

RESOLUTION NO. 2024- 424

A RESOLUTION AUTHORIZING THE EXECUTION OF A LETTER AGREEMENT BY AND BETWEEN ATLANTIC CITY ELECTRIC, AN EXELON COMPANY (ACE) AND THE CITY OF VINELAND FOR A STUDY TO BE CONDUCTED BY ACE TO DETERMINE THE FEASIBILITY TO PROVIDE ELECTRIC CAPACITY TO 4087 SOUTH LINCOLN AVENUE AND THE EXECUTION OF A CORRESPONDING REIMBURSEMENT AGREEMENT BY AND BETWEEN NORTHEAST PRECAST, LLC AND THE CITY OF VINELAND TO REIMBURSE THE CITY FOR COSTS ASSOCIATED WITH SAID FEASIBILITY STUDY.

WHEREAS, Northeast Precast, LLC (Northeast) is the owner of certain property known as 4087 South Lincoln Avenue, Vineland (Property); and

WHEREAS, Northeast proposes to develop a portion of the Property which will require an upgrade in the electric distribution to the Property which, if feasible, will require Atlantic City Electric (ACE) to upgrade their distribution system to meet the load requirements for the project; and

WHEREAS, in order to determine whether the project needs are obtainable, a feasibility study is necessary to determine transmission planning studies, transmission routing studies and substation design work, provide an initial cost estimate and detailed timeline and an estimated construction time frame for the permanent connection; and

WHEREAS, ACE has agreed to provide a preliminary feasibility study addressing the deliverables set forth above at a cost of \$100,000.00 which study would be for the City of Vineland and not the ultimate user and therefore has provided a Letter Agreement for Feasibility Study (Letter Agreement) between ACE and Vineland; and

WHEREAS, as Northeast is the ultimate beneficiary of the study, Northeast has agreed to reimburse the City for the costs of the feasibility study (Reimbursement Agreement) as set forth in the Letter Agreement; and

WHEREAS, the Director of Economic Development finds that the project will benefit the City by providing jobs and tax ratables and recommends the execution of the Letter Agreement and the Reimbursement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Vineland that the Mayor and Clerk are hereby authorized to execute the Letter Agreement for Feasibility Study between the City and Atlantic City Electric and the Reimbursement Agreement by and between the City and Northeast Precast, LLC in the form and substance as attached hereto and made a part hereof subject to non- material changes as recommended by the solicitor.

Adopted: September 10, 2024

President of Council

eea

ATTEST:

City Clerk



atlantic city
electricSM

AN EXELON COMPANY

LETTER AGREEMENT FOR FEASIBILITY STUDY

Between

Vineland Municipal Utilities
640 E Wood Street
Vineland, NJ 08361

Atlantic City Electric Company
401 Eagle Run Road
P.O. Box 9239
Newark, DE 19714

SERVICE ADDRESS:

4087 S Lincoln Rd
Vineland, NJ 08361

August 28, 2024

This Letter Agreement (“Agreement”) enumerates that Atlantic City Electric Company (“ACE”) will conduct a Feasibility Study to provide Vineland Municipal Utilities (“VMU”) the information necessary to provide 1,200 MVA of capacity for the 4087 S LINCOLN RD facility. As described below, VMU will pay \$100,000 for this Feasibility Study which will be applied toward the total project costs; however, if ACE’s costs exceed \$100,000, VMU will pay for this additional cost. The Feasibility Study will determine an estimate of the cost, schedule and scope of the proposed project. The Feasibility Study will also allow ACE and VMU the opportunity to review and consider cost effective alternatives. Please note that the Feasibility Study is preliminary in nature and does not guarantee the feasibility of the proposed project.

ACE will study the feasibility of the following, which will comprise the Feasibility Study:

- Conduct Transmission Planning studies to identify potential reinforcement needs for the new load, 1200MVA.
- Perform transmission routing studies and high-level substation design work.
- Provide an initial cost estimate and detailed timeline.
- Provide estimated construction time frame for the permanent connection.

Again, ACE cannot guarantee any timeline for connection but will consider incremental connections for any future engineering, procurement and construction agreement. Neither ACE nor VMU will be required to proceed with this project at the completion of the Feasibility Study.

This Feasibility Study includes a route analysis and a more detailed cost estimate for the project. Once ACE completes the Feasibility Study, ACE will await a Notice to Proceed from VMU should VMU wish to formally request service to the site. Under this scenario, ACE can discuss the steps necessary to submit a formal service request and develop a detailed engineering, design and construction plan for the site. This Feasibility Study will only commence following ACE’s receipt of this signed agreement and the payment of

\$100,000 that is described in the next paragraph.

The undersigned party, VMU, will pay \$100,000 which will be used to do the Feasibility Study. When complete, any excess funds beyond the cost to do this Feasibility Study will be refunded or may be credited, at ACE's sole discretion, to VMU for any required preliminary work for the project. However, if ACE's costs exceed \$100,000, VMU will pay for this additional cost.

The Parties agree that this Agreement in no way obligates either Party to perform any services beyond those enumerated in this Agreement, such as, the Feasibility Study.

This agreement shall be governed, interpreted, construed, and enforced in accordance with the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. The forum and venue for all actions related to the matters which are the subject of this agreement shall be a court of competent jurisdiction in the County of Cumberland and the State of New Jersey.

The parties agree that the work of the Feasibility Study shall be performed in a safe and professional manner, and in accordance with any and all applicable rules, regulations, ordinances, statutes and laws.

Please note that this agreement for the cost of the Feasibility Study as specified in this document will be valid only until September 28, 2024.

Please sign and return this agreement to the address noted on the front page. Keep one copy for your records. If you have any questions or need assistance, please call Chris Cavaliero during normal business hours at (215) 589-5895. Electronic signature of this agreement shall be deemed to be valid execution and delivery as though an original ink. The parties explicitly consent to the electronic delivery of the terms of the transaction evidenced by this agreement and affirm that their electronic signatures indicate a present intent to be bound by the electronic signatures and the terms of the agreement.

AGREED:

Vineland Municipal Utilities

Signature

Date

Chris Cavaliero
Atlantic City Electric Company
Senior Economic Development
Specialist

Signature

Date

REIMBURSEMENT AGREEMENT

WHEREAS, Northeast Precast, LLC (Northeast) is the operating entity of certain vacant lands located within the City of Vineland (“City”) known as 4087 South Lincoln Avenue, Block 7503, Lot 35.01 on the City of Vineland tax map (“Property”), which said Property is owned by NEP Real Estate of Vineland NJ Urban Renewal, LLC, a real estate holding company and affiliated entity of Northeast. The Property is being considered for development for data processing (Project); and

WHEREAS, the Project, if feasible, will bring high paying jobs and tax ratables which is in the best interest of the City; and

WHEREAS, as the Project will be in the Vineland Electric Utility service area which will benefit the City by the use of electric, however the Project will require upgrades to transmission lines from Atlantic City Electric (ACE) and a feasibility study is required to determine if the Project is financially viable; and

WHEREAS, ACE has agreed to perform a Feasibility Study (Study) to determine an estimate of the cost, schedule and scope of the proposed project and review and consider cost effective alternatives, which Northeast has requested the City accept; and

WHEREAS, the Study as more particularly described in the Letter Agreement For Feasibility Study presented by ACE, attached hereto and made a part hereof, will be comprised of transmission planning studies to identify potential reinforcement needs for the new proposed load necessary for the Project, perform transmission routing studies and high-level substation design work, provide an initial cost estimate and detailed timeline and provide an estimated construction timeframe for the permanent connection; and

WHEREAS, ACE has proposed to perform the Study on behalf of the City for the benefit of Northeast at an estimated cost of \$100,000.00, however should the cost be less than said amount, the balance will be refunded or credited to the Project and if the costs are in excess of \$100,000.00, the City would be responsible for the additional costs: and

WHEREAS, ACE has presented a Letter Agreement for Feasibility Study (Agreement) to the City for signature to cover the cost of the Study

WHEREAS, as the Study will provide Northeast with necessary information to determine whether to move forward with the Project, it has requested the City enter into the Agreement and has agreed to reimburse the City for the costs associated with the Study in accordance with the Agreement; and

WHEREAS, the City and Northeast find the execution of the Letter Agreement for Feasibility Study and this Reimbursement Agreement to be mutually beneficial to their respective interests; and

WHEREAS, the parties have been authorized to execute this Reimbursement Agreement and the City is authorized to execute the Agreement by actions of their respective governing body.

NOW THEREFORE in exchange for mutual promises and other valuable consideration, the parties agree as follows:

1. The City of Vineland agrees to execute the Letter Agreement For Feasibility Study authorizing Atlantic City Electric to perform a study as is more specifically outlined in the Agreement attached hereto and made a part hereof, in the form and substance as attached hereto.
2. Northeast Precast, LLC and the City shall, simultaneously, execute this Reimbursement Agreement requiring Northeast to reimburse the City for all of the costs associated with the completion of the terms contained in the Agreement attached.
3. Upon payment by the City in accordance with the Agreement, Northeast shall, within 10 days of notice of payment by the City to Northeast, submit a reimbursement payment equal to the payments made by the City to ACE as outlined in the Agreement.
4. Northeast acknowledges the terms of the Letter Agreement for Feasibility Study and accepts the same, including without limitation, the service to be provided by ACE and the cost of the Study and unconditionally agrees to reimburse the City for payments made to ACE in accordance with the Agreement.

AGREED: ON THIS _____ DAY OF September 2004

WITNESS

Clerk, City of Vineland

Anthony R. Fanucci, Mayor

Secretary, Northeast Precast, LLC

**John Ruga, Manager/CEO
Northeast Precast, LLC**