

ECONOMIC RECOVERY BOARD FOR CAMDEN
Camden County College – Technology Center
Camden, NJ
January 23, 2007

MINUTES OF THE MEETING

Members of the Board present: Michael Lihvarcik, designee for State Treasurer Bradley Abelow; Secretary Caren Franzini, designee for EDA Chairman Carl Van Horn; Mayor Gwendolyn Faison; City Council President Angel Fuentes; Marge DellaVecchia representing Commissioner Susan Bass Levin; Judge Theodore Davis, Acting COO; Public Members: Robert Milner, Rosa Ramirez, William Hosey, and Rodney Sadler.

Also Present: Assistant Secretary, Maureen Hassett; Bette Renaud, DAG; and EDA staff.

Absent: Reverend J. C. Jones, Vice Chairman; Freeholder Director Louis Cappelli, Jr.; Legislative Members: Assemblyman Joseph Roberts, and Senator Wayne Bryant.

Ms. Franzini stepped in as Secretary and Acting Chairman for Reverend Jones and called the meeting to order at 10:06 am.

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

Ms. Franzini asked for a motion to approve the December 19, 2006 minutes of the Board.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Milner AYES: 10

MINUTES OF BOARD MEETING

Dean Gary Divens welcomed the members of the ERB Board to the Camden County College – Technology Center on behalf of Acting President Thompson.

Ms. Franzini asked Ms. Hassett to present the first item before the board, the Boys & Girls Club of Camden County Clubhouse - Catto Elementary Demonstration School Project (P016328). Ms. Hassett stated that the Members are asked to approve a modification to the \$1,000,000 public purpose grant to allow for the reimbursement of project related expenses incurred during construction of the Boys & Girls Club of Camden County (BGCCC) clubhouse as part of the Catto Elementary Demonstration School Project.

Ms. Hassett explained that the Members approved a \$1,000,000 public purpose grant for BGCCC to build its second clubhouse in the City of Camden at its meeting on January 11, 2005. This approval required the ERB funds to reimburse project expenses upon receipt of the Certificate of Occupancy for the facility. This condition is required on public purpose grant projects and as well as a stipulation that precludes construction financing under section 5 of the ERB Project Assistance Guidelines which was developed to address the risk of default in the event the project was not completed.

Ms. Hassett remarked that the 24,000 square foot Marjorie & Lewis Katz Clubhouse will feature a swimming pool, computer lab, resource learning center, teen lounge, arts room, and a game room. Also, the Boys & Girls Club will share the school's cafeteria, auditorium spaces, an 8,000 sq. ft. gymnasium as well as other amenities such as the parking lot. To date, the BGCCC has incurred \$2,614,250 in project expenses and has utilized a total of \$1,790,000 in grant funding and \$824,250 in construction financing for design and construction activities. Construction of the project is being monitored by the SCC and the CRA to ensure the project development is in compliance with all state and municipal requirements.

The project costs have increased by \$292,353 to \$4,924,353 due to the increase in costs of construction materials which is typical statewide in the construction industry. To offset the increase in the project budget, the BGCCC secured additional funds through grants and bank financing. Because the project is approximately 2/3rd complete, the construction activities are being monitored by state and municipal agencies, and the balance of financing commitments are secured to fund the full development, the construction risk is mitigated and staff is comfortable recommending the modification.

The NJEDA will require a performance mortgage on the property as security of the ERB funds. The mortgage will be forgiven by 10% each year for a total of (10) ten years.

Judge Davis asked about the project funding and Laura Wallick, Assistant Director – Business & Community Development South explained that although the ERB amount remained the same the Boys and Girls Club was able to solicit funding from other foundations to complete the financing package.

He also asked who the staff person at the CRA overseeing this project was and Mujiba Parker, Finance Officer stated that Dwaine Williams of the Planning Dept. is monitoring the BGCCC project in his role for the city in the school construction program.

MOTION TO APPROVE: Ms. DellaVecchia SECOND: Mr. Hosey AYES: 10

Ms. Franzini asked Ms. Hassett to present the next item before the board, the modification to the Camden Redevelopment Agency (CRA) – Neighborhood and Redevelopment Planning Funds (P015686). Ms. Hassett stated that the Members are asked to approve an increase in the amount of grant funding to the CRA from \$641,250 to \$723,945 to fund an additional redevelopment plan, a portion of the Camden Historic Survey, and more staff time needed to update certain plans. In addition, the Members were asked to extend the grant term from May 19, 2006 to May 19, 2008.

Ms. Hassett stated that at the March 23, 2004 and April 13, 2004 Board Meetings, the Members of the ERB and the NJEDA respectively approved \$641,250 to the CRA to assist with the development of 7 neighborhood plans and 14 redevelopment plans for the City of Camden.

To date, the CRA has completed 4 neighborhood plans and 14 redevelopment plans. The Planning Board and City Council adopted the Liberty Park and Centerville neighborhood plans. To date, the ERB has disbursed a total of \$83,219 to the CRA for expenses incurred for the preparation of plans. Subsequent to the grant approval, several changes occurred. The Marlton Redevelopment Plan was originally intended as 2 plans for 2 areas of the census tract and the plans were going to be prepared by a consultant. These plans will now be consolidated into one plan for the entire census tract and will be prepared by Charles Lyons, the Chief of Planning. The Downtown Camden, Bergen Square, and the Cooper Plaza redevelopment plans were completed, but the plans will need to be re-introduced to the Planning Board and City Council due to a court ruling. The Bergen Square Redevelopment Plan will need to be updated due to the delay in time between the completion of the plan and approval.

Due to the additional costs associated with the update and completion of these plans, the CRA is requesting an increase in the amount of \$82,695 required to the ERB planning grant from \$641,250 to \$723,945. The 2-year grant term expired for this project on May 19, 2006, and therefore needs to be extended to May 19, 2008 to enable the CRA to complete all of the plans.

Lastly, by dedicating additional staff time to prepare and complete the plans, the project budget was reduced by \$212,933. The disbursement of funds will be subject to receipt and satisfactory review of the contracts for service, fee schedule, and reports detailing the scope of work and related time schedule.

Judge Davis asked about the expiration of the grant term and whether a new agreement would need to be produced. DAG Bette Renaud stated that an amendment would be made to the existing agreement to extend the grant term by 2 years.

MOTION TO APPROVE: Mr. Hosey

SECOND: Mr. Milner AYES: 10

Ms. Franzini asked Ms. Hassett to present the next item(s) before the board, the Camden Redevelopment Agency - Planning Grant Phase 2 (P016904) and the Camden Redevelopment Agency – Central Waterfront Housing and Parking project (P016137).

Ms. Hassett stated that the Members are asked to amend the above referenced projects to allow for up to \$75,000 to be used for research and project management under a professional services agreement between the Camden Redevelopment Agency (“CRA”) and the Trustees of the University of Pennsylvania. The professional services agreement outlines that John Kromer, Senior Consultant at Penn’s Fels Institute of Government, will support the municipal rehabilitation and economic recovery activities in the City of Camden by providing interim executive leadership for the CRA and the City of Camden Department of Development and Planning.

The professional services agreement will run through April 30, 2007 but can be terminated 30 days earlier if services are no longer required. Under the terms of the agreement, Mr. Kromer

will direct the following research activities: the assessment of the future organization, mission and responsibilities of the CRA; development of a proposed vacant property land-banking model for Camden; proposed coordination of housing activities managed by several city agencies; and production of performance reports for City-supported housing activities in 2007.

Mr. Kromer has extensive experience in Urban Reinvestment Policy and Planning, Housing and Community Development Administration, Development Financing and Management, and Program Management. For nine years, he served as the City of Philadelphia's Director of Housing, where he managed the allocation of more than \$1 billion in public-sector investment.

To support the activities outlined in the professional services contract, the CRA is requesting the \$57,300 previously approved project management fee under the Planning Grant Phase 2 project be used to fund Mr. Kromer's research activities and that \$17,700 of the \$454,546 project management fee under the Central Waterfront Housing and Parking Project be allocated to supervise the additional CRA staff time needed coordinate and implement housing activities in the Central Waterfront neighborhood and throughout the City.

The disbursement of funds will be subject to the EDA's receipt and satisfactory review of invoices and the contracts for service, fee schedule and reports detailing the scope of work and related time schedule.

MOTION TO APPROVE: Judge Davis SECOND: Ms. DellaVecchia AYES: 10

Ms. Franzini stated the next item on the agenda was for informational purposes only and asked Ms. Hassett to summarize it. Ms. Hassett stated that Members asked for an update on job creation and the economic impacts that have resulted from projects funded by the ERB. Accordingly, staff mailed survey letters to ERB applicants that executed agreements and closed on their funding. These projects are representative of those that are complete or in various stages of development.

Of the 50 approved ERB projects, 34 have closed, of which two have been fully repaid. Out of the 34 closed projects, 27 survey letters were sent to applicants that executed agreements and closed on their funding and the project is complete or in development. The remaining six closed projects that were not surveyed include those that received funding for acquisitions and/or relocations for which no job creation was anticipated as well as those that have not commenced construction.

The results of the survey were favorable and indicate that approximately 300 construction jobs were filled by Camden residents and approximately 1,400 Camden residents are currently employed by ERB supported projects. In addition, these ERB supported projects forecasted creating 457 new jobs over a two-year period, which commences from the time of project completion. Of the 457 projected jobs, approximately 32% or 150 new jobs have filled by Camden residents. Finally, these projects will generate approximately \$1.4 million in real estate taxes or service charges annually and stimulate approximately \$692 million in additional investment in the City of Camden.

Ms. Franzini requested comments from the Members.

Mayor Gwendolyn Faison expressed concern that the Tax Lien Financing Corp. (TLFC) meetings had not been held yet. Ms. Franzini stated there have been discussions about convening another meeting of the TLFC and asked Michael Lihvarcik to follow up with State Treasurer Abelow.

City Council President Angel Fuentes presented a letter to the Members seeking their assistance and input in instituting “town hall” meetings to disseminate information and updates to the Camden community regarding various developments and ERB-related news. Ms. Franzini noted that the Policy Committee would meet to discuss a communication plan to disseminate information, as well as to solicit feedback and questions from Camden residents.

Ms. Franzini requested comments from the members of the public.

Frank Fulbrook, President of the Cooper Grant Neighborhood Association informed the board that all 18 Cooper Grant town homes were pre-sold within 1 month of advertising.

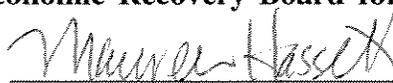
Mr. Colandus “Kelly” Francis, President NAACP of Camden, expressed concern that residents of the Cooper Grant Townhomes were receiving unfair tax considerations. He stated that the homebuyers will receive a 15-year tax abatement, paying only 2% tax on the sales price of their homes, while other residents including senior citizens are paying 4.6% tax to support school and county services. He was of the opinion that wealthy individuals would take unfair advantage of the tax break and place an unfair burden on other Camden residents. Marge DellaVecchia responded by explaining that the use of tax breaks is a common practice within the State and region to jumpstart the economy with great success.

Lois Winkler, 317 North 2nd Street, Camden, NJ, asked for clarification regarding who was running the Camden Home Improvement Program (CHIP). Marge DellaVecchia explained that the Cooper’s Ferry Development Association (CFDA) is administering the program.

Thomas Rapacki, Jr., 426 North 36th Street, Camden, NJ, expressed his opinion that the ERB needs to have more transparency in its transactions. He also expressed frustration that some Camden residents were moved out of their homes, such as the Terraces, but work has not begun on the project. Ms. Franzini noted that the EDA/ERB take their fiduciary responsibility very seriously and ensure transparency through its website, public meetings, and information supplied to the Board for their review.

There being no further business, on a motion by Mr. Hosey and seconded by Mr. Sadler, the meeting was adjourned at 11:35 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, Vice President
Strategic Partnerships, EDA
Assistant Secretary, ERB**