

ECONOMIC RECOVERY BOARD FOR CAMDEN

June 26, 2012

Waterfront Technology Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Board present: Christopher Chianese, Chairperson, designee for State Treasurer Sidamon-Eristoff; Marc Riondino designee for Mayor Dana Redd; Caren Franzini designee EDA Chairman, Al Koeppe; Stacy Spera for DCA Commissioner Richard E. Constable, III; Jason Asuncion designee for City Council President Francisco Moran; and Public Members: Reverend J. C. Jones, Vice Chairman; and Rodney Sadler.

Present via conference call: William Hosey, Public Member; and Kerstin Sundstrom, Governor's Authorities' Unit.

Also Present: Laura Wallick, Assistant Secretary; Bette Renaud, DAG; and EDA staff.

Absent: Public Members: Rosa Ramirez and Robert Milner, and Legislative Member, Freeholder Director Louis Cappelli, Jr., Non-Voting Member.

Assistant Secretary Wallick called the meeting to order at 10:00 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.

Assistant Secretary Wallick asked for a motion to approve the January 24, 2012 minutes of the Board.

A quorum was not present to vote on the prior meeting minutes, because alternate designee Stacy Spera, DCA could not vote without confirmation. The motion to approve the January 24, 2012 minutes was held until confirmation could be obtained.

Vice Chairman Jones asked Ms. Wallick to present the next item before the board, Friends of Knowledge A to Z Academy Charter School, Inc. (Friends) for a Business Lease Incentive (BLI) Grant (P37465). The Members are asked to approve a \$495,990 BLI Grant to Friends to subsidize a portion of the lease with the Boys and Girls Club of Camden County, Inc. (BGCCC). Friends is organized as a New Jersey non-profit corporation and will operate exclusively for charitable and educational purposes to support Knowledge A to Z Academy Charter School (Knowledge), a charter elementary school serving the youth of Camden. Knowledge has received approval as a charter school from the NJ Department of Education and will serve up to 400 students grades kindergarten through grade 4. Initially, the school will enroll 135 students and will employ approximately 19 people including teachers and administrative staff. In addition to the approved charter, Knowledge has obtained use variance, bulk variance approval, and site plan waiver from the City of Camden in order to operate the School at the subject property.

Friends has entered into an agreement to lease property from the Boys and Girls Club of Camden County, Inc. ("BGCCC"). Friends will then sublease the property to Knowledge which will operate under the alternate name of Katz Academy. 33,066 square feet of space will be leased for the school. The total amount of the lease payments over 10 years is approximately \$3.6 million and will ultimately be funded with cash from operations. The \$495,990 BLI Grant will be paid annually to Friends upon receipt and satisfactory review of the landlord confirmation evidencing no monetary defaults on the lease.

MOTION TO APPROVE: Ms. Franzini SECOND: Ms. Spera AYES: 7

Vice Chairman Jones asked Ms. Wallick to present the next item before the board. Ms. Wallick stated that pursuant to Section 45(d) of the Municipal Rehabilitation and Economic Recovery Act, the Camden Economic Recovery Board is required to submit the Annual Qualified Municipality Capital and Economic Recovery Program Report to the Governor and the New Jersey Legislature and was being provided to the board for informational purposes only.

Ms. Wallick stated that currently, staff has reviewed approximately 138 applications of which 77 are approved for a total of approximately \$161.5 million in grants, recoverable grants and loans. In addition, \$7.5 million has been allocated to the Business Lease Incentive and the Business Improvement Incentive Programs of which 32 projects have been approved for approximately \$2.5 million. The 109 approved projects total approximately \$164 million of investment leveraging approximately \$1.1 billion in other public and private financing, resulting in the creation of approximately 1,600 full time jobs and generating approximately \$1.7 million in additional annual revenue to the City via real estate taxes and service charge agreements. The balance of the applications received represent 1 pending and 27 withdrawn. Going forward, project activity will be limited based on the current availability of funding. She also stated that there were charts attached that detail the funding to date.

Vice Chairman Jones asked Ms. Wallick to present the next item before the board for informational purposes only. Ms. Wallick stated that Annual Report for the Camden Home Improvement Program (CHIP) demonstrates compliance with the ERB and DCA funding requirements and provides a progress update for the year 2011.

She added that the program was initially funded with \$5 million from the ERB, \$2.5 million from DCA's Neighborhood Preservation Balanced Housing program, and \$330,000 from the city of Camden. Phases I and II are funded by the ERB, while Phase III is funded jointly by DCA and the City of Camden.

Ms. Franzini commended Rev. Jones and Ms. Ramirez for bringing this idea to the board. Ms. Wallick added that because the program has been so successful, the board approved additional funding for CHIP and also for the Camden POWER Program which was designed similarly to assist Camden residents with energy efficiency improvements.

Vice Chairman Jones asked Ms. Wallick to present the next item before the board for informational purposes only. Ms. Wallick stated that Khal Bnei Torah Inc. (KBT) (P37308, was approved under Delegated Authority in April 2012 for a \$16,147.50 Business Improvement Grant to fund 50% of the eligible costs to renovate the 1,294 s.f. retail storefront property located at 1244 Haddon Avenue in the City of Camden. KBT is currently in negotiations with the owner/operator of a neighborhood barber shop/beauty salon to lease the storefront. The shop is expected to create eight jobs within the next two years.

Mr. Sadler entered the meeting at this time.

Vice Chairman Jones asked for a motion to approve the January 24, 2012 minutes of the Board.

MOTION TO APPROVE: Rev. Jones SECOND: Mr. Sadler AYES: 8

Mr. Hosey left the call at this time.

Vice Chairman Jones asked Ms. Wallick to present the next items to the board for informational purposes only. Ms. Wallick stated that the following modification was approved under Delegated Authority in February, March April, May and June 2012.

Residential Neighborhood Improvement Fund:

1. Oasis Housing, LLC – P20890

On March 25, 2008 the Members of the ERB approved a \$360,000 soft loan to Oasis for the Sycamore Street Housing Project which consisted of the acquisition of ten lots and the construction of eight units of housing with six townhomes at market rate and the remaining two units to be affordable housing units.

On July 28, 2009 the Members of the ERB approved a modification to the scope of work to reflect the acquisition of twenty lots instead of the original ten and the development of ten units versus the original eight, with six market rate units and four affordable units, along with an extension of the term of the ERB soft loan until October 31, 2010. In October 2010, a request for a one-year extension to the term of the soft loan was approved through delegated authority.

To date, the construction has been completed and all ten units have been closed and the last one settled in June 2012. Oasis requested an extension to the term of the \$360,000 ERB soft loan to Oasis to August 31, 2012 to allow sufficient time to complete all the closings and prepare the necessary documentation in order to request the disbursement of the ERB funds.

**2. Community Loan Fund of New Jersey t/a New Jersey Community Capital (NJCC)
Camden POWER – P35126**

On February 15, 2011 the ERB approved a \$500,000 non-recoverable grant to NJCC to be used for lending to small businesses in Camden in conjunction with funding from the US Department of Energy (US DOE) to provide for energy efficiency through a new innovative program called Camden POWER (Program Offering Widespread Energy Recovery).

The City's application to the US DOE indicated it would provide funding for energy efficiency improvements to at least 40 business using the Direct Install program, as administered by New Jersey's Clean Energy Program which will provide a grant equal to the lesser of \$75,000 or 70% of the total cost of eligible energy efficiency upgrades, leaving the business owner responsible for the remaining balance of 30%, which would be provided in the form of loan.

The City of Camden consulted with the US DOE and in March, the City and NJCC agreed to reallocate of \$200,000 from the loan loss reserve to fund grants for the client portion of Direct Install projects, in order to generate activity and work toward the goal of 40

businesses. This action alone has resulted in 48 applicants in the pipeline, with 13 approvals and 6 pending approvals.

Because of these changes, NJCC requested a modification to the ERB grant funding of \$500,000 primarily to finance improvements related to the larger projects in which health and life safety improvements exist. The total amount of ERB funds will be limited to either 28.5% (ERB percentage of revolving loan fund) of the total loan amount or 100% of the cost of health and life safety improvements if energy efficiency improvements are funded under Direct Install with the City's grant program.

Demolition and Redevelopment Financing Fund:

1. City of Camden Police Department Eyes in the Sky – P26953

On July 27, 2010, the Members of the ERB approved a \$245,375 non-recoverable infrastructure grant to assist the Department in funding the costs associated with the Eyes in the Sky project. The project funds are being used for the equipment, cameras, repeaters, connectors, cabling, mounting brackets, protective enclosures and other related materials for a closed captions monitoring system. On April 8, 2011, a request to amend the scope of work and the project budget in the amount of \$99,000 was approved through delegated authority

The project is currently about 99% complete with about eighty cameras in use. The City requested an extension to the term of the \$245,375 non-recoverable grant to June 30, 2012 in order to complete the project and prepare the documentation needed to requisition ERB funds. All other terms and conditions of the grant remain in full force and effect.

2. Camden Redevelopment Agency (CRA) Central Waterfront Housing and Temporary Housing Project – P16137

In September 20, 2004, the Members of the ERB approved a \$3,910,500 recoverable grant to fund the construction of temporary parking facilities in the Central Waterfront neighborhood. On October 3, 2006, the Members of the ERB approved an increase to the amount of the recoverable grant from \$3,910,500 to \$5,000,000 to support an increase in acquisition, relocation and demolition costs. On May 12, 2010, the term of the grant was extended to November 30, 2010 through delegated authority.

To date, CRA has acquired 43 properties of the 58 originally proposed in September 2004. CRA will be finalizing the acquisition of 5 remaining properties and has requested an extension to the grant term to December 31, 2012 to provide sufficient time to acquire the remaining properties and an amendment to the project budget to reflect a \$45,455 increase in management fees. All other terms and conditions of the grant remain in full force and effect.

Economic Recovery Planning Fund

1. CRA Neighborhood and Redevelopment Plans – P15686

On March 23, 2004, the ERB approved a \$641,250 grant to CRA to fund a portion of 7 neighborhood plans and 14 redevelopment plans for the City of Camden. On January 23, 2007, a modification was approved to increase the grant amount to \$723,945 to fund an

additional redevelopment plan for the Dudley neighborhood, a portion of the Camden Historic Survey and for additional staff time needed to update certain plans. Over the past 8 years, several modifications and extensions were approved to support CRA's planning activities under this grant which expires May 19, 2013.

The city of Camden's planning priorities continue to be fluid in order to meet the changing needs of the city. As such, the City requested a reallocation of \$51,690 for preparation of a North Camden #3 redevelopment study and plan area. The study is required to determine if an amendment is feasible to include an educational institution as an appropriate use for two of the four blocks within this area. There has been no change to the total project budget of \$1,379,012. To date, \$370,730 in ERB funds has been disbursed. All other terms and conditions of the grant agreement remain in full force and effect.

2. City of Camden – Department of Development and Planning (DDP) Consolidated Plan Preparation – P29777

On February 22, 2010 the Members of the ERB approved a \$70,000 non-recoverable planning grant to the City of Camden to fund the cost of consulting services to prepare the City's Annual Plan and Five Year Consolidated Plan for Housing and Urban Development (HUD). The Consolidated Plan and the Five-Year Plan were completed in March 2010, by Triad Associates and after public review the plan was submitted to HUD in May, 2010. HUD approved these plans on July 13, 2010, at which time over \$5 million in grant assistance was also approved.

Due to staffing changes at the City, copies of all reviewed and approved plans have recently been submitted to EDA. The City requested an extension of the grant term until June 30, 2012 in order to allow sufficient time to prepare documentation for submission to ERB for the remaining grant funds. All other terms and conditions of the grant agreement remain in full force and effect.

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

Ms. Franzini commented that although she missed the dedication to the new park on June 14th it was wonderful to ride by and see people enjoying it, particularly because it was a long arduous task to get the area demolished.

Rev. Jones stated that it was a pleasure to be a member of the board, and he particularly enjoyed today's meeting because it highlighted many of the projects that have been approved in the past.

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

Mr. Colandus "Kelly" Francis, President NAACP of Camden asked if the board approved the grant award to the Friends of Knowledge, and if so, for how much and what was the nature of the grant. Ms. Wallick advised that the grant amount was \$495,990 to pay a portion of the lease expenses over a 5 year period.

Mr. Francis also asked about the status of monies in the Demolition & Redevelopment Financing Fund stating that he hoped that some ERB funding could be used to demolish some vacant housing on Berkley Street. He added that the properties were especially dangerous because there are seven occupied homes right in the middle of the vacant homes.

Sandra Johnson, Executive Director, Camden Redevelopment Agency stated that she was in total

agreement with Mr. Francis. She added that although the properties were on a fast track for demolition, her agency has legal issues regarding relocation and purchase of the seven occupied homes that remain in the area.

Mr. Ettin, Friends of Knowledge, stated that they appreciated the chance to work with the board and believes the school will provide great opportunities or the children of Camden; Mr. Ettin indicated that Ms. Wallick and Ms. Pepe were wonderful to work with.

There being no further business, on a motion to adjourn the meeting was made by Mr. Sadler, and seconded by Ms. Franzini. The meeting was adjourned at 10:37 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