Pittsgrove and Elmer and other areas of the County will continue to be assisted by the County and SCIA through the provision of technical assistance on real estate issues, redevelopment, loan and loan guarantee programs and tax issues. The SCIA will attend annual meetings with these business groups to share information on new programs and potential new business in these communities. The SCIA has listed contacts for these local business associations on its web site found at www.scianj.com/economic-development.

Market the SCIA's Bond Finance Programs to Local Governments and School Districts

The SCIA can provide tax-exempt bond financing and guaranteed leasing programs to local governmental units, fire districts and school districts located within the County. The Authority has developed a marketing program geared to informing these governmental bodies secure project financing through the SCIA. The program will include direct mail, PowerPoint presentation and the holding of meetings and workshops on bond financing. The SCIA will continue its program of meeting annually with each municipality, boards of education and fire districts to update these governmental units on the SCIA's financing and leasing program.

Continue to Update and Distribute County and SCIA Marketing Material

The Authority has created new marketing material for use in attracting new business to the County and local municipalities. New brochures, fulfillment folders and sheets on projects have been prepared and are now available. The SCIA has created a section of its web site dedicated to providing information on the programs and resources of the Authority. Economic development information including available buildings and sites has been developed to assist local officials, developers and prospective business find viable business locations within the County. Proactive marketing and outreach will continue within the region to strengthen networks and source opportunities.

Maintain Salem County as the Initial Point of Contact for Economic Development

The County of Salem will re-establish itself as the initial point of contact for economic development within the County. The County will collaborate with local municipalities, state

and regional economic development entities on coordinating economic development activities within the County. The SCIA will assist as the coordinator of state and federal EDA programs, EB5 Program, the Economic Opportunity Act and other financial and economic development assistance programs.

Increase the Administrative and Marketing Support for the Economic Development Program

The County will increase the administrative and marketing support for the Economic Development Program. Since the Economic Development Program will provide long-term benefits to the County budget and residents of the County, a long-term investment in the economic development will be required. Salem County and the SCIA will develop a more collaborative approach to Economic Development which will provide long term benefits to all.

XI. Plan Updating Process

Although this plan has been developed to guide Salem County officials for the next four years, 2014-2017, it should be reviewed annually in light of changes in the economy, technological breakthroughs, energy prices and a number of other factors. As opportunities arise, priority projects can and should be added to the implementation component of this plan. Addendums and amendments to the plan can and should be made, when necessary.

XII. Appendix

FOCUS GROUP MEETING REMARKS AND INPUT

- **Automation/Online**
 - Automation and online transactions threatens person to person contact. Facility need less staff and more equipment behind the window. Social media and links for websites make it easier for people to accomplish tasks from home.

- **Municipal Interactions with businesses/Unreasonable Permits/Decision Times/ Escrow Fees**
 - Unreasonable permits can cause some businesses troubles when starting or conducting business. The decision times need to shorten and escrow fees need to be lowered. Insurance costs are also very expensive and need to be lowered. NJ state offices are very inefficient as well. Other states have a lot faster process times such as Pennsylvania.

- **Natural resources/Infrastructure/Water and Sewer Issues/ Wind Power**
 - Natural Resources and Wind power need to be utilized. Infrastructure is aging and reaching capacity. Facilities must be upgraded and expanded for future needs. In addition, Renewable energy programs and green programs should be added.

- **Communicate with Improvement Authorities**
 - Communicate with Improvement Authorities across the state to bring best practices throughout NJ. Having regional cooperation with ED projects could benefit.

- **Healthcare/Education**
 - Healthcare and Education are areas where focus and attention can be expanded even further. The workforce training (unskilled, skilled) needs to increase. Also, a serious issue is the increase of teen births and the correlation with the poverty level.

- **Balance Development/Consistency of County/Strengthen Residential**
 - Balance Development and Consistency of County are two important issues. Strengthen Residential by having more home ownership. Controlled growth throughout the county is crucial.

- **Agriculture**
 - Agriculture needs to focus on preservation and long term business plans to sustain the farm and farmer. Crop production needs to increase. Profitability and technology can improve. County Agriculture programs need to be featured, and maintained in our schools?

- **Tourism**
 - Tourism must be advertised and encouraged. Promotions county wide need to increase. Ag tourism can be a focal point.

- **Nonprofit/For Profit Businesses**
 - Interconnection between Non-profit businesses and for Profit Businesses. Communication between the two needs to occur and work to support both kinds of businesses.

- **Transportation**
 - Transportation for the workforce has to be included. A lot of employees are having a difficult time getting to work, because public transportation does not include all locations.

- **Salem County Seat**
 - Salem County restoration and home ownership needs to increase. Salem has the Main Street Program, and Penns Grove needs to help bring back that historic value. Use Swedesboro and Collingswood as examples for city restorations.

- **Communications**
 - Communications between municipality and county needs to improve for business to thrive. Businesses also need to communicate with the county, municipal government and authorities. Municipal planning boards, business associations, and ED committees need to play a more proactive role. The planning process must be more streamlined.

- **Resources**

- More outreach and resources for new and upstarting businesses. Needs to be a one-stop shop.



Salem County
94 Market Street
Salem, New Jersey 08079
856-935-7510
salemcountynj.gov



Salem County Improvement Authority
199 East Broadway
Salem, New Jersey 08079
856-279-2182
scianj.com