

ECONOMIC RECOVERY BOARD FOR CAMDEN

August 23, 2005

Camden County Council on Economic Opportunity, Inc.

MINUTES OF THE MEETING

Members of the Board present: State Treasurer, John E. McCormac, Chairman; Mayor Gwendolyn Faison; Chief Operating Officer Randy Primas; City Council President Angel Fuentes; Freeholder Director Louis Capelli, Jr.; Marge DellaVecchia representing Acting Commissioner Chuck Richman; Legislative Member Senator Wayne Bryant; and Public Members: Rosa Ramirez, William Hosey, Rodney Sadler, and Bob Milner.

Also Present: Assistant Secretary, Maureen Hassett; Caren Franzini, CEO; Tim Lizura, Director, EDA Real Estate Development Division; Anthony DeFelice, Deputy Attorney General; EDA staff; and guests.

Absent: Carlos Medina, designee for Al Koepp; Reverend J. C. Jones, Vice Chairman; Mayor James M. Maley, Representative of the Regional Impact Committee; and Legislative Member Assemblyman Joseph Roberts.

Chairman McCormac called the meeting to order at 10:00 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.

Chairman McCormac asked for a motion to approve the minutes from the July 28, 2005 meeting.

**MOTION TO APPROVE: Mr. Primas SECOND: Ms. DellaVecchia AYES: 7**

MINUTES OF BOARD MEETING

Chairman McCormac asked for welcoming remarks from Margaret Henry – Parker, Associate Director Camden County Council on Economic Opportunity (CCOEO). Ms. Parker stated that the OEO has 3 centers. She pointed out that at all of the centers, any resident, or any family could come with any problem and seek assistance. If they're unable to provide direct assistance, OEO will provide guidance and direction.

The OEO administers the Individual Development Account (IDA) program. Under the IDA program, an applicant who has been working for at least 6 months, can open a bank account and the OEO will provide matching funds. The proceeds of this account can be used for a down payment on a home, for education, or to start or expand a small business. They have a number of applicants that are saving to buy a home. One participant has purchased a home under the program. The OEO receives Federal, State and local funding for this program.

The OEO has built homes under the Arthur's Court Phase III project. To date they've built 30 homes. Of that number, 21 have been built and sold while the remaining nine should be sold by the end of the year.

**Council President Angel Fuentes and Senator Wayne Bryant entered the meeting at 10:10**

**Rosa Ramirez entered the meeting at 10:15**

Chairman McCormac asked Maureen Hassett to present the ERB Business Incentive Grant Program. Assistant Secretary Maureen Hassett started by saying that the proposal to be heard by the Board was a group effort, and thanked Arijit De, Executive Director, CRA; Jim Haverson, Director of Economics, CRA; Laura Wallick, Assistant Director, Community Development, EDA; as well as Tim Lizura, Director, Real Estate Development, EDA for their hard work in putting together a significant new initiative to bring businesses and jobs to the City. Ms. Hassett summarized that over the last two years, the ERB has approved 35 active projects totaling approximately \$99 million. When completed, these projects will expand and sustain the economic, social, cultural, recreational, and educational activities of the City and create new employment opportunities for the residents of Camden. ERB funding has resulted in leveraging private investment of approximately \$351 million.

In an effort to further leverage ERB assistance and stimulate more commercial business activity in the City, staff has collaborated with the Camden Redevelopment Agency ("CRA") to propose two business incentive programs that will support for profit and not for profit businesses by funding physical improvements to their business facilities or by reducing the amount of their annual lease payment. The anticipated results are more attractive, pedestrian oriented commercial corridors and the attraction of new businesses to these revitalized areas.

Under the Business Improvement Incentive program, \$1 million in grant funds from the ERB will be used to reimburse financially viable business applicants for 50% of the cost of improvements with a maximum incentive of \$20,000. The businesses must register as UEZ businesses. Half of the incentive award will be disbursed to the applicant upon completion and inspection of the improvements. The balance of the incentive will be disbursed to the applicant on the one-year anniversary of the initial disbursement upon a satisfactory inspection of the facility and review of financial statements. As a supplement to this program, the CRA has committed \$300,000 in UEZ funds to guarantee loans made by PNC Bank to commercial and retail businesses located within the City's major corridors. In addition, the New Jersey Economic Development Authority ("EDA") has its own program that can provide low cost financing to support downtown beautification projects. Together, these resources will encourage the business community to participate in the revitalization efforts and invest in their business facilities.

Through the Business Lease Incentive program, \$15 million in grant funds from the ERB will be used to attract businesses seeking to relocate to the City of Camden that plan to lease more than 1,500 s.f. of market rate building space and support existing City businesses seeking to expand that will lease a minimum of 1,500 s.f. of additional space. The incentive will reimburse financially viable businesses a portion of their annual lease payment according to the attached term sheet for leases signed before December 31, 2006. The annual incentive payment will not exceed 50% of the annual lease payment or when combined with any other governmental grants,

will not exceed 80% of the annual lease payment. The program will operate on a first come, first served basis.

Ms. Hassett pointed out the Mayor Faison had asked whether money from the Demolition and Redevelopment Financing Fund should be used for the Business Incentive programs. Ms. Hassett stated that the pilot program would report on a quarterly basis to the City of Camden's COO, and if necessary they could go back to the board to shift funds at anytime. Ms. Hassett also mentioned that the outstanding balance of funds available under this category is approximately \$20.4 million and the proposed \$16 million allocation is allowable under the funding category. There is no credit risk to the ERB under these incentives; rather the allocation of funds will provide incentives that will create a stimulus for additional private investment in the City of Camden. The ERB should support this program as the City of Camden could realize approximately \$2 million in annual property taxes from the development necessary to accommodate this demand, a clear goal of the ERB is to increase the City's tax ratable base.

In addition, the proposed incentives build upon other local initiatives including the Greater Camden Partnership's ("GCP") Special Services District that received assistance through ERB board action on July 6, 2005. The CRA, ERB, Department of Labor and Commerce Commission staff will promote these new incentives to the Camden business and real estate community with a news release and/or press event to announce the programs as well as hosting subsequent business breakfast meetings, and preparing marketing materials to promote the programs.

As a pilot program, ERB staff will monitor the demand on funds and give a status report in one years' time to determine if the requested level of funding remains appropriate and to make any recommendations to enhance or amend the program. Funding is first come, first served. The EDA Board will approve projects presented under the program, and reports of the assistance will be provided to the ERB on a quarterly basis.

Mr. Primas commended the fact that the money was being used for local businesses.

**MOTION TO APPROVE: Mr. Primas SECOND: Council Pres. Fuentes AYES: 9**

Chairman McCormac asked Ms. Hassett to summarize the CRA Cramer Hill Streetscape Project (P015443). Ms. Hassett stated that the \$659,145 grant would fund a portion of the streetscape and infrastructure improvements along River Avenue in the Cramer Hill section of Camden as part of a commercial revitalization project.

In 2001, Cramer Hill Community Development Corporation ("CHCDC") commissioned a study by Urban Partners to develop an economic revitalization strategy for the Cramer Hill neighborhood. This study identified three commercial nodes of current or potential retail business activity along River Avenue, which includes the core retail area located between 22<sup>nd</sup> and 27<sup>th</sup> Streets. The strategy that emerged from this study was to begin commercial revitalization efforts within this area where some of the most viable retail businesses in Cramer Hill exist and will offer the opportunity to jump-start the revitalization of the entire neighborhood. Ms. Hassett pointed out that at the suggestion of Marge DellaVecchia, Executive Director, NJHMFA there is a map of the location attached to the board memo.

The second phase of the project, estimated at \$1,195,000, would focus on the triangular area on the south side of River Avenue where 27<sup>th</sup> Street and Cambridge Avenue intersect River Avenue and then merge. The total project costs are \$1,181,745 with ERB funds in the amount of \$659,145 earmarked for the street scape and infrastructure improvements. The City has been approved for two Center of Place grants totaling \$500,000 from the New Jersey Department of Transportation. The CFDA has received a grant for \$750,000 from FleetBoston Financial Foundation for the purpose of the Camden County Renaissance Initiative, of which \$22,600 is earmarked for the proposed street scape improvements included in this project.

Selection of a Design Engineer and Construction Manager is expected in October 2005 with the final Design & Construction documents completed by January 2006. City, County and State approvals will be requested in March 2006 to allow for project bidding and a contractor selected by April 2006. Ground breaking is planned for May 2006 with project completion by July 2006.

Ms. Hassett stated that disbursement of funds would be made to the CRA and subsequently allocated to the CFDA upon receipt and satisfactory review of invoices. All improvements will be inspected and approved by City of Camden officials. As the federal government recently awarded \$5 million in transit aid to River Road, the CRA and CFDA will meet with DOT to ensure that all public resources are maximized.

**MOTION TO APPROVE: Mr. Primas SECOND: Ms. DellaVecchia AYES: 8**

**Council President Fuentes abstained from the vote.**

Chairman McCormac asked Ms. Hassett to summarize the Cramer Hill CDC Nueva Vida Homes Project (P016572). Ms. Hassett stated that the request for \$824,501 in project financing would build 14 market-rate homes in the Cramer Hill section of Camden. She pointed out that the project entails CHCDC building 14 home ownership units between 21<sup>st</sup> and 28<sup>th</sup> Streets near River Road. The proposed project offers housing redevelopment activities in the neighborhood and throughout the City.

The CRA's redevelopment plan for Cramer Hill calls for the remediation of the Harrison Avenue Landfill along the neighborhood's riverfront and the development of new housing and commercial structures in this area. To implement this plan, housing needs to be developed to provide Cramer Hill residents with new housing opportunities in the neighborhood.

The Nueva Vida Homes project will be a home ownership project that consists of 14 market-rate units. Funds from the ERB will be used for the permanent financing on the project. The 1,400 sq. ft., 2 story-units will have 3 bedrooms and include a mix of single family and semi-detached dwellings and have either an attic or basement.

The CRA owns the land and has adopted a resolution authorizing the agency to enter into a purchase option agreement with CHCDC for the transfer of the sites and the conveyance of the land. The CRA has acknowledged that the land will be sold to CHCDC for \$109,589, at an average cost of \$7,828 per unit once all the financing commitments are in place. The estimated development cost for each unit is \$198,893. The difference in the sale prices is related to location and configuration of units. When completed, the sales price will be \$85,000 for the twin units, \$95,000 for the single units and \$110,000 for the corner units.

Contingencies are 1) receipt of finalized CRA agreement for CHCDC's purchase of the land; 2) CHCDC must obtain commitments for the balance of the funding from the NJHMFA and TRF or other sources should NJHMFA and/or TRF funds not be available; 3) receipt and satisfactory review of the final budget once a contractor has been selected; 4) the balance of funding being obtained within six months of approval, with the option to extend an additional three months and the approval of the CEO as well as those commitments being satisfactory to the NJEDA; and 5) the receipt and satisfactory results of the Phase 1 environmental analysis.

**MOTION TO APPROVE: Mayor Faison                      SECOND:    Mr. Sadler AYES: 8**

**Council President Fuentes abstained from the vote.**

Chairman McCormac requested public comments.

Mr. Bernie Kosoet, speaking as a member of the Cramer Hill Business Association (CHBA) expressed his thanks to the board members for approving the above-mentioned projects. He mentioned that the CHBA has worked diligently for many years to resolve problems in the Cramer Hill section of the City. The approvals would spur retail redevelopment where businesses have long been reluctant to open.

Mr. Colandus "Kelly" Francis, President Camden County NAACP stated that he was pleased to see a focus on the commercial and industrial development as well as housing and recreational opportunities throughout the City.

Mr. Francis also mentioned that as part of the Academic Cultural Technical Scientific Olympics (ACT-SO) program sponsored by the NAACP, 6 students from 2 Camden High Schools took part in a statewide scholastic competition in Milwaukee. This competition qualifies students to take part in the competition on a national level in Washington, D.C.

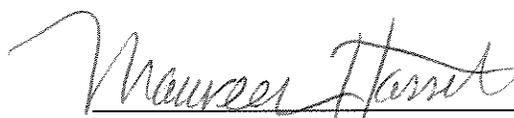
Dan Shah, Executive Director, Cramer Hill CDC thanked the ERB for approving the projects and stated, "It's the start of a new day for Cramer Hill".

Chairman McCormac requested comments from board members.

There were no comments from board members.

**There being no further business, on a motion by Ms. DellaVecchia and seconded by Mr. Primas, the meeting was adjourned at 10:45am.**

**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, VP Strategic Partnerships, EDA  
Assistant Secretary, ERB