

ECONOMIC RECOVERY BOARD FOR CAMDEN

July 6, 2006

Mount Calvary Baptist Church

MINUTES OF THE MEETING

Members of the Board present: Reverend J. C. Jones, Vice Chairman; Marge DellaVecchia representing Commissioner Susan Bass Levin; Chief Operating Officer, Randy Primas; Mayor Gwendolyn Faison; City Council President, Angel Fuentes; Freeholder Director Louis Cappelli, Jr.; and Public Members: Rosa Ramirez, William Hosey, and Rodney Sadler.

Also Present: Assistant Secretary, Maureen Hassett; EDA staff; and guests.

Absent: Michael Livharcik, designee for State Treasurer Bradley Abelow; Legislative Members: Assemblyman Joseph Roberts and Senator Wayne Bryant and Public Member: Robert Milner.

Vice Chairman Jones called the meeting to order at 10:07 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.

Vice Chairman Jones asked for a motion to approve the May 23, 2006 minutes of the Board.

MOTION TO APPROVE: Mr. Primas SECOND: Mr. Sadler AYES: 8

Vice Chairman Jones asked for a motion to approve the June 11, 2006 special meeting minutes.

MOTION TO APPROVE: Mr. Primas SECOND: Mr. Hosey AYES: 8

MINUTES OF BOARD MEETING

As Pastor of the Mount Calvary Baptist Church, Vice Chairman Jones welcomed the board members and all present. Vice Chairman Jones pointed out that we were meeting in the Neighborhood Community and Education Center ("NCEC"). He remarked that in keeping with the old tradition of the church being the central point of the community, the NCEC provides a venue for community services. The Camden Board of Education rents out the space for class during the day. On Tuesdays and Thursdays GED classes are held. He pointed out that while both schools are on break, a number of community meetings are held as well as workshops and special events for the community.

Vice Chairman Jones called on Ms. Hassett to summarize the first agenda item, the Dr. MLK Drive & 3rd Street Parking Deck (P017015). Ms. Hassett stated that in December 2005 the

Members approved a \$300,000 ERB recoverable grant to fund the design and feasibility costs associated with the EDA's proposed Parking Deck Project to be located on Dr. Martin Luther King Drive and 3rd Street in downtown Camden. Ms. Hassett pointed out that EDA staff initially anticipated completing the feasibility study within six months of initiation, however several factors have caused a need to extend this timeframe. First, in consultation with the City, EDA staff targeted an alternate site across Third Street as its preferred location. The site is a surface parking lot abutting the County jail. A title search has called the ownership into question, thus delaying access to the lot for testing purposes and complicating purchase and leasing negotiations. Second, the proposed location abutting the County jail has raised security issues that may affect project design and cost. Third, recent price increases for construction materials have required us to include a 25% escalation factor in the construction budget. EDA staff is working through these issues and anticipates completing the feasibility study within six months.

The EDA's consultant team led by Ballinger will conduct the feasibility study. Once the construction budget is finalized and other funding sources are identified, EDA staff expects to submit a formal request for a recoverable grant in the amount of \$5 million, which is the maximum grant permitted under the ERB Guide to Program Funds infrastructure project limit. Repayment of the recoverable grant is anticipated from the net cash flow of the project after operating expenses, maintenance, and senior debt service requirements.

MOTION TO APPROVE: Mr. Primas

SECOND: Mr. Sadler AYES: 8

Vice Chairman Jones called on Ms. Hassett to summarize the Reservation of Funds for the Terraces Redevelopment Project. Ms. Hassett stated that in December 2005, the Members were asked to endorse the EDA's proposed Terraces Redevelopment Project located in the Waterfront South section of Camden and give preliminary approval for the reservation of a \$3 million ERB recoverable grant from the Demolition and Redevelopment Financing Fund established through the Municipal Rehabilitation and Recovery Act (Act) to be utilized for additional site assemblage and initiate redevelopment of the Terraces and adjacent property. The reservation of funds allowed for a period of six months from the date of that approval to permit the EDA sufficient time to finalize the budget and a Memorandum of Understanding with the Camden Redevelopment Agency ("CRA").

The Members previously approved \$2,039,500 in project financing as a recoverable grant to the CRA for acquisition, tenant relocation and demolition of privately owned property on all or parts of five tax blocks in South Camden. Of that amount, approximately \$370,000 in ERB funds remains. The ERB grant supplemented another \$2 million in public funds from the City and the Delaware River Port Authority ("DRPA"). The CRA presently anticipates that the remaining ERB, DRPA and Community Development Block Grant funds will be sufficient to complete site assemblage.

Earlier this year, the South Jersey Port Corporation ("SJPC") approached CRA with an alternate development proposal for the Terraces that would eliminate the need for additional ERB funding. SJPC proposes to clear its three blocks of land and vacant buildings within the Terraces and combine them via ground lease with CRA's five tax blocks to create an expansion site for a major port user, Camden International Commodities Terminal ("CICIT"). CCIT proposes to develop a 300,000 sf facility that would create 100 new full-time jobs for Camden. Other than

Ms. Hassett pointed out that Susquehanna Patriot Bank ("SPB") was formed in June 2004 by a merger of Equity Bank and Patriot Bank. SPB is a New Jersey state chartered bank, which operates 37 banking offices, primarily in Suburban Philadelphia, Pennsylvania and Southern New Jersey. The New Jersey offices are located in Burlington, Camden and Gloucester counties. SPB currently employs approximately 531 people of which approximately 333 are located in New Jersey. SPB which is currently headquartered in Pottstown, Pennsylvania, is seeking to relocate its corporate headquarters and consolidate a portion of its New Jersey operations into 24,000 s.f of leased space in the Ferry Terminal Building located on Delaware Avenue on Camden's Waterfront.

Under the current construction timetable, SPB expects to relocate 65 employees to the Camden facility. Of the 65 employees, 12 employees will be relocating from Pennsylvania and the remaining employees are moving from various locations throughout New Jersey. The total salaries of these individuals represent approximately \$2.9 million per year of which \$1.5 million represents the salaries of the employees relocating from Pennsylvania. As it relates to future growth, SPB anticipates the staffing level at the Camden location to increase to approximately 100 employees over the next 5 years.

SPB has agreed to facilitate job recruitment through the Camden One Stop. The lease incentive amounts to \$360,000 payable over 5 years.

MOTION TO APPROVE: Mr. Hosey

SECOND: Mr. Primas AYES: 8

Vice Chairman Jones requested comments from the Members.

There were no comments from the board.

Vice Chairman Jones requested comments from the members of the public.

Frank Fulbrook and Carol Dan, President and Vice President respectively of the Cooper Grant Neighborhood Association informed the board that the Cooper Grant Homes project was still "stalled" because they had not received a "No Further Action" letter from DEP. Mr. Fullbrook stated that the developer, Pennrose Properties wanted to start work on 24 out of 28 units, which were unaffected by contaminated soil and therefore free from any restrictions imposed by DEP. He wondered if they could proceed or if they had to apply to the planning board to start work.

Arijit De of CRA informed Mr. Fulbrook and Ms. Dan that the project was eligible to move forward on the existing site plan approval. He indicated that his office was working with DEP to secure the No Further Action letter for the remaining parcel.

There being no further business, on a motion by Council President Fuentes and seconded by Mr. Sadler, the meeting was adjourned at 10:44 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.

A handwritten signature in cursive script, appearing to read "Maureen Hassett", written over a horizontal line.

Maureen Hassett, Vice President
Strategic Partnerships, EDA
Assistant Secretary, ERB