

ECONOMIC RECOVERY BOARD FOR CAMDEN

August 18, 2009

Waterfront Technology Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Board present: Chairman Rousseau, State Treasurer; Mayor Gwendolyn Faison; Tina Vignali representing City Council President Angel Fuentes; Caren Franzini representing EDA Chair Carl Van Horn, and Public Members: Rodney Sadler, William Hosey, and Bob Milner.

Present via phone: Ed Carman representing Acting DCA Commissioner Chuck Richmond.

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

Absent: Rev. J. C. Jones, Vice Chairman; Rosa Ramirez, Judge Theodore Davis, COO; Non-Voting Member Freeholder Director Louis Cappelli, Jr; Non-Voting Legislative Members: Assemblywoman Nilsa Cruz-Perez, and Senator Dana Redd.

Chairman Rousseau called the meeting to order at 10:05 a.m.

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

Chairman Rousseau asked for a motion to approve the May 26, 2009 minutes of the Board.

MOTION TO APPROVE: William Hosey SECOND: Rodney Sadler AYES: 8

MINUTES OF BOARD MEETING

Chairman Rousseau welcomed all in attendance at the Waterfront Technology Center. He cited numerous jobs created and various projects completed in different sections of the city since the inception of ERB in 2002 including the new Catto School, the Boys and Girls Club, and the mandated projects including Our Lady of Lourdes and the Camden County Colleges.

He also spoke of the work of the outgoing COO, Judge Theodore Davis, commending the passion he brought to the position. He remarked that since 2007 Judge Davis was charged with making the City safer and he embraced it wholeheartedly.

He thanked for the Board for their service over the last 6 years and acknowledged that there had been some concern about the ongoing role of the board now that the authorized funding had been largely committed. He has asked the Policy Committee of the Board to

meet and to reach out to other Members in order to bring recommendations on a strategy for going forward.

Chairman Rousseau asked Ms. Hassett to summarize the first item before the board, a \$26,630 Recoverable Predevelopment Grant to Camden Area Health Education Center ("Camden AHEC") to help fund predevelopment activities ("Project") for the renovation and restoration of their facility in Camden.

The New Jersey Area Health Education Centers (AHEC) was established in 1978, in partnership with the University of Medicine and Dentistry of New Jersey, as part of a national initiative to strengthen the health of communities through educational partnerships. Camden AHEC has been serving Camden and Burlington Counties for 30 years. The agency provides education, training and internships for healthcare professionals, support staff and students in order that they might provide the services needed by the underserved populations in a culturally competent environment. In addition, Camden AHEC provides community-based health education and services to local residents and provides access to preventive and primary healthcare services to improve the general health of the community.

Camden AHEC is located at 514 Cooper Street in Camden City, (known as the "Read House") for the past 13 years. In that period of time, AHEC has undergone tremendous growth in the utilization of its existing programs, including senior services, HIV/AIDS testing and counseling, medical rotations for public health and medical students, and coordination with numerous community service organizations.

The Read House, located at 514 Cooper Street, is a "key contributing building" in the Cooper Street Historic District and is in need of historic preservation construction, capital improvements and maintenance work. The proposed Preservation Plan will allow Camden AHEC to upgrade its building and provide for safer, more attractive and more accommodating facility for constituents.

The recoverable grant funding will be secured by a second mortgage on 514 Cooper Street Camden. The repayment of this \$26,630 recoverable predevelopment grant is anticipated from the future permanent financing of the project.

The disbursement of funds will be subject to receipt of the \$50,000 commitment for funding from the NJ Historic Trust as well as receipt and satisfactory review of invoices and contracts for service, fee schedule and reports detailing the scope of work and related time schedule.

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

Chairman Rousseau asked Ms. Hassett to present the next item before the board, the CRA - Campbell Soup Expansion - Utility Relocation Project (P18198). Ms. Hassett stated that the Members are asked to approve a modification to the \$2,300,000 non-recoverable infrastructure grant to the Camden Redevelopment Agency ("CRA") to amend the scope of work to include additional infrastructure improvements necessary to support the development of a modern office and research complex surrounding the Campbell Soup Company ("CSC") world headquarters.

The project was split into three phases. Phase I included the sewer relocation on Memorial Avenue and Line Street at a budget of \$3,000,000 which was funded by the EIT loan to the City of Camden. This phase was completed by CCMUA in October 2008.

Following the public bid process for Phase II, the contract for the work to be funded by the ERB grant totaled \$1,154,000. This phase is approximately 75% complete. During this phase, it was discovered there was a PSE&G gas line on Newton Street that impeded the repair of the sewers. It was agreed by all parties, this work will be deleted from Phase II and added to Phase III which will result in a credit of approximately \$50,000 for Phase II. Setting aside approximately 15% for contingencies for the balance of work to be performed, surplus funding of approximately \$700,000 remains.

Once NJDOT completes its work and a surplus amount is confirmed, the CRA is requesting the \$ savings be re-allocated to other infrastructure projects. This modification will assist CRA in fulfilling its obligations under the Master Development Agreement for the Gateway Office Park (“GOP”)/Campbell Soup Expansion project. Finally, the CRA is requesting a management fee for the significant amount of staff time devoted to coordinating activities needed to bring the project to fruition.

The disbursement of ERB funds for due diligence will be based on a cost reimbursement basis with receipt of invoices for the work performed. To date, \$215,000 has been disbursed. Disbursement of the surplus funds will be contingent upon receipt and confirmation of the \$700,000 funding commitment from the DRPA.

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

Chairman Rousseau asked Ms. Hassett to present the next item before the board, the CRA - River Road Affordable Housing Project Sites E & F (P016717). Ms. Hassett stated that the Members were being asked to re-approve a reduced amount of funding for the River Road Affordable Housing Project Sites E& F, add a co-applicant, recognize a change to the project sponsor, modify the structure and use of the ERB funding, and extend the term of the project financing.

Ms. Hassett stated the members were being asked specifically to: 1) reduce the ERB funding from \$3,504,393 to \$3,200,140; 2) add River Hayes Urban Renewal Associates I, L.P. (“River Hayes”), a subsidiary entity formed by Michaels Development Co., as a co-applicant with CRA and; 3) amend the project sponsor from the Camden City Redevelopment Corporation (“CCRC”) to 19th and River Road LLC which is a subsidiary of Cramer Hill CDC.

In addition, the members are asked to modify the structure of the ERB funding to CRA from a soft loan to an infrastructure grant and to allow for a soft loan to River Hayes. Of the \$3,200,140 in ERB funding, \$980,000 will be used for Site E and the balance of \$2,220,140 will be used for Site F. Of the \$980,000 for Site E, \$900,000 will be funded to River Hayes as a soft loan for infrastructure costs and \$80,000 will be funded to CRA as a non-recoverable grant for its project management fee. Based on the reduced amount of ERB funding needed for the project, \$304,253 will be added back to the Residential Neighborhood Improvement Fund.

Further, the Members are asked to amend the use of ERB funding to include

infrastructure such as roads, curbs, sidewalks utilities, drainage, streetscapes, etc. as well as for acquisition, relocation, demolition and remediation and extend the term of the commitment for an additional 2 years through May 31, 2011 to allow sufficient time to complete Site F.

The budget for Site F has not yet been finalized and will be presented to the Members for approval for funding the balance of the project once it is completed. The CRA expects to begin to advance this portion of the project by the end of 2009.

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

Chairman Rousseau asked Ms. Hassett to present the next item before the board, the Heart of Camden Environmental Mitigation and Landscape Master Plan - Phase I project (P16954). Ms. Hassett stated that the Members are asked to approve a modification to extend the grant term to December 31, 2009 for the \$1,150,000 non-recoverable infrastructure grant to the Heart of Camden (“HOC”) to fund Phase I of the Environmental Mitigation and Landscape Master Plan (“EMLMP”) for the Waterfront South neighborhood of Camden.

Ms. Hassett added that the EMLMP is a comprehensive pilot plan consisting of linear buffers between the neighborhood and industry, streetscaping along key routes throughout the community, as well as landscaping of open space within the core residential neighborhood. The project is bounded by Atlantic Avenue to the north, I-676 to the east, Ferry and Jefferson Streets to the south and west to the Delaware River.

The last phase of the project has been delayed due to a PSEG lighting installation project, hence the request for extension.

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

Chairman Rousseau asked Ms. Hassett to present the next item before the board, the Oasis Housing, LLC - Oasis I - Sycamore Street Housing (P20890) project. Ms. Hassett stated that the Members are asked to approve a modification to the scope of the project and to extend the term of the \$360,000 soft loan commitment to Oasis Housing, LLC (“Oasis Housing”) until October 31, 2010. The ERB soft loan will be used for permanent financing of the six market rate units of the Sycamore Street Housing Project in the Gateway Neighborhood.

The scope of the project changed and will now include the acquisition of twenty properties instead of the original ten and the development of ten units versus the original eight. Environmental remediation is on-going and nearing completion, and a No Further Action letter from NJDEP is expected within the next few weeks.

The ERB funds will be disbursed to Oasis Housing, LLC after the completion of the construction of the project and upon issuance of all of the permanent Certificates of Occupancies.

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

Chairman Rousseau asked Ms. Hassett to present the next item before the board, the

Puerto Rican Unity for Progress - Public Purpose Grant (P018785).

Ms. Hassett stated that the Members of the Board are asked to approve PRUP's request for the \$705,000 balance of their \$1,000,000 Public Purpose Grant to fund the permanent financing on their new facility once the project is completed. The Members are also requested to approve the extension of the Public Purpose Grant until June 30, 2010 to reflect the anticipated final certificate of occupancy.

Ms. Hassett advised that on July 24, 2007, the members approved a \$297,000 non-recoverable infrastructure grant to PRUP to fund environmental activities and infrastructure improvements on 9 parcels of vacant land owned by the City of Camden for the development of an 8,940 s.f. state of the art facility to be used by the organization to operate its social service programs.

On January 22, 2008, the Members approved a modification to convert the \$297,000 non-recoverable infrastructure grant to a \$295,000 public purpose grant for PRUP to fund pre-development activities including environmental work, land acquisition, as well as for architectural and engineering services and legal fees associated with the project.

PRUP recently sold its headquarters located at 425-427 Broadway where it occupied two adjacent two story 3,600 sq. ft. buildings totaling 7,200 sq. ft. The project site is located between Broadway and Ramona Gonzales (Division) Streets. PRUP has purchased 11 parcels of vacant land from the City of Camden. Originally, the plan was to purchase 9 parcels, but to better accommodate the building, the decision was made to add the additional parcels. The new facility will consist of an 8,940 sq. ft., two story brick building, with 13 rooms providing office, training and community meeting space. The construction budget is \$3,125,000.

Closing of ERB financing will be contingent upon, 1) Confirmation that DRPA funds are available during the construction phase of the Project; 2) Confirmation of funding source to cover the \$705,000 gap in construction budget; 3) Receipt of a permanent certificate of occupancy, and 4) PRUP paying property taxes on the properties for a minimum of ten (10) years, commencing on the date of closing on ERB's financing or entering into an Annual Service Charge Agreement with the City of Camden.

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

Chairman Rousseau asked Ms. Hassett to present the next item before the board. Ms. Hassett said that pursuant to Section 45(d) of the Municipal Rehabilitation and Economic Recovery Act, the Camden Economic Recovery Board is required to submit the financial Plan to the Governor and the New Jersey Legislature and was being provided to the board for informational purposes only.

Ms. Hassett explained that to date, 85 projects have been approved, of which 78 have closed. Of the 78 closed projects, 34 projects are fully funded, of which 3 have been repaid and two are no longer active. The other 44 closed projects are in the process of requisitioning ERB funding. She referred the members to the Financial Plan for the specific fund balances. Approximately \$148 million has been committed to date.

Chairman Rousseau and Ms. Franzini both stated that the Policy Committee should use the Financial Plan as a blue print for use of the remaining funds.

Chairman Rousseau requested comments from the members of the public.

Mr. Colandus “Kelly” Francis, President NAACP of Camden asked for clarification on the CRA - River Road Affordable, and Oasis Housing projects. Ms. Hassett agreed to meet with him after the meeting to further explain.

Mr. Francis expressed his surprise at the recent resignation of Judge Davis as COO of the City of Camden. He stated that he wanted to set the record straight and to him it wasn't an issue about the Judge's salary because it was not paid for by the Camden taxpayers.

Mr. Francis also informed the board that Camden High School students also attended the National ATSCO competition and were awarded three medals, including two silver, and one bronze. The participants competed with students from as far away as Anchorage, Alaska and Mississippi. He was proud to say that out of the seven medals awarded to New Jersey students, 3 were attained by Camden students.

In his capacity as Vice President of the Parkside Association, Mr. Francis also provided the members with the PBCIP News, a newsletter with information related to the Parkside section of Camden. It contained an article about the 2 students who recently received medals at the ACTSO competition as well as other community information.

Ms. Maryanne Emmanuel, of Camden United stated that she would like to see a breakdown of the 1200 new jobs mentioned by Chairman Rousseau. She stated that she felt the majority of jobs had not made their way to Camden residents and the ERB still has a long way to go.

Reverend Willie Ander, Oasis Development thanked the board members and EDA staff for being patient through the many challenges they faced in the getting the project approved.

John Haskins, of Camden United, Camden resident for 60 years told a cautionary tale story of how when he was employed by the Atlantic City Water Co., that city's water was contaminated due to redevelopment. He stated that feared a similar situation could happen to Camden if redevelopment work around the dump is not done correctly. He implored the members to look at projects from all angles.

Chairman Rousseau requested comments from the members of the board.

There being no further business, on a motion by Mr. Sadler, and seconded by Mr. Hosey, the meeting was adjourned at 11: 00 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.



Maureen Hassett, Senior Vice President, EDA
Assistant Secretary, ERB