

ECONOMIC RECOVERY BOARD FOR CAMDEN

January 24, 2012

Waterfront Technology Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Board present: Alberta Hyche, Chairperson, designee for State Treasurer Sidamon-Eristoff; Marc Riondino designee for Mayor Dana Redd; Maureen Hassett designee EDA Chairman, Al Koeppe; Jason Asuncion designee for City Council President Francisco Moran; and Public Members: Rodney Sadler, and William Hosey.

Present via conference call: Catherine Starghill representing DCA Commissioner Richard Constable, III; and Robert Milner, Public Member.

Also Present: Laura Wallick, Assistant Secretary; Gabriel Chacon, DAG; and EDA staff.

Absent: Rev. J. C. Jones, Vice Chairman; Rosa Ramirez, Public Member; and Legislative Member, Freeholder Director Louis Cappelli, Jr., Non-Voting Member.

Chairperson, Alberta Hyche called the meeting to order at 10:05 a.m.

In accordance with the Open Public Meetings Act, Ms. Wallick 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.

Chairperson Hyche asked for a motion to approve the October 25, 2011 minutes of the Board.

MOTION TO APPROVE: Mr. Sadler SECOND: Mr. Milner AYES: 7

The next items before the board were for informational purposes only.

Ms. Wallick stated that the following projects were approved under Delegated Authority in November and December 2011 and January 2012.

**1. New Jersey Housing and Mortgage Finance Agency (HMFA)
Camden POWER - P32430**

On October 26, 2010, the ERB approved a \$1,500,000 non-recoverable grant to HMFA to leverage \$787,500 which is funded from a \$5 million grant the City of Camden received from the US Department of Energy (US DOE) under the Energy Efficiency Conservation Block Grant (EECBG) to create the Camden POWER (Program Offering Widespread Energy Recovery) program. The primary objective of the EECBG funds is to provide energy efficiency retrofits for home owners and business owners.

Based on feedback from many elderly residents, the City requested that the program be amended to require a five (5) year lien term vs the ten (10) year lien term. Repayment of the program subsidy based on the premature sale or cash out refinance will remain the same, but the annual reduction to the mortgage amount will be increased from 10% to 20% for each year the applicant remains in the property. EDA staff conferred with HMFA staff and the City of Camden's Department of Development and Planning on this matter and all agreed it is in the best interest of the residents of Camden and the POWER program to make this modification. All other terms and conditions remain in full force and effect.

2. Camden Redevelopment Agency (CRA) City Wide Demolitions – P15365

On September 30, 2003, the ERB approved a \$5,100,000 ERB non-recoverable infrastructure grant to the CRA for the Citywide Demolition Project. At the time of approval, the ERB grant supplemented \$12 million in other public funding to demolish 347 unsafe, vacant and abandoned structures throughout the City of Camden. In December 2003, the ERB Board amended the Guide to Program Funds that limited funding for infrastructure projects to \$5,000,000. As such, this grant to the CRA was reduced to \$5 million.

On February 22, 2010 the ERB approved an extension to the term of the \$5,000,000 non-recoverable infrastructure grant to December 31, 2011.

In October 2011, the City's Code Enforcement Bureau submitted a revised list of the most urgent demolitions which contained 36 properties. The CRA Board authorized the award of two contracts for demolition services. Once these demolitions have been completed, 317 structures will have been demolished with ERB funds.

In order to provide sufficient time to complete the remaining demolitions and submit the necessary documentation to process the remaining ERB grant funding, CRA requested an extension of the grant term from December 31, 2011 to February 29, 2012. All other terms and conditions remain in full force and effect.

3. Camden Area Health Education Center (AHEC) – P27421

On August 18, 2009, the Members of the ERB approved a \$26,630 recoverable predevelopment grant to AHEC to fund a portion of the predevelopment activities for the renovation and restoration of its facility, known as the Read House in Camden. The total project cost was estimated at \$86,130 to be funded by the ERB grant and \$50,000 from the NJ Historic Preservation Trust Fund (NJ HPTF) with the balance of \$9,500 funded by AHEC. Due to a delay in receiving the NJ HPTF grant, on October 14, 2010, a 12 month extension to the term of the ERB recoverable grant to December 31, 2011 was approved through Delegated Authority.

In January, 2011 The Preservation Plan was presented by Watson & Henry Associates (WHA) to the AHEC Board and the stakeholders involved in the predevelopment phase of the project. It revealed interior, organizational and life safety issues which have a higher priority than the exterior restoration.

AHEC requested approval of a change in the scope of work and a 6 month extension from NJ HPTF to include the revision of the construction documents for the interior restoration and to allow sufficient time to complete the process. In September, 2011, the NJ HPTF approved the change in the scope of work and the extension to June 30, 2012, allowing AHEC to proceed with the project.

AHCE also requested ERB approval to amend scope and extend the term of a \$26,630 predevelopment grant to June 30, 2012. All other terms and conditions of the grant agreement shall remain in full force and effect.

4. Standard Merchandising Company – P28176

On October 6, 2009, Standard was approved for a \$20,000 Business Improvement Incentive Grant to support the refurbishment of the façade of the company's building located at 1160 Wright Avenue, across from the corporate headquarters of Campbell Soup Company (CSC). The total project budget was \$85,000. The ERB funding in the amount of \$20,000 was leveraged by a grant from the City of Camden's Urban Enterprise Zone (UEZ) in the amount of \$65,000.

On December 13, 2010, the term of the BII grant was extended one year until October 31, 2011 to allow sufficient time to implement the improvements.

Due to the inclement weather much of the improvements did not get underway until April, 2011. The project was completed in late August, 2011. The City inspection of the site was delayed, thereby delaying the issuance of the Certificate of Completion, which was finally issued on December 1, 2011. UEZ disbursed all the proceeds of the \$65,000 grant and notified EDA staff of the satisfactory completion of the project.

Standard requested an extension of the term of the \$20,000 Business Improvement Incentive Grant (BII) to Standard Merchandising Company (Standard) to January 31, 2012 to allow sufficient time to submit the necessary documentation needed for disbursement for funding. All other terms and conditions of the grant agreement will remain in full force and effect.

Ms. Starghill joined the meeting via conference call at 10:15.

Chairperson Hyche asked Ms. Wallick to summarize the next item on the agenda, the Salvation Army, Kroc Corp Community Center (P17483) project. Ms. Wallick stated the Members were being asked to approve an extension of the funding commitment for the \$4,000,000 non-recoverable infrastructure grant and the \$1,000,000 public purpose grant to The Salvation Army, a New York Corporation ("Salvation Army") to September 30, 2013. The ERB Grants will be used to fund a portion the infrastructure work and a portion of the development costs on the Kroc Corp Community Center ("Kroc Center") located in the Cramer Hill section of Camden.

Ms. Wallick remarked that in January 2004, The Salvation Army USA announced that it would be receiving a historic bequest of nearly \$1.6 billion from the estate of Mrs. Joan Kroc, widow of McDonald's Restaurant Corporation founder Ray Kroc. Mrs. Kroc's bequest has restricted uses – 50% is to be used as a lead grant to construct approximately community centers in underserved neighborhoods, with the remaining 50% for the creation of initial endowments to sustain operations at each center.

Following a review of proposals from 28 cities in The Salvation Army's Eastern Territory, Camden was one of only eight locations awarded funds to create a Ray and Joan Kroc Corps Community Center and was ranked #1 on the list. Initially, the Camden Citadel received a total of \$54 million of which \$27 million is to be used for the construction of the Center and the remaining \$27 million is for the operating reserve/endowment.

The Kroc Center is planned to encompass 120,000 sq. ft. of interior space and will be complemented by outdoor facilities, including basketball courts, baseball fields, soccer fields, play areas and an outdoor performance area. All playing fields will be provided within secured exterior grounds. The Kroc Center will offer day camps for children and wellness and fitness programs for all ages; family support, education, recreation and cultural arts programs and services and provide a place for under-served residents to come and learn, socialize and have fun enjoying organized activities. The plan for the Kroc Center also included an arts center, a town plaza, an athletic center, and a family education center.

Once operational it is expected the center will generate 60 local full-time positions and 100 Camden area part-time positions. Positions range from a General Manager, Aquatics Supervisor, Social Worker and Teen/Game Attendant. In addition, four departments of the Kroc Center, Administration, Program Management and Facility Operations will be looking to fill several positions. Camden residents will be sought for these jobs which will help prepare them for other employment opportunities through focused training and job readiness programs. There will also be a pool of volunteers assisting the Kroc Center.

MOTION TO APPROVE: Ms. Hassett SECOND: Mr. Sadler AYES: 7

Mr. Hosey abstained because he recently negotiated a Project Labor Agreement with the Kroc Center.

Chairperson Hyche asked if the \$5 million in ERB funding has been approved. Ms. Wallick stated yes it was initially approved in September 2006.

Mr. Milner asked why the acquisition costs increased. Mr. Dixon, of the Salvation Army stated that the original construction site for the building was approximately 14 acres, however extensive contamination was revealed and as such the building site needed to be reposition further along Harrison Avenue. Mr. Dixon indicated that the price per acre has remained the same, but the current parcel is larger, 24 acres, so the cost of the land acquisition increased accordingly.

Mr. Milner asked why the CRDA is no longer providing funding. Ms. Wallick stated their funding commitment had expired and that the Kroc Center was able to raise money to offset the loss of this funding.

Chairperson Hyche confirmed that the Kroc Estate requires \$5 million to be raised for construction to start, and that \$7 million has been raised to date. Mr. Dixon stated that \$2 million will go to operating reserve/endowment.

Ms. Wallick stated that Mr. Dixon had brought photos and renderings of the project site for board members to view.

Mr. Dixon expressed the Salvation Army's appreciation of the ERB and HDSRF funds committed to the project. He invited the members and staff to visit the site to witness the impressive work that is taking place. He indicated site is being cleared and that they anticipate adding the footings and foundation in March.

Ms. Wallick requested comments from the Board members.

Ms. Hassett stated that the EDA recently approved a \$25,000 assistance contract with LAEDA which joins a statewide agreement with UCEDC to provide technical assistance and business mentoring in South Jersey.

She added that the EDA also recently approved an affinity program with Citibank to support companies who are exporting products and that this along with EDA's other financing programs will assist business growth and more investment for 2012.

On behalf of Mayor Redd, Mr. Riondino acknowledged the Salvation Army's continued support of the City of Camden.

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

Mr. Colandus "Kelly" Francis, President NAACP of Camden asked if the Salvation Army project fronted Harrison Avenue. Mr. Dixon confirmed that it was Harrison Avenue and 24th Street across from the Harrison Avenue Park. Mr. Francis remarked that it was a good location and congratulated the ERB members on their works done over the years.

There being no further business, on a motion to adjourn the meeting was made by Mr. Hosey, and seconded by Ms. Hassett. The meeting was adjourned at 10:35 a.m.

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.



Laura Wallick, Director, Finance and Development
Assistant Secretary, ERB