

ECONOMIC RECOVERY BOARD FOR CAMDEN
September 23, 2008
Camden County College, Technology Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Board present: Chairman David Rousseau, State Treasurer; Rev. J. C. Jones, Vice Chairman; Judge Theodore Davis, COO; Dennis Kille for Mayor Gwendolyn Faison; City Council President Angel Fuentes; Non-Voting Members: Freeholder Director Louis Cappelli, Jr., and Senator Dana Redd, Legislative Member; and Public Members: Rodney Sadler, William Hosey and Robert Milner.

Also Present: Assistant Secretary: Maureen Hassett; Bette Renaud, DAG; and EDA staff.

Absent: Secretary Caren Franzini, designee for EDA Chairman Carl Van Horn; Assemblywoman Nilsa Cruz-Perez, Non-Voting Legislative Member; Marge DellaVecchia representing DCA Commissioner Joseph Doria, Jr.; and Public Member Rosa Ramirez.

Chairman David Rousseau called the meeting to order at 10 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 David Rousseau asked for a motion to approve the July 29, 2008 minutes of the Board.

MOTION TO APPROVE: Council Pres. Fuentes SECOND: Judge Davis AYES: 8

MINUTES OF BOARD MEETING

David Chojnacki, Director of Business Services for the Camden City Campus of Camden County College welcomed the Economic Recovery Board Members and all present. Mr. Chojnacki stated that college's enrollment was up by 7% over last year's numbers with 2400 students in Camden. He remarked that the college's new conference center has held 125 events since opening a year and half ago and invited all present to view the brochure.

Chairman Rousseau asked Ms. Hassett to summarize the first item before the board, the Camden Redevelopment Agency – Centerville HOPE VI (P016011) project. Ms. Hassett stated that the Members were being asked to approve a modification to the \$5,000,000 non-recoverable infrastructure grant for the Camden Redevelopment Agency (CRA) to assist the Camden Housing Authority (CHA) in making infrastructure improvements in the Centerville section of Camden. This modification request is to revise the scope of work to include a project management fee for the CRA to be funded from this grant and to extend the grant term to September 9, 2010.

Ms. Hassett stated that the project first came to the board on December 23, 2003, when the Members approved the reservation of a \$5,000,000 ERB commitment to the CRA to evidence financial support of the Centerville Area HOPE VI project sponsored by CRA and CHA.

Also in January 2004, the CRA and CHA collaborated to re-submit a funding request to the U.S. Department of Housing and Urban Development (HUD) for the HOPE VI project. In June of 2004, the CRA and CHA received notification from HUD that the Centerville Area HOPE VI project received a \$20 million grant commitment. On August 3, 2004, the Members approved a \$5,000,000 non-recoverable infrastructure grant to the CRA to fund a portion of the infrastructure costs for the Centerville HOPE VI project. The \$5,000,000 ERB grant was earmarked for the infrastructure improvements including grading through site preparation work, private alleys, curbs, sidewalks, lot-lots, utilities, sewers, roads, as well as new buried underground systems for electric, gas, telephone, and cable.

Ms. Hassett pointed out that to date, the ERB has disbursed a total of \$919,797 for infrastructure work completed on Antioch Phase 1 and Roosevelt Phase 5. Due to escalating construction cost, the community center will now be 8,700 sq.ft. versus 12,350 sq.ft. The smaller building will now include CHA and/or an affiliate management and maintenance offices, a day care center, as well as a Camcare Wellness Center providing primary health care services. The planning board approved the facility in August 2008 and permits are expected this month. Construction will begin in October 2008 and should be completed by February 2009.

When the Centerville HOPE VI project was approved in 2004, the budget did not include a project management fee for the CRA. However, the CRA has been providing intense oversight, in collaboration with the CHA, to administer the project. The CRA is requesting an allocation of \$250,577 from the ERB grant support personnel expenses associated with this \$166 million multi-phased, comprehensive housing development project. This represents less than 1% of the total project costs and 5% of the ERB grant amount.

Accordingly, the Members were asked to approve the extension to the term of the grant agreement to September 9, 2010 and to allocate \$250,577 of ERB grant funds to provide a project management fee to the CRA.

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

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board, the Camden Redevelopment Agency - Planning Grant Phase 2 (P016904) project.

Ms. Hassett stated that the Members were being asked to approve an amendment to the Camden Redevelopment Agency (CRA)'s Planning Grant Phase 2 project to revise the scope of work and extend the term of the grant agreement to January 11, 2010.

She stated that back on November 22, 2005, the Members approved a \$444,050 planning grant to the CRA to prepare 5 neighborhood plans, a City-wide Housing Production Strategy, a City-wide Industrial Site Inventory, and develop a Project Decision Model.

Ms. Hassett pointed out that although the CRA had planned to produce five neighborhood plans for the Gateway, Bergen Square, Central Waterfront, Cooper Plaza, and Marlton neighborhoods at a cost of approximately \$75,000 per plan, it currently anticipates preparing only the Cooper Plaza Neighborhood Plan, which is expected to be completed by April 30, 2010. The CRA is requesting \$100,000 of the ERB grant to be allocated to the Cooper Plaza Neighborhood Plan, which will include a human capital component. In addition, CRA is seeking outside legal review of all remaining redevelopment plans prior to planning board submission. The cost of these reviews is \$138,000 of which \$114,000 will be funded from the ERB grant.

The City-wide Housing Strategy Report was completed in 2006.

The CRA has hired an in-house Database Manager and no longer has the need for consultant services to produce a Project Decision Model as originally planned. The CRA is undertaking an East Camden Human Capital Plan that will cover the Stockton, Rosedale, Dudley, and Marlton census tracts. This plan should be completed by December 31, 2009 and CRA is requesting an allocation of \$75,000 in ERB funds for this planning component.

To accomplish this revised scope of work, the CRA is requesting an extension of the grant term to January 11, 2010. To date, \$175,000 has been disbursed and the balance of \$270,050 will be used to fund the activities outlined herein.

MOTION TO APPROVE: Council Pres. Fuentes SECOND: Mr. Hosey AYES: 8

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board, the Camden Redevelopment Agency – Neighborhood and Redevelopment Plans (P015686) project.

Ms. Hassett stated that the Members were being asked to approve a modification to the Camden Redevelopment Agency (CRA)'s planning activities to revise the scope of work and extend the term of the grant agreement to May 19, 2010.

Ms. Hassett stated that on March 23, 2004, the Members approved \$641,250 to the CRA to fund a portion of 7 neighborhood plans and 14 redevelopment plans for the City of Camden. On January 23, 2007, the Members approved a modification to increase the grant amount to \$723,945 to fund an additional redevelopment plan, a portion of the Camden Historic Survey, and for additional staff time needed to update certain plans. At that meeting, the Members also extended the term of the grant agreement from May 19, 2006 to May 19, 2008.

The 7 neighborhood plans to be completed with the ERB planning funds included: Centerville, Fairview, Liberty Park, Morgan Village, Parkside, North Camden, and Whitman Park. The 14 redevelopment plans under this planning project included the following areas: Bergen Square, Cooper Plaza, Central Waterfront, Downtown Camden, Gateway, Lanning Square, Liberty Park, Marlton, Morgan Village, North Camden, Rosedale, Stockton II, Waterfront South, and Whitman Park.

Ms. Hassett pointed out that to date, all 7 of the neighborhood plans have been completed and 11 of the 14 redevelopment plans have been completed and approved by the Camden City Planning Board. The timeline for completion of these plans is anticipated by May 2010.

The CRA is requesting a reallocation of ERB funds to complete these plans only as well as the fees associated with the special planning board meetings. The CRA/City staff completed the Downtown and Cooper Plaza Redevelopment Plans instead of contracting with consultants, saving nearly \$40,000 in expenses. To accomplish this revised scope of work, the CRA is also requesting an extension of the grant term to May 19, 2010.

To date, \$275,348 has been disbursed. The balance of \$448,597 will be utilized for activities described herein.

MOTION TO APPROVE: Judge Davis SECOND: Council Pres. Fuentes AYES: 8

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board, the ERB Business Incentive Grant Programs Status Update.

Ms. Hassett stated that the members were being asked to extend the ERB Business Incentive Grant Programs an additional 12 months through September 30, 2009 and to recommend this extension EDA Board for approval.

Ms. Hasett pointed out that on August 23, 2005, the Members approved a \$16 million allocation from the Demolition and Redevelopment Financing Fund to support the pilot of the Business Improvement and Business Lease Incentive initiatives in an effort to stimulate commercial, industrial and retail business activities throughout the City of Camden. On October 23, 2007, the Members approved a modification to the program that reduced the level of funding from \$16 million to \$10.5 million, with maximum allocations of \$500,000 for the Business Improvement Incentive Program ("BII") and \$10 million for the Business Lease Incentive ("BLI") Program.

Ms. Hassett stated that over the last year, staff has collaborated with state and local agencies to promote these incentives to stimulate business growth in the City of Camden. Specifically, the incentive programs were highlighted in several news releases and press events. Although the outreach efforts continue to be aggressive, activity for the BII has been slow primarily due to the rising costs of construction. To date, three applications have been approved for a total of \$60,000, which has leveraged more than \$380,000 in private investment and resulted in the creation of 7 new jobs.

Under the BLI program, 11 applications have been received and approved for approximately \$2.1 million. The 11 approved projects will result in 142,000 s.f of additional leased space and the creation of approximately 500 new jobs spurring approximately \$23 million in new rents over the next 10 years.

Based on the activity thus far and the anticipated demand, the members are asked to extend the ERB Business Incentive Grant Programs an additional 12 months through September 30, 2009 and to recommend this extension to the EDA Board for approval.

MOTION TO APPROVE: Judge Davis SECOND: Mr. Hosey AYES: 8

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board. Ms. Hassett stated that the next two items were approved under delegated authority and were for informational purposes only. The first applicant, Heaven's Little Angels Learning Center (P21114) was approved for \$36,900. The company currently has twelve employees and plans to create eight additional jobs over the next two years.

The second company is WorldExtend, LLC (P23156) was formed in 2005 as a service provider that has developed software that allows corporations to provide secure remote access to corporate data and applications to its employees. The company was approved for a \$30,795 grant. The company currently has seven employees and plans to create 34 additional jobs over the next two years.

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board. Ms. Hassett stated that the next item was the Qualified Municipality Capital and Economic Recovery Financial Plan and was being presented for informational purposes only.

Ms. Hassett stated that Section 45(d) of the Municipal Rehabilitation and Economic Recovery Act requires several reports to be submitted to the legislature in the interest of monitoring the implementation of the Strategic Revitalization.

Ms. Hassett stated that the funding limits for affordable housing, public purpose projects and transitional area projects are \$8.75 million, \$7.5 million and \$17.5 million respectively. To date, the

Members have agreed to maintain these limits. The funding limit for infrastructure projects was established at \$20 million however over the last 5 years, the demand for this financing was significantly greater and as such the Members approved a number of increases to support the demand. Currently, the funding limit for infrastructure projects is \$70 million.

The adoption of the Program Guide and Application opened the door for applications and to date, staff has reviewed approximately 113 applications of which 63 are approved for a total of approximately \$145.5 million in grants, recoverable grants and loans. In addition, 14 projects have been approved for approximately \$2.1 under the Business Lease Incentive and the Business Improvement Incentive Programs. The 77 approved projects total approximately \$147.9 million of investment leveraging \$859 million in other public and private financing, resulting in the creation of approximately 1100 full time jobs and generating approximately \$1.5 million in additional annual revenue to the City via real estate taxes and service charge agreements. The balance of the applications received represent 9 pending and 27 withdrawn.

Chairman Rousseau requested updates or items of interest from the Members.

The board discussed the various housing projects that have been assisted by the ERB and the perceived inadequate revenues from long term PILOT agreements to support needed city services. While much has been done, the Board expressed frustration at not being able to have the activity to stimulate revenues.

On a motion by Mr. Hosey, and seconded by Council President Fuentes, the board decided that a presentation on board activities be done at the October board meeting. CRA will participate in the presentation.

Chairman Rousseau requested comments from the members of the public.

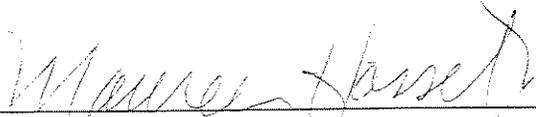
Mr. Colandus "Kelly" Francis, President NAACP of Camden gave remarks on analysis that he has done that contrasts the costs of providing the City with educational services to property tax revenues.

Senator Dana Redd stated that the State, county, and city governments should align in an effort to move Camden forward now, and that much has been done already.

It should be noted that James Souder attempted to call into the meeting on behalf of DCA Commissioner Joseph Doria, Jr., but due to technical difficulties the call was not completed.

There being no further business, on a motion by Judge Davis, and seconded by Council Pres. Fuentes, the meeting was adjourned at 11:00.

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