

ECONOMIC RECOVERY BOARD FOR CAMDEN

August 3, 2007

NJEDA Headquarters –Trenton

SPECIAL MEETING MINUTES

Members of the Board Present: Elizabeth Lindsey, Spec. Asst., designee for State Treasurer Bradley Abelow. Present via conference call: Reverend J. C. Jones, Vice Chairman; Maureen Hassett designee for EDA Chairman Carl Van Horn; Mayor Gwendolyn Faison; Tina Vignali for City Council President Angel Fuentes; Judge Theodore Davis, Acting COO; Marge DellaVecchia representing Acting DCA Commissioner Chuck Richman; and Public Members: William Hosey, Rodney Sadler, Rosa Ramirez, and Robert Milner.

Also Present: Edward Pillsbury, DAG; and EDA staff.

Absent: Secretary Caren Franzini, and Legislative Members: Assemblyman Joseph Roberts, and Senator Wayne Bryant, and Freeholder Director Louis Cappelli, Jr.

Regional Director Laura Wallick called the meeting to order at 10:06 am.

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

MINUTES OF BOARD MEETING

Ms. Wallick stated the only item on the agenda was the Fair Share Northgate II Associates, L.P. ("FSNG II") or designee - (P17296) which the members were asked to vote on last week but was held due to the City ex-officio members' request to seek advice from council regarding the litigation between the City and FSNA for water bill charges.

Ms. Wallick provided a brief description of the request.

In June 2006, the ERB and EDA approved a \$603,000 loan and \$631,725 grant to FSNG II, which will supplement about \$1 million in 4% Low Income Housing Tax Credits issued through NJHMFA, for the renovation of 94 low rise apts. The renovation is complete, and the certifications needed for the tax credits are being finalized. Due to delays in certifying the costs for LIHTC, the borrower was not able to close the loan by the 7/1/07 commitment expiration, and has requested an extension for 90 days. During the review of the financials, staff discovered a contingency for the non-payment of water bills owed to the City of Camden by FSNH II, which is now in litigation.

Ms. Wallick then provided a brief description of the status of the litigation.

On June 15, 2007, FSNG II filed a Verified Complaint against the City of Camden challenging the validity of the outstanding water bill at Northgate II. The City was seeking enforcement of the bill by placing the matter in the June 19, 2007 tax sale. The notice of the sale improperly listed the amount due as \$267,665.41 of which \$158,405.15 was for sewer and \$109,160.26 was for water. Prior to filing the complaint, FSNG II was able to get the City to correctly apply past payments, which were all directed to be applied to sewer only. As of June 14, 2007, the correct amount of the water bill outstanding is \$224,164.87 and the sewer charges are \$14,883.11. FSNG II is not disputing the sewer bills and are willing to pay the sewer bills.

The dispute over the water bills is based on FSNG II's assessment of the quality of water. They have indicated in their complaint that they could not function at the development because there was debris in the water which was clogging all of their lines, including toilets, showers, and baths. To mitigate these issues, FSNG II installed a water filtration system at the NGII hi-rise and a smaller system in the low-rise units. They are also claiming damages as the result of the need to replace gas-fired hot water heaters, which were damaged from the influx of debris.

Ms. Wallick stated that the City is required to file an answer to the Verified Complaint on or before July 31, 2007.

The Members were asked to approve a 90-day extension, which would allow sufficient time for FSNGII to close on the permanent financing for the project.

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

Mayor Faison abstained because the City is party to the litigation.

Judge Davis asked if the response to the complaint from the City was filed on July 31, 2007. Ms. Wallick stated she was unable to obtain an answer from the City. Judge Davis stated he would check into it.

Tina Vignali abstained at the request of the City Council President Angel Fuentes.

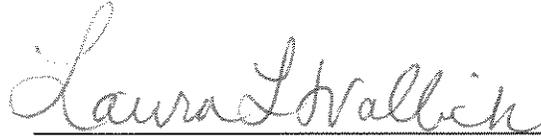
Mayor Faison stated she spoke with her counsel Dennis Kille and was advised to abstain. She would like to investigate the matter further. She stated the City is not admitting any wrongdoing and it was her opinion that Northgate has not suffered anymore than any other resident. She disagreed with their statements and made it clear she wasn't very happy.

Judge Davis stated the matter would be dealt with thru the litigation process.

Marge DellaVecchia stated that the board had only extended the commitment and not spoken to the validity of the litigation.

There being no further business, on a motion by Judge Davis and seconded by Ms. DellaVecchia, the meeting was adjourned at 10:15 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 that reads "Laura L. Wallick". The signature is written in black ink and is positioned above a horizontal line.

Laura L. Wallick, Regional Director – South
Business Development, EDA