

ECONOMIC RECOVERY BOARD FOR CAMDEN

January 22, 2008

Virtua Health Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Board present: Rev. J. C. Jones, Vice Chairman; City Council President Angel Fuentes; Marge DellaVecchia representing DCA Commissioner Joseph Doria, Jr.; Judge Theodore Davis, COO; Mayor Gwendolyn Faison; and Public Members: Rodney Sadler, Rosa Ramirez, and Robert Milner.

Present via phone: Chairwoman Lopa Kolluri, designee for Acting State Treasurer David Rousseau.

Also Present: Assistant Secretaries: Maureen Hassett, Laura Wallick; Bette Renaud, DAG; and EDA staff.

Absent: Secretary Caren Franzini, designee for EDA Chairman Carl Van Horn; Freeholder Director Louis Cappelli, Jr., Non-voting Member; Legislative Member: Assemblywoman Nilsa Cruz-Perez, and Public Member: William Hosey.

Chairwoman Kolluri called the meeting to order at 10:00 am.

In accordance with the Open Public Meetings Act, Ms. Hassett announced that notice of this meeting had been sent to the *Star Ledger*, the *Times*, and the *Courier Post* 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.

A quorum of the ERB Board was present.

Chairwoman Kolluri asked for a motion to approve the December 18, 2007 minutes of the Board.

**MOTION TO APPROVE: Judge Davis                      SECOND: Mr. Sadler                      AYES: 9**

MINUTES OF BOARD MEETING

Bob Hockel, Vice President, Virtua Health Center welcomed the board and all present. He stated the Center was established in 1855 and they were proud of their roots in the City. In 2007, they had 80,000 visits for medical, pediatric and emergency care. In late 2006, they started free homeownership classes, and they are a HUD certified agency. For the future, they look forward to the expansion of the emergency department and anticipate coming to the ERB for assistance.

Chairwoman Kolluri asked Ms. Hassett to summarize the first item before the board, The Maksin Group or Designated Nominee, Two Aquarium Drive, Camden City, New Jersey (P20778). Ms Hassett stated that the Maksin Group was seeking a \$375,000 Business Lease Incentive Grant. Currently located in Pennsauken, New Jersey, the company has signed a 10-year lease to occupy 25,000 square feet of space at the Ferry Terminal Building located at the Camden Waterfront at a rate of \$20.00 per square foot. The lease includes an option to purchase the building at a price of

\$24 million. In the event Maksin decides to purchase the building this lease incentive will no longer be available. Ms. Hassett pointed out that based on a disbursement rate of \$5.00, \$4.00, \$3.00, \$2.00, and \$1.00 in years one through five respectively, the total grant amounts to \$375,000. The lease incentive payments will be disbursed over a five-year term.

Approval is requested for a \$375,000 Business Lease Incentive Grant over five years as proposed.

Ms. Hassett stated that Maksin is a South Carolina domiciled holding company of Maksin Insurance Company (MIC). Formed in April 2005, MIC is a captive insurance company that reinsures the accident and health coverages produced by the parent company and affiliated business. MIC provides reinsurance on the following lines of business: Base K-12 Student Accident, Youth Sports and Miscellaneous Participant Accident, and College Accident and Sickness. All programs are offered throughout the United States.

Ms. Hassett pointed out that the Ferry Terminal Building will serve as MIC's new corporate headquarters resulting in the immediate relocation of approximately 85 jobs to Camden and 50 new jobs projected over the next two years reflecting business growth. Furthermore, the Ferry Terminal has been vacant for sometime.

**MOTION TO APPROVE: Ms. DellaVecchia      SECOND: Judge Davis      AYES: 7**

Abstentions: Robert Milner, and Rosa Ramirez.

Council President Fuentes stated that it wasn't fair to continue to support these types of projects where the City was not being paid taxes. Ms. Hassett noted that the current owners Steinert Associates, would have had to negotiate a property tax payment with the City and that the EDA staff would provide information regarding this to the board.

Mr Fuentes asked about hiring of city residents. Ms. Hassett noted that, as with all ERB applicants, Maksin will be asked to work the Department of labor to recruit for Camden residents.

Mr. Fuentes suggested that any tax agreement should be revisited. Judge Davis responded that there is likely no legal way to do this.

The various members of the Board stated their feeling that going forward, city government should be more proactive in negotiating payment in lieu of tax agreements hat can provide more revenue to the City.

Marge DellaVecchia observed that this particular project is important in brining new vitality to the waterfront that project help to bring more people to the City will always be a positive step.

Mayor Faison stated she would be for the project provided that Maksin provided the board information on the PILOT agreement.

Chairwoman Kolluri called on Ms. Hassett to summarize the next item before the board, the Puerto Rican Unity for Progress Broadway Infrastructure project (P018785). Ms Hassett stated that the members were asked to approve a modification to the \$297,000 grant to Puerto Rican Unity for Progress "PRUP" from a non recoverable infrastructure grant to a public purpose

project grant that will be used to fund pre-development activities at the project site located between Broadway & Ramona Gonzalez (Division) Streets in the Bergen Square Section of Camden.

Ms. Hassett pointed out that on July 24, 2007, the members approved a \$297,000 non-recoverable infrastructure grant to PRUP to fund environmental activities and infrastructure improvements on 9 parcels of vacant land currently owned by the City of Camden for the development of an 8,500 s.f state of the art facility to be used by the organization to operate its social service programs. PRUP is currently located at 427 Broadway and will be relocated as a result of the expansion of Cooper Hospital and the construction of a school of medicine by the University of Medicine and Dentistry of New Jersey ("UMDNJ"). At the time of approval, it was anticipated that if the project advanced PRUP would return to the ERB to request an additional \$703,000 and that the full amount of \$1 million would be converted to a public purpose grant to fund a portion of the permanent financing on the project.

Ms. Hassett stated that per the July 24, 2007 approval, PRUP executed a license agreement with the City to perform environmental analyses of the parcels to determine the condition of the property. Accordingly, PRUP has obtained PA and SI reports that indicate there is no hazardous discharge contamination and as such will not require a "No Further Action" letter from the NJDEP. Based on these findings, PRUP is seeking to advance the project into the pre-development stage and hire an architect to design the building and establish the construction budget. The architect's design and engineering drawings will enable the organization to value engineer the building to identify the footing design which could reduce or eliminate the costs for debris, soil and water and sewer removal and verify the size of the building.

Since the costs for remediation are significantly lower than expected, PRUP is requesting the funding be reallocated to include architectural and legal fees. Ms. Hassett noted that in the revised use of funds, there was a line item of \$2,000 for the CRA Design Review Committee, however the committee no longer exists, so the total use of funds would be \$295,000.

Once the architectural and engineering drawings are complete, a construction budget is established, and other permanent funding commitments are identified and confirmed, it is expected that PRUP will submit a request for an additional \$705,000 as a public purpose grant for a total of \$1,000,000.

**MOTION TO APPROVE: DellaVecchia SECOND: Judge Davis AYES: 9**

City Council President Fuentes stated that for 30 years, PRUP has been a good provider, assisting thousands of people in the City of Camden. He remarked that he was extremely pleased that they were working with the board and he implored the board to work with them to bring the project to completion.

Mayor Faison stated that this proves that Camden can have a relocation plan when necessitated by other redevelopment and it would be a great day when the entire area was rehabbed.

Major Paul Cain, of the Salvation Army, who is leading on the new Kroc Center development, gave a presentation. Major Cain stated that six months ago, he assumed the role of completing the new Kroc Center. He stated the completion would be done in four steps, including 1) prepare the land, 2, secure local matching funds, 3) redesign the center, and 4) put staff in place.

Major Cain said that due to industrial contamination the center was being moved further northeast near the Fairgate Marina. The location was 24 acres. He stated the Salvation Army was working with the CRA and DEP to put together a plan to clean up the site but also the old site and noted the NJDEP's recent decision to assist in financing of the remediation of the entire site.

He thanked members of the board that participated in interviews. He also stated they were embarking on a campaign to raise additional funds totalling approximately \$15 million for operational funding.

Chairwoman Kolluri requested updates or items of interest from the Members.

Ms. DellaVecchia stated that she had provided Mayor Faison with information on foreclosures and was waiting on a brochure from the Department of Banking and Insurance on sub-prime lending to share with New Jersey residents impacted by potential foreclosure.

Ms. DellaVecchia informed everyone that the HMFA is recruiting municipalities to participate in their Neighborhood Tax Credit program entitled "Live Where You Work". She stated that the Live Where You Work program provides attractive mortgages and down payment assistance. She stated that Trenton was their newest and most active partner, and that other municipalities include North Brunswick, Newark, and Jersey City as well as townships in Sussex and Ocean counties. She highly recommended that Camden take part in the program.

Mujiba Parker asked if there was an income cap for the program. Ms. DellaVecchia stated there was a generous income cap to qualify, along with down payment assistance and closing costs.

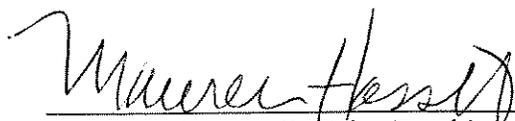
Mayor Faison took the opportunity to recognize John Kromer and all of his hard work, as this was his last meeting.

Chairwoman Kolluri requested comments from the members of the public.

Mr. Colandus "Kelly" Francis, President NAACP of Camden County remarked that he was glad to see such a robust discussion today. He stated that it reminded him of the first challenge, (tax abatement) which was presented to the Camden County Taxpayer Association years ago.

**There being no further business, the meeting ended at 11:00 am.**

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the State Economic Recovery Board for the City of Camden at its meeting.

  
Maureen Hassett, Sr. Vice President  
Governance & Communications, EDA  
Assistant Secretary, ERB