

STATE ECONOMIC RECOVERY BOARD FOR CAMDEN

February 27, 2004

At The United Way of Camden County

MINUTES OF THE MEETING

Members of the Board present: State Treasurer John E. McCormac, Chairman; Mayor Gwendolyn Faison; Arijit De for Chief Operating Officer Randy Primas; Assistant Secretary, Maureen Hassett; City Council President Angel Fuentes; Reverend J.C. Jones, Vice Chairman; Marge DellaVecchia for Commissioner Susan Bass Levin; Charles Barnes for Senator Wayne Bryant, Legislative Member; and Public Members; William Hosey, Robert Milner, and Rodney Sadler.

Absent: Tonio Burgos representing Alfred Koeppel, Chairman of the NJ Economic Development Authority; Freeholder Director Jeffrey Nash; and Assemblyman Joseph Roberts, Legislative Member.

Also Present: Preston Pinkett III, Assistant Secretary; Deputy Attorney Generals Anthony DeFelice and Bette Renaud; Kenneth Rotter of the Governor's Authority Unit; and EDA, the Department of Treasury, and the Camden Redevelopment Agency staff.

Chairman John McCormac called the meeting to order at 10:05 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.

Rosa Ramirez entered the meeting at 10:30 am.

MINUTES OF BOARD MEETING

Chairman McCormac introduced Darry Oliver, Chief Operating Officer of the United Way of Camden County for opening remarks. Darry Oliver welcomed all attendees of the ERB meeting and stated how the United Way is looking forward to working with the Camden ERB Board to facilitate needed projects in the City. He noted that recently, the United Way commissioned a community investment study with the Walter Rand Institute, which addressed transportation as well as infrastructure issues in Camden. In addition, the United Way will be continuing to work with community organizations to help resolve issues in the City.

Chairman McCormac asked for a motion to approve the December 23, 2003 minutes of the Board.

MOTION TO APPROVE: Ms. DellaVecchia SECOND: Mr. Sadler AYES: 9

Chairman McCormac requested Assistant Secretary Maureen Hassett to review the items for board action on the agenda. Ms. Hassett noted the change in ERB guidelines to allow for construction financing for projects mandated by the Act that would not be feasible without ERB construction financing.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Sadler AYES: 9

Maureen Hassett summarized the \$1 million equity request for the New Jersey Economic Development Authority's Camden Technology Center. Phase 1A of the \$16.5 million project will involve the construction of a 100,000 sq. ft., five story multi-tenanted building that will house office and laboratory space. Ms. Hassett indicated that Inc. Magazine recognized Camden as one of the top 10 cities for entrepreneurs, which should have a positive impact on the project.

Chairman McCormac added that the Governor has made a commitment to continue to invest in technological companies. The Technology Business Tax Certificate Program has been increased from \$40 million to \$60 million annually by the State. The program helps early stage high technology and biotechnology companies with operating losses sell the losses to larger companies. A portion of the funding will be dedicated to Innovation Zones, in which Camden is one of three in the State. Marge DellaVecchia noted that the groundbreaking for the Camden Technology Center, currently scheduled for June 2004, should occur as soon as possible.

Rev. Jones inquired about the 300 full-time jobs and how many would be available to Camden residents. Chairman McCormac stated that Senator Bryant has ensured that Camden residents will be given first preference for the jobs created for projects financed under the ERB.

Council President Angel Fuentes asked if there is a One-Stop Shop for Camden residents to apply for jobs locally. Ms. Hassett noted that the New Jersey Department of Labor has a One-Stop Shop on Mount Ephraim Avenue in Camden that is available to assist with job placement on the various projects.

MOTION TO APPROVE: Rev. Jones SECOND: Mayor Faison AYES: 9

Ms. Hassett presented the \$1 million grant request for CAMCare Health Corporation to construct a 38,000 sq. ft. facility in the Central Business District. The \$10 million project will create 34 jobs and provide comprehensive health care services to City and County residents.

Rev. Jones asked if CAMCare was involved in the Cooper Hospital and Horizon Blue Cross and Blue Shield dispute and Chairman McCormac indicated that the issue has been resolved.

MOTION TO APPROVE: Mayor Faison SECOND: Rev. Jones AYES: 8

Council President Angel Fuentes recused himself from the vote.

Maureen Hassett summarized the Camden Waterfront Roads project by the Camden Redevelopment Agency (CRA). The grant request of \$1.2 million will enable the Cooper's Ferry Development Association (CFDA) to manage the \$4.4 million infrastructure project under

an agreement with the CRA. The project will extend Market and Cooper Streets and Riverside Drive as well as create Aquarium Drive along the Camden Waterfront in addition to inputting needed utilities in the infrastructure.

Council President Fuentes asked if the CRA is working with the CFDA due to the extensive waterfront development that the organization has done in the City. Mr. De confirmed and noted that the CFDA would have a management agreement with the CRA to oversee the project.

Mayor Faison asked about the tentative timeline for the project. Mr. Thomas Corcoran, Executive Director of the CFDA, advised that the project will need to be finished by March, 2005 so that the Aquarium expansion project can be done for its scheduled Memorial Day 2005 opening date.

MOTION TO APPROVE: Ms. DellaVecchia SECOND: Rev. Jones AYES: 8
Arijit De recused himself from the vote.

Ms. Hassett presented the request of \$392,500 for EDM Holding LLC to relocate its headquarters and warehousing to the Poet's Row Industrial Park in North Camden. The \$2,650,000 project plans to create 30 new jobs in Camden. Ms. Hassett noted that although the project is located in a Transitional Area, the ERB funds represent less than 15% of the total project costs. The applicant is also requesting an \$800,000 LDF loan from EDA in March, 2004.

Mayor Faison asked if the company would occupy the entire 21-acre site. Mr. De indicated that the company would utilize the site, formerly known as the BPUM site, which will be part of a larger industrial park in North Camden. Todd Poole of the CRA, added that the parent company is in China and that the Camden location provides great distribution access for the company.

Rev. Jones asked if the company was relocating the 30 jobs or if 30 new jobs will be created for Camden residents. William Carr of the EDA indicated that the jobs would be new and available to Camden residents. Ms. Sheri Jenkins of the NJ Department of Labor indicated that they have contacted the company regarding the jobs and that the One-Stop center will be recruiting Camden residents for the positions.

Mayor Faison asked about the timeline for the project and Mr. De advised that it would begin operations shortly after the financing is closed.

MOTION TO APPROVE: Mr. Fuentes SECOND: Mr. Milner AYES: 8
Rodney Sadler recused himself from the vote.

Chairman McCormac asked for updates from Board members regarding various projects in Camden.

Rosa Ramirez noted her concern regarding improvements for Camden residents, the neighborhood, and the \$17.5 million in funding for the Transitional Areas. Chairman McCormac stated that a summary of the ERB and CRA projects would be provided as previously requested by Assemblyman Joseph Roberts. Mr. De added that the ERB approved \$5 million for

infrastructure in the Centerville section, a Transitional Area. He also noted that the CRA is working on redevelopment and neighborhood plans for projects throughout the City.

Ms. Ramirez asked about a committee being formed to address the concerns of the residents. Mayor Faison stated that there is a meeting every fourth Wednesday of the month at the Lady of Lourdes Conference Center where the City provides information on all types of projects, programs, and jobs in Camden. The Mayor indicated that she is proud of the accomplishments and it is a pleasure to speak about the City's progress. She also noted that there is a lot of interest in Camden and mayors from Wisconsin and California want to visit Camden.

Council President Angel Fuentes asked if Equity Bank is still coming to Camden and Chairman McCormac confirmed that the Bank would be relocating to Camden. Mr. Fuentes also asked if Cigna is coming to the City. Chairman McCormac indicated that there are no ongoing talks with Cigna and that the State is talking to other large companies to come into the City. Mr. Fuentes commented on the success of the Invest in Camden Day. He noted that the residents were not included and they should be informed about the program and jobs as well. Ms. Hassett mentioned that the Camden Pride program involves the City administration and reaches out to residents. Mr. De stated that the City is proposing to have the Invest in Camden Day every six months and for the Annie Casey and Ford Foundations and the ERB to fund a Camden Pride quarterly newsletter that would specifically address jobs and other information.

William Hosey advised that we should reach out to Verizon, PSE&G, American Water Company, and other utility companies to see if there is any assistance that they can provide for the development projects that the ERB and the City are working on. Chairman McCormac offered to work with Caren Franzini and Maureen Hassett on discussions with utility companies.

Marge DellaVecchia reviewed the Department of Community Affairs' (DCA) progress on the development of the Cramer Hill project. The DCA is leading the much needed coordination of the various aspects of the multi-faceted development project. A committee including local and state departments officials has met with the Army Core of Engineers, US Fish & Wildlife, and the Delaware Valley Regional Planning Commission.

Arijit De noted that the Cramer Hill redevelopment plan is scheduled for approval at the April Planning Board Meeting and there will be a town meeting prior to that in Mid-March. He added that there is an acquisition strategy and a task force for the Cramer Hill area. Also, the School Construction Corporation has sited the location of the new school, which could not have been done without the remediation of the landfill-a result of the Cramer Hill redevelopment project.

Mayor Faison commended Rodney Sadler for being involved with the Planning Board and other groups that impact the revitalization of the City of Camden.

Chairman McCormac stated that the Battleship New Jersey received a \$500,000 loan from the EDA and that the State budget plans to provide assistance for the museum at the Camden Waterfront as well. He also thanked Maureen Hassett for stepping to the plate for Caren Franzini and commended ERB staff for its good work.

Chairman McCormac requested public comments.

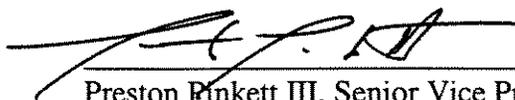
Colandrus "Kelly" Francis, President of the Camden County Branch of the NAACP asked about the resolution that was passed for the Camden Riversharks to restructure debt, to determine if it was a grant or a loan. Mr. McCormac indicated that the approval was for an advance of the payments to be received from the Casino Reinvestment Development Authority. Mr. Francis also noted that at a meeting on February 26, 2004, the Municipal Rehabilitation and Economic Recovery Act was mentioned as well as \$8.5 million in Special Municipal Aid. Mr. Francis inquired about this funding source. Chairman McCormac stated that the \$8.5 million was Distressed City Aid that is payable in July with the new fiscal budget. However, the State is advancing the funds now instead.

Mr. Frank Fulbrook, CEZC Board Member, advised that the CEZC has been involved in the development of the Poet's Row (North Camden) Industrial Park. He stated that there is a traffic concern for the area and that there may need to be an alternate route for Delaware Avenue traffic that becomes gridlocked at different times. He also asked about whether there were any ERB approvals made for Rowan University in which Chairman McCormac noted that there have not been any approvals for Rowan University.

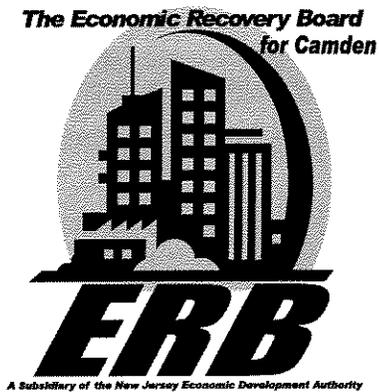
Chairman McCormac stated that the next ERB Board Meeting will be held on March 23, 2004 at the Camden Lutheran Housing Corporation.

There being no further business, on a motion by Rev. Jones, and seconded by Mr. Fuentes, the meeting was adjourned at 11:10am.

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.



Preston Pinkett III, Senior Vice President, EDA
Assistant Secretary, ERB



TO: Members of the Economic Recovery Board

FROM: Stan Kosierowski
Chief Operating Officer

DATE: March 23, 2004

RE: Public Purpose Project Scoring Criteria
For Information Only

The ERB staff has developed the attached criteria for scoring applications as public purpose projects in order to provide consistency when determining which projects are appropriate to receive grants under the public purpose guideline.

The ERB Guide to Program Funds as revised on December 23, 2003 states:

Grants may be made to partially fund public purpose projects. These grants shall not exceed 50% of the total cost of the project. Maximum grant amount is \$1,000,000. A public purpose project shall be a project that addresses a documented public need with a likelihood of timely and demonstrable benefits for residents, a neighborhood or other area or for the municipality in general. The project may be privately or publicly sponsored. If necessary, the project may collect reasonable fees from users to sustain operations. The project must be available to intended users and/or beneficiaries on a non-exclusive basis.

This definition of public purpose projects was intended to allow for a variety of worthy projects to be funded by the ERB. The definition, however, does not give the ERB staff specific criteria on which to assess the viability and impact of public purpose applications.

Re: Public Purpose Project Scoring Criteria
For Information Only

After reviewing the scoring systems of other grant programs, specifically Community Development Block Grant programs in various states, the proposed scoring criteria were developed to allow the ERB to better quantify the anticipated benefit of proposed public purpose projects. The criteria would score the projects based upon the significance of the service provided to the community, the proposed project's consistency with the Act and current ERB funding guidelines, as well as the applicant's ability to sustain and manage operations throughout the Recovery Period.



Stan Kosierowski

Prepared By:



Kim Ehrlich, Project Officer

Reviewed By:



Laura L. Wallick, Program Manager



Susan Mania, Director of Community Development



Preston Pinkett III, Senior Vice President

Public Purpose Project Scoring Criteria

I. Need

A) Project is consistent with Act and SRP and meets criteria for Public Purpose Projects set in the ERB's guide to funding

Yes

No (*Project therefore not applicable for PPP Grant*)

-
- 1) Addresses needs not met by other existing programs
 - 3 No apparent duplication
 - 2 Some duplication
 - 1 Duplication exists

 - 2) Coordinates with other agencies and community services/programs
 - 3 3 or greater other agencies and community services/programs
 - 2 1-2 other agencies and community services/programs
 - 1 0 other agencies and community services/programs

 - 3) Number of Camden residents/households that will benefit
 - 3 >500 direct participants
 - 2 250-500 direct participant
 - 1 <250 direct participants

 - 4) Project involves job creation
 - 3 Significant job creation (>15 jobs)
 - 2 Moderate job creation (5-15 jobs)
 - 1 Low job creation (<5 jobs)

 - 5) Project is located in an Employment or Neighborhood Opportunity Area
 - 3 Located in an Employment or Neighborhood Opportunity Area
 - 1 Located in a Transitional Area

II. Project Effectiveness

- 6) Assessment reveals that the objectives can be reached and will be sustainable
 - 3 Strong evidence
 - 2 Moderate evidence
 - 1 Weak evidence

- 7) Assessment reveals that the applicant possesses sufficient staff resources, technical expertise, management capacity, financial resources and industry experience to carry out the proposed project
 - 3 Strong evidence
 - 2 Moderate evidence
 - 1 Weak evidence

- 8) Sufficiently describes any past performance issues and provides evidence that change has been implemented to prevent re-occurrence
- 3 Strong evidence - Plan implemented & problems resolved **or** not applicable
 - 2 Moderate evidence - Plan implemented
 - 1 Weak evidence - Plan in development

III. Cost Effectiveness/Budget

- 9) Assessment of pro formas demonstrates that the program/organization is sustainable
- 3 Strong evidence - Historical financial performance with growth
 - 2 Moderate evidence - Historical financial performance sustainable
 - 1 Weak evidence - Lacks historic data / pro formas indicate sustainability
- 10) Assessment of budget demonstrates that proposed expenditures are reasonable
- 3 Yes
 - 1 No - Requires further explanation
- 11) Leverages a variety of funding to accomplish the project
- 3 4 or more sources or less than 20% of total project cost requested
 - 2 2-3 sources
 - 1 1 source or 50% of total project cost requested
- 12) Employs cost saving techniques
- 3 High - In-kind and volunteers
 - 2 Medium - In-kind or volunteers
 - 1 Low - Paid only
- 13) Assessment of Fees for Services
- 3 Low **or** not applicable
 - 2 Moderate
 - 1 High

39 total points

31 or greater = PPP

27- 30 = Possible PPP

26 or less = Not Eligible as a PPP

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - CAMDEN ERB GRANT**

APPLICANT: Camden Redevelopment Agency (Neighborhood & Redev. Plans) P15686

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 520 Market St, Suite 1300 Camden City (T/UA) Camden County

APPLICANT BACKGROUND:

The Camden Redevelopment Agency ("CRA") is a City of Camden agency created in 1987 to coordinate all City development policy and planning activities. The CRA administers these activities in conjunction with the City Department of Development and Planning.

The CRA is seeking to prepare redevelopment and neighborhood plans for various areas throughout the City of Camden that will demonstrate the need and progress of the Economic Recovery Board's approvals for project funding. These plans will assist with the implementation of the City's revitalization.

The redevelopment plans will include a redevelopment study with research information and graphics on the real estate properties in the area, planning concepts, strategy, graphics, and reports. The redevelopment plans will help to guide the redevelopment area designation and real estate acquisition activities for future development. The CRA will prepare 14 redevelopment plans.

The neighborhood plans involves a collaborative process interfacing with the community members and city agencies to identify neighborhood needs, development and improvement opportunities, and a description of how available resources will be organized to address the needs and opportunities. The CRA will prepare seven (7) neighborhood plans.

APPROVAL REQUEST:

CRA is requesting the Members to approve a \$641,250 grant and agreement to help fund plans for redevelopment projects in the City of Camden. These planning funds are available as established through the "Municipal Rehabilitation and Economic Recovery Act" (Act). The Act authorizes a total of \$3.5 million to be disbursed for planning and administrative costs to be incurred for needed plans under the Economic Recovery Planning Fund.

FINANCING SUMMARY:

GRANTOR: Economic Recovery Board

AMOUNT OF GRANT: \$641,250 Grant

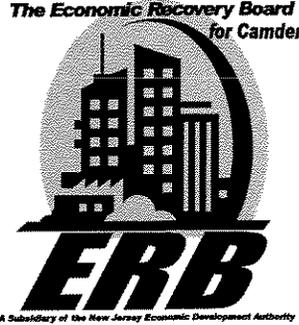
TERMS OF GRANT: Non-recoverable

PROJECT COSTS:

Staff & Consult fee	\$1,284,500
Other	\$228,050
Working Capital & Finance Fees	\$75,615
TOTAL COSTS	\$1,588,165

JOBS: At Application 4 Within 2 years 3 Maintained 4 Construction 0

FINANCE OFFICER: M. Parker



TO: Members of the Economic Recovery Board

FROM: Stan Kosierowski
Chief Operating Officer

DATE: March 23, 2004

SUBJECT: Camden Redevelopment Agency - Planning Funds
P015686

The Members are asked to approve a \$641,250 grant and agreement with the Camden Redevelopment Agency to help fund plans for redevelopment projects in the City of Camden. These planning funds are available as established through the "Municipal Rehabilitation and Economic Recovery Act" (Act). The Act authorizes a total of \$3.5 million to be disbursed for planning and administrative costs to be incurred for needed plans under the Economic Recovery Planning Fund. The Members are also asked to recommend this project to the New Jersey Economic Development Authority Board of Directors for funding authorization.

Background

Under the Municipal Rehabilitation and Economic Recovery Act, various redevelopment projects are mandated in the City of Camden. In addition to these projects, the Economic Recovery Board is charged to provide funding to leverage projects utilizing the proceeds from the Residential Neighborhood Improvement Fund, the Demolition and Redevelopment Financing Fund, the Downtown Revitalization and Recovery Fund and the Economic Recovery Planning Fund. Moreover, pursuant to Section 37 of the Act, the Economic Recovery Board is charged to perform tasks to assure the efficient use of public resources in order to assure the economic recovery of the City of Camden. In furtherance of this goal, the Economic Recovery Board is authorized to engage those professionals or organizations whose expertise could prove essential to achieving a comprehensive and strategic economic plan. Therefore, to better assist with the implementation of the revitalization of the City, the

Project Applicant and Development Team

The Camden Redevelopment Agency is a City of Camden agency created in 1987 to coordinate all City development policy and planning activities. The CRA administers these activities in conjunction with the City Department of Development and Planning. Prior to 2003, this responsibility was dispersed among several municipal departments and the local government lacked the capacity to reliably administer the range of housing and economic development programs and services needed to attract investment, stimulate real estate markets, and revitalize neighborhoods. Beginning in 2003, the CRA, with the department of Development and Planning assumed the responsibility for five areas of activity: using production and preservation; neighborhood commercial corridor revitalization; downtown development, other commercial, industrial, and institutional development; and infrastructure installation and improvement. The agency has four separate, but interrelated departments: Real Estate and Property Development; Planning; Housing and Capital Projects; and Economic Development.

Under the leadership of Chief Operating Officer Randy Primas, the CRA is staffed with 4 qualified individuals of the Division of Planning, who are all certified planners. In addition, the CRA plans to hire 3 additional planning aides to assist with preparation of the plans. The CRA is also working with John Kromer, a senior consultant with the Fels Center of Government at the University of Pennsylvania who has extensive experience in Urban Reinvestment Policy and Planning, Housing and Community Development Administration, Development Financing and Management, and Program Management. Mr. Kromer has published a book, discussion and policy papers, and an article on community development topics. The CRA staff and Consultant John Kromer will prepare a number of the redevelopment and neighborhood plans. Other third party consultants selected by the neighborhood organizations and developers for the areas will complete some of the plans as well.

Project Summary

The redevelopment plans will include a redevelopment study with research information and graphics on the real estate properties in the area, planning concepts, strategy, graphics, and reports. The redevelopment plans will help to guide the redevelopment area designation and real estate acquisition activities for future development. The redevelopment plans generally take three to four months to complete before being presented to the Camden Planning Board for approval. The CRA will prepare 14 redevelopment plans for the following areas: Marlton I, Marlton II, Bergen Square, Downtown Camden, Central Waterfront, Cooper Plaza, Gateway I, Gateway II, Lanning Square, Liberty Park, North Camden, North Camden Industrial Park, Rosedale, Stockton II, Waterfront South, Whitman Park, and Morgan Village.

The neighborhood plans involves a collaborative process interfacing with the community members and city agencies to identify neighborhood needs, development and improvement opportunities, and a description of how available resources will be organized to address the needs and opportunities. Also, these plans include a neighborhood land-use plan, short-term and long-term investment strategies for human and capital assets, a realistic vision of the neighborhood's future, and a commitment to the implementation of the plan. The neighborhood plans may also encompass activities such as supportive services, workforce development, public safety, and property maintenance, as well as property acquisition and development. Neighborhood plans may take up to two years (December, 2005) to complete

due to the civic engagement process involved. The CRA will prepare seven (7) neighborhood plans for the Morgan Village, North Camden, Liberty Park, Whitman Park, Centerville, Fairview, and Parkside areas.

Sources of Funds

\$205,115	City of Camden/CRA (in-kind contribution)
150,000	City Community Development Block Grant (CDBG)
591,800	Various private third party organizations*
<u>641,250</u>	ERB Grant
\$1,588,165	Total

Uses of Funds

\$129,500	Staff Expense
1,155,000	Consultant Fees
228,050	Other Expenses (mailing, copies, etc.)
<u>75,615</u>	Project Management Fee
\$1,588,165	Total

*The third party organizations include the Walter Rand Institute, Parkside Business and Community in Partnership, Inc., St. Joseph’s Carpenter Society, Next Level, Cramer Hill Community Development Corporation, Vesta Corporation, Pennrose Properties Inc., and Kangelosi Development.

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.

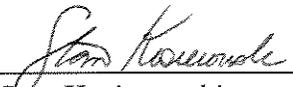
Project Eligibility and Benefits

The redevelopment and neighborhood plans are eligible for funding under the Act. The Act authorizes \$3.5 million to be disbursed for planning and administrative costs to be incurred for needed plans under the Economic Recovery Planning Fund. These plans are needed to implement redevelopment projects throughout the City to support the goals of the Act. The CRA has leveraged other funding sources from several private entities as well as the City CDBG funds and significant in-kind contributions to complete the numerous plans and reports. The ERB request represents 41% of the total costs to prepare and distribute the plans.

The redevelopment and neighborhood plans will work in conjunction with the City’s Master Plan and the Strategic Revitalization Plan. The Master Plan and Strategic Revitalization Plan provide a general scope of the elements needed to improve the City. These plans will be done specifically for individual areas in order to provide a comprehensive assessment, which is needed prior to implementing the redevelopment projects in the neighborhoods. Upon completion of these plans, the Economic Recovery Board shall review said plans to ensure consistency with the Strategic Revitalization Plan, the Capital Improvement and Infrastructure Master Plan and the overall comprehensive and strategic economic development plan for the City of Camden.

Recommendation

Staff has reviewed the application for consistency with the Act, the Master Plan and the Strategic Revitalization Plan. It meets the statutory requirements for plans required for the ERB. The plans and reports will be important documents used in the revitalization of the City. Accordingly, the Members are asked to approve the grant and agreement for \$641,250 and to recommend the project to the NJEDA Board of Directors for funding authorization.



Stan Kosierowski

Prepared By:

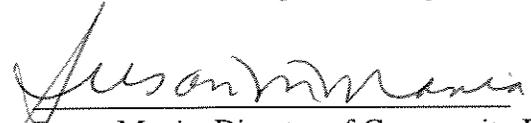


Mujiba S. Parker, Project Officer

Reviewed By:



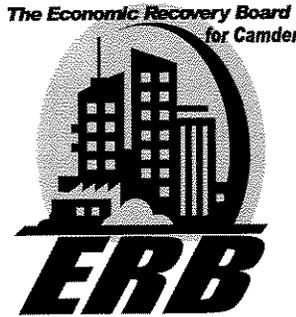
Laura Wallick, Program Manager



Susan Mania, Director of Community Development



Preston Pinkett III, Senior Vice President



TO: Members of the Economic Recovery Board

FROM: Stan Kosierowski
Chief Operating Officer

DATE: March 23, 2004

SUBJECT: Camden Redevelopment Agency – Terraces Modification
P015441

At the December 23, 2003 ERB Board Meeting, the Members approved a \$2,039,500 Recoverable Grant to the ABC Corporation and the Camden Redevelopment Agency for the Terraces Demolition Project. The project involves the acquisition of properties, relocation of residents, demolition of structures, and redevelopment of the land. This modification is to reflect minor changes that have been made to the project subsequent to the approval.

First, the Camden Redevelopment Agency will be the sole agent to oversee this project. However, a loaned representative from the ABC Corporation, a NJ Housing and Mortgage Finance Agency subsidiary, will assist with the project. Second, the total number of properties has increased due to the inclusion of Camden City-owned properties, which in turn increases the amount of land for the total project site from 8 acres to 12.36 acres of land. In addition, the number of residential structures increased from 55 to 56 units, and the number of vacant and abandoned lots increased from 53 to 110 units. The project will also include the reclassification of a commercial structure that is situated on multiple lots and was originally misclassified as three separate structures. The total project cost has increased by \$686,500 to \$4,734,500 due to the acquisition and relocation of an additional commercial facility, although the ERB funding request remains unchanged. Lastly, the Hi-Tech Training School will not contribute toward demolition. Instead, the City of Camden Department of Public Works will provide demolition for the project. The new sources and uses of funds are indicated below:

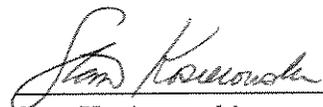
Sources of Funds

\$2,039,500	ERB Recoverable Grant
1,000,000	City CDBG Funding
949,000	Delaware River Port Authority
745,000	City Demolition Funding (in-kind contribution)
<u>\$4,734,500</u>	Total

Uses of Funds

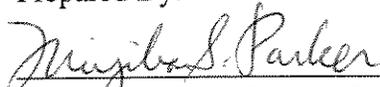
\$124,450	Titlework and appraisals
767,500	Residential tenant and owner relocation
2,846,050	Property Acquisitions
745,000	Demolition, Environmental investigation and remediation
21,500	Miscellaneous Expenses (Relocation Assistant, & etc.)
<u>230,000</u>	Project Management Fee
\$4,734,500	Total

The Members are asked to recommend approve of this modification to reflect the amended scope of the project. This modification does not require a change of the amount of ERB funding request. The Terraces project meets the eligibility and statutory requirements of the Municipal Rehabilitation and Economic Recovery Act. Accordingly, the Members are asked to approve the modification and to recommend the modification to the NJEDA Board of Directors for approval.



Stan Kosierowski

Prepared By:

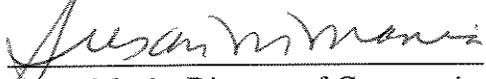


Mujiba S. Parker, Project Officer

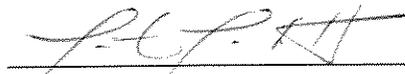
Reviewed By:



Laura Wallick, Program Manager



Susan Mania, Director of Community Development



Preston Pinkett III, Senior Vice President

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - CAMDEN ERB GRANT**

APPLICANT: Settlement Music School

P15511

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 531-535 Market Street

Camden City (T/UA)

Camden County

APPLICANT BACKGROUND:

Settlement Music School (SMS), a Philadelphia-based community music school, will renovate a facility located at 531-535 Market Street in downtown Camden to serve as the Camden School of Musical Arts Branch of Settlement Music School.

The site for the new branch is located directly across from City Hall and is bordered on the north by Cooper Street and on the south by Federal Street. The building is just less than 16,000 square feet on three floors with a twenty-car parking lot in the rear. The first and second floors are each 6,600 square feet of essentially clear-span space. The plan is to house larger classrooms, office and lobby space, restrooms, a music library, and a recital room seating 100 on the first two floors. Smaller studios for one-on-one teaching will be located on the third floor and throughout the building.

The larger spaces will be used for Children's Music Workshop (a comprehensive introductory class appropriate for pre-school through elementary aged children), Fundamentals of Music Classes (music theory and sight singing classes for middle and senior high school aged children and adults) and dance classes. Studios will be equipped with one or two pianos.

APPROVAL REQUEST:

SMS is requesting a \$1,000,000 grant from the Camden Economic Recovery Board (ERB) from the Downtown Revitalization and Recovery Fund established through the "Municipal Rehabilitation and Recovery Act" to leverage \$3,000,000 from the CRDA, DRPA and other private sources. SMS is requesting a grant on the grounds that this is a public purpose project as described in the ERB Guide to Program Funds, and therefore eligible for a grant of no more than 50% of the total eligible project cost up to \$1,000,000. SMS's request is approximately 40% of the \$2,550,000 in eligible project costs.

FINANCING SUMMARY:

GRANTOR: Economic Recovery Board

AMOUNT OF GRANT: \$1,000,000

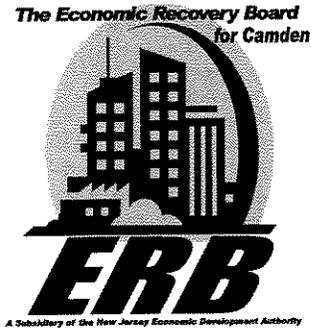
TERMS OF GRANT: \$1,000,000.00

PROJECT COSTS:

Renovation of existing building	\$2,054,000
Other	\$1,450,000
Acquisition of Equip	\$200,000
Acquisition of existing building	\$192,000
Legal fees	\$104,000
TOTAL COSTS	\$4,000,000

JOBS: At Application 0 Within 2 years 10 Maintained 10 Construction 62

FINANCE OFFICER: K. Ehrlich



TO: Members of the Economic Recovery Board

FROM: Stan Kosierowski
Chief Operating Officer

DATE: March 23, 2004

SUBJECT: Settlement Music School – Camden Branch
P15511

The Members are asked to approve the grant request for \$1.0 million in project financing to assist in the construction of the Camden branch of the Settlement Music School with funds provided from the Downtown Revitalization and Recovery Fund established through the “Municipal Rehabilitation and Recovery Act” (“Act”) and to recommend this project to the New Jersey Economic Development Authority Board of Directors for funding authorization.

Background

Settlement Music School (SMS), a Philadelphia-based community music school, will renovate a facility located at 531-535 Market Street in downtown Camden to serve as the Camden School of Musical Arts Branch of Settlement Music School.

The SMS project will bring musical education to the children of Camden. SMS estimates that this facility will be able to serve up to 700 students in the core program of instruction and activity in the arts and perhaps as many as 1,000 students throughout the year. SMS will provide program participants with opportunities for self-discovery and self-enrichment through arts study and activity. Participants will develop skills and will have the kind of introductory arts experience most likely to engender life-long participation in attendance at arts events

The Camden Branch of SMS will create new cultural opportunities for the residents of Camden and will encourage and stimulate active participation in the cultural life of the area.

Project Applicant and Development Team

Founded in 1908, SMS is the largest not-for-profit organization in the United States providing community-based instruction and activity in the arts to students of all ages, backgrounds and abilities. SMS currently serves 8,000 students at six locations throughout the Philadelphia region and provides over \$1 million in financial assistance to students each year.

The mission of SMS is “to provide children and adults in the Philadelphia region with high quality instruction and activity in music and the related arts. Settlement’s programs help students achieve artistic, educational and social goals. Settlement serves the broadest possible constituency, regardless of age, gender, race, color, creed, national origin, physical disability or ability to pay.”

The Camden School of Musical Arts (CSMA) was founded in 1986 by a group of Camden ministers, music teachers and residents out of a common concern for the growing absence of music education in the public schools and in the community. CSMA, the only one of its kind in the city, is currently housed in the Asbury United Methodist Church in East Camden.

SMS began a mentoring relationship with CSMA in 1997, providing program, fundraising, marketing, board development and management support. In December 2000, the two schools agreed to a more formal affiliation with the goal of establishing the CSMA as a branch of SMS when the programs provided and facilities available in Camden were comparable to those of other SMS branches. In August 2002, SMS purchased 531-535 Market Street to house CSMA as a branch of SMS. In January of 2003, the board of CSMA voted to make SMS the sole member of their New Jersey non-profit corporation, transferring ownership of the CSMA to SMS.

Project Summary

The site for the new branch, 531-535 Market Street, is located directly across from City Hall and is bordered on the north by Cooper Street and on the south by Federal Street. The building is just less than 16,000 square feet on three floors with a twenty-car parking lot in the rear. The first and second floors are each 6,600 square feet of essentially clear-span space.

The plan is to house larger classrooms, office and lobby space, restrooms, a music library, and a recital room seating 100 on the first two floors. Smaller studios for one-on-one teaching will be located on the third floor and throughout the building.

The larger spaces will be used for Children’s Music Workshop (a comprehensive introductory class appropriate for pre-school through elementary aged children), Fundamentals of Music Classes (music theory and sight singing classes for middle

and senior high school aged children and adults) and dance classes. Studios will be equipped with one or two pianos.

Sources of Funds

\$1,000,000	ERB Grant
\$1,000,000	CRDA/DRPA Grants*
\$ 500,000	Individual Donations
\$ 660,000	William Penn Foundation Grant
\$ 50,000	Segal Trust Grant
\$ 250,000	Knight Foundation Grant
\$ 100,000	Hearst Foundation
\$ 280,000	Other Private Support
<u>\$ 160,000</u>	Revenue
\$4,000,000**	Total

Uses of Funds

\$ 192,000	Acquisition of Existing Building
\$2,054,000	Renovation of Existing Building
\$ 200,000	Acquisition of Equipment & Machinery
\$ 104,000	Legal Fees
\$1,247,000	Program/Marketing and Occupancy Expenses
\$ 193,000	Camden Financial Aid Fund
<u>\$ 10,000</u>	City of Camden Pilot
\$4,000,000**	Total

* Awaiting confirmation of CRDA/DRPA grants.

** ERB funding request totals less than 50% of the total eligible project costs. (Total project cost less Program/Marketing and Occupancy Expenses, Camden Financial Aid Fund and City of Camden Pilot)

Contingencies

Closing of ERB financing will be contingent upon Settlement obtaining commitments for outstanding grants, from either the CRDA and DRPA or other sources. ERB's financing will be secured by a performance mortgage of which 10% will be forgiven each year over a ten-year period, provided Settlement operates the facility as stated.

Project Eligibility & Benefits

The Settlement Music School project is eligible for funding under the ERB's general criteria for project financing (#1 c, j) and priority objectives (#2 a, b, c, d, e). There are sufficient funds available for this \$1,000,000 grant request through the Downtown Revitalization and Recovery Fund established by the Act. Further, the SMS project is eligible for grant assistance as a public purpose project under the ERB Guide to Program Funds project assistance guideline #9, which defines eligibility for such projects and scored 35 points based on a total of 39 points per the scoring guidelines.

This project is located within an Employment Opportunity Area per the Strategic Revitalization Plan adopted by the ERB. The project supports the revitalization of Downtown Camden by assisting in the establishment of a 'regional service and entertainment center,' a goal of the Strategic Revitalization Plan. The SMS project is also consistent with the Act, in that the Act encourages the use of funds to develop entertainment and cultural facilities, such as community schools for the arts, in Downtown Camden.

While there are fees for most of SMS programs (private and group vocal and instrumental music and dance lessons), SMS provides services on a non-exclusive basis through an extensive scholarship program as well as services provided to the community free of charge. In order to accommodate the economic situation of most Camden residents, SMS has instituted a special, reduced 'Camden Rate' for the Camden branch. This rate is about 32% lower than their standard rate. While all students are required to pay something towards lessons, fees can be reduced to as low as \$1.00 per half hour lesson based on the student's family income level. Currently, about 40% of all SMS students receive some form of assistance and fee reduction. Classes are open to all students with programs designed for pre-school, school aged and senior citizens. There is no screening or audition process.

SMS offers a wide variety of student and faculty performances as well as master classes by outside artists/teachers, all open to the public and free of charge. SMS will make the Camden facility open to other not-for-profit organizations for their use for rehearsals, concerts, meetings and events, free of charge.

In addition to the social and educational benefits, this project will bring to the City economic benefits. SMS estimates they will employ 11 full-time and 38 part-time workers by the second year after project completion. Ten of the full-time and 36 of part-time jobs are professional, managerial or technical positions. Salaries range from \$14,000 for clerical staff to \$41,000 for the branch director. Faculty salary is from \$21.70 to \$37.10 per hour.

SMS is an established organization that has modified its successful program to suit Camden's unique needs. While it does charge fees for its services, it is open to the public and involved in the community through the school system and ongoing out-reach efforts.

Recommendation

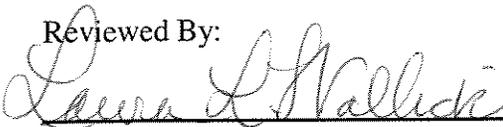
Staff has reviewed the application for consistency with the Act and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting. It meets all eligibility and statutory requirements and will be a key investment in this Employment Opportunity Area and will be an important element in the revitalization of the City. Accordingly, the Members are asked to approve the grant request for \$1.0 million and to recommend the project to the NJEDA Board of Directors for funding authorization.



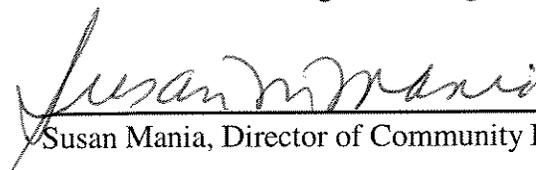
Stan Kosierowski

Prepared By:


Kim Ehrlich, Project Officer

Reviewed By:


Laura L. Wallick, Program Manager



Susan Mania, Director of Community Development



Preston Pinkett III, Senior Vice President



TO: Members of the Economic Recovery Board

FROM: Technical Advisory Committee

DATE: March 23, 2004

RE: Activities Report

As the Camden Economic Recovery Board (ERB) moves forward to support the revitalization of the City, other state agencies continue supporting Camden through a variety of programs and initiatives. These state agencies include the Department of Transportation (DOT), the Department of Community Affairs (DCA), the Housing Mortgage and Finance Agency (HMFA), the New Jersey Economic Development Authority (EDA), the Department of Labor (DOL), the Commerce and Economic Growth Commission, the Department of Agriculture (DAG), and the Schools Construction Corporation (SCC). On a monthly basis, these state agencies have been providing updates to the ERB in the form of the attached report, which is also posted on the ERB's website, www.CamdenERB.com

Recent highlights in terms of state investment in the City of Camden since the last ERB meeting include:

NJ Transit

- **Launch of the South Jersey Light Rail** – On Saturday, March 13, 2004, Governor James E. McGreevey christened the first train to launch the much-anticipated River LINE service from Trenton to Camden, ushering in a new era of public transit. The inaugural launch of the River LINE is a vital step towards improving public transportation in Southern New Jersey that relieves traffic congestion, gives commuters real alternatives, and represents an investment in economic development and smart growth in the Trenton-Camden Corridor. Following the christening, State and local dignitaries boarded a new light rail vehicle to tour the 34-mile light rail system to Camden. The inaugural tour - through some of South Jersey's historic waterfront communities - included stops to welcome aboard local political and community leaders. The tour ended at the Aquarium Station in Camden. On Sunday, March 14, the River LINE officially began revenue service with the first train departing the 36th Street Station Park/Ride to Camden at 5:27 a.m. The one-way fare is

\$1.10, making the River LINE one of the most affordable transportation bargains in New Jersey. The River LINE offers interconnectivity to anywhere customers want to go by linking them with NJ TRANSIT's network of trains and buses, in addition to Philadelphia-bound service on SEPTA and PATCO systems, as well as Amtrak service. It has 20 stations that pass through 19 communities in Mercer, Burlington and Camden counties. To welcome River LINE customers, PATCO is offering free connections to customers between March 15 and March 26. Among the many venues and businesses partnering with NJ TRANSIT to promote River LINE light rail service are the Old Barracks Museum, Trenton Visitors Bureau, Camden RiverSharks, Trenton Titans, NJ State Aquarium, Battleship NJ, YMCA, Rutgers University, Camden County College, Cooper University Hospital, Camden Waterfront Partners, Burlington City, Bordentown, Travel & Tourism, Cross County Connections, Delaware River Port Authority, and the DVRPC.

New Jersey Economic Development Authority (EDA)

- **EDM Holding, LLC** – At its Board meeting on March 9, 2004, the EDA approved an \$800,000 loan to EDM Holding, LLC, through the Local Development Financing Fund (LDFF). The LLC was formed to acquire the property located on Poets Row Industrial Park along the Camden Waterfront. The operating company, Von Morris Corporation (VMC), is a distributor of high-end industrial architectural hardware, and operates its distribution facility in Pennsylvania. Due to an increase in demand, the company is planning to expand operations, and relocate to a larger facility in Camden. The company will purchase and renovate two industrial buildings (total of approx. 80,000 square feet) on 21 acres. Sovereign Bank is providing nearly \$2.4 million in construction financing, and is committed to providing permanent financing of nearly \$1.2 million subject to EDA's approval of this LDFF loan, and a related \$392,500 loan through the ERB.