

**ECONOMIC RECOVERY BOARD FOR CAMDEN**

**Camden Lutheran Housing Corporation**

**October 3, 2006**

**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; City Council President, Angel Fuentes; Michael Lihvarcik, designee for State Treasurer Bradley Abelow; Mayor Gwendolyn Faison and Public Members: William Hosey, Rodney Sadler, Robert Milner, and Rosa Ramirez.

Also Present: Assistant Secretary, Maureen Hassett; EDA staff; Melissa Liebermann of the Governor's Authorities Unit, and guests.

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

Vice Chairman Jones called the meeting to order at 10:08 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 September 7, 2006 minutes of the Board.

**MOTION TO APPROVE: Mr. Primas                      SECOND: Ms. Ramirez                      AYES: 10**

**MINUTES OF BOARD MEETING**

Betsy Clifford, Executive Director, Camden Lutheran Housing Corporation ( CLHC) welcomed the board and all present. Ms. Clifford stated she was proud to announce that February 2007 marks the 10-year anniversary of the Cooper Waterfront Homes (CWH). The Cooper Waterfront Homes is a 65-unit development that is fully occupied, and has a waiting list of 1 – 3 years. She told the board that CLHC has completed a 16-unit development called Riverview Homes and will soon have a groundbreaking for Grace Housing Phase 2. The original Grace Housing development consists of 8 units, and was completed in 1999.

Reverend Tony Evans of the City of Camden welcomed the board and all present. He provided the board with an annual report of the City of Camden, Division of Health and Human Services. He mentioned that Division of Health and Human Services has various programs, including a Halloween program, the "Camden is on The Move" television program, the Mayor's Sunday morning radio program, which is broadcast from 8:30 – 9:30 (1310 AM), a bilingual program, as well as a partnership with the Workforce Investment Board.

Vice Chairman Jones called on Ms. Hassett to summarize the first agenda item, the Amendment to the ERB Guide to Program Funds. Ms. Hassett stated that pursuant to the endorsement of the ERB Policy Committee, the Members are asked to approve an amendment to ERB Guide to Program Funds criteria for infrastructure projects to allow grants for site remediation costs not eligible for grant funding from the New Jersey DEP Hazardous Discharge Site Remediation Fund (HDSRF) up to \$2,000,000 per project.

**MOTION TO APPROVE: Mr. Primas                      SECOND: Ms. Ramirez      AYES: 10**

Vice Chairman Jones asked Ms. Hassett to summarize the next item on the agenda, the Camden Redevelopment Agency Building 8 - Radio Lofts (P017493) project. Ms. Hassett stated the Members were being asked to approve a \$1,997,716 infrastructure grant to the Camden Redevelopment Agency ("CRA") to support the environmental remediation work plan for the former RCA Manufacturing Facility, Building 8, located in the Waterfront District of Camden.

The project property is located across the street from The Victor Building, which is the former RCA Nipper Building that Dranoff Properties renovated into 341 luxury loft rental apartments that includes retail and parking. This is a highly successful \$65 million historic rehabilitation.

RLA was recently formed in 2006 as the sole member of a New Jersey Limited Liability Company called Radio Lofts Urban Renewal Group, LLC. RLA is affiliated with Dranoff Properties, Inc. ("Dranoff").

The project entails the gut-rehabilitation of a ten-story 153,373 sf vacant building on Front and Cooper Streets. The building will be redeveloped into 86 condominium units with ground floor retail, lobby and onsite parking spaces. In addition, a fitness center, resident's lounge, catering kitchen and possible roof deck will be included. Per the option agreement with CRA, RLA will purchase the property for \$1.00 conditioned upon the completion of the environmental remediation of the site.

**MOTION TO APPROVE: Ms. DellaVecchia                      SECOND: Mr. Milner AYES: 9**

**COO Primas abstained because he is Chair of the CRA.**

Vice Chairman Jones called on Ms. Hassett to summarize the next agenda item, the Camden Redevelopment Agency (CRA) Central Waterfront Parking Project (P016137). Ms. Hassett explained that the Members are being asked to approve a modification to the CRA's Central Waterfront Parking project in Camden. The modification includes a \$1,089,500 increase in the total project cost from \$3,910,500 to \$5,000,000. To support the increase in total project cost, the CRA is requesting an increase in the ERB recoverable infrastructure grant from \$3,910,500 to \$5,000,000.

Ms. Hassett stated that on September 20, 2004, the Members approved a \$3,910,500 grant to fund the construction of temporary parking spaces in the Central Waterfront neighborhood for use for Tweeter Center events, and for buses and employees of other waterfront attractions. The approval was modified at the December 21, 2004 ERB Board Meeting to reflect the correct boundaries, number of properties, as well as relocation and other costs. The total project costs remained the same as well as the amount of the ERB Relocation Grant for the modification.

The Department of Community Affairs has approved the Workable Relocation Assistance Plan (“WRAP”), acquisition of properties, relocation of families has begun, and a RFP for demolition will be issued soon.

The original 2004 project budget did not include the possibility for any future impact of increased appraisal values, relocation costs or demolition costs. The revised budget is based on appraisals that have been completed and received by the CRA and includes closing costs, title insurance and costs for condemnation. Based on current estimates, demolition costs increased by approximately \$160,000. The increase in relocation costs represents related first time homebuyer expenses and moving expenses required by the WRAP. Lastly, the increase in project management fees represents additional CRA staff time required to complete the project.

The NJEDA will require a mortgage on each project property. If the properties are sold, the NJEDA will require 50% of the proceeds for 100% of the ERB grant.

**MOTION TO APPROVE: Mr. Milner                      SECOND: Mr. Sadler                      AYES: 9**

**COO Primas abstained because he is Chair of the CRA.**

Vice Chairman Jones called on Ms. Hassett to summarize the next agenda item, the Cooper Grant Developers LLC Project (P015416). Ms. Hassett explained that the Members were asked to approve a change in project scope from the construction of 28 new market rate units to the construction of 18 new market rate units to be located in the Cooper Grant neighborhood and reduce the ERB soft loan from \$1,550,000 to \$1,200,000.

Ms. Hassett remarked that on August 3, 2004, the Members approved a \$1,550,000 ERB soft loan to Cooper Grant Developers LLC (CGD) to support the construction of 28 new market-rate homes in the Cooper Grant neighborhood.

The applicant, Cooper Grant Developers LLC, is a joint venture between Pennrose Properties, Inc. (Pennrose) and the Cooper Grant Neighborhood Association (CGNA) formed for this development project. CGNA has been organized and active in the Cooper Grant neighborhood for 20 years. Pennrose is the Principal of Cooper Grant Developers LLC and is a full-service real estate development firm.

In May of this year, CDG was advised by the city’s Building Department that the construction permits were not being issued because of environmental issues. The City is now requiring CGD to secure a “no further action” (“NFA”) letter from the NJDEP for the ABC Barrel Factory site before the City will process the building permit applications.

In an effort to avoid any additional delays and honor its commitment to the project, CDG is amending the project scope by excluding the barrel factory site and reducing the size of the project to 18 units. The other committed funding sources of the project have agreed to the change in scope, which has reduced the project budget from \$9.4 million to \$6.8 million. Based on the revised budget, CDG is requesting a reduction in its ERB loan from \$1,550,000 to \$1,200,000.

No other terms of the ERB approval are impacted by this amendment.

**MOTION TO APPROVE: Mr. Primas                      SECOND: Mr. Sadler   AYES: 10**

Vice Chairman Jones requested comments from the Members.

Maureen Hassett stated that the newly printed “Opportunities Await in Camden” brochures are available to Members to distribute during speaking engagements.

Mayor Faison expressed her appreciation to Marge DellaVecchia and her staff for their work on the Governor’s Conference on Housing that recently took place in Atlantic City.

Marge DellaVecchia provided some of the highlights from the NJHMFA sponsored Annual Governor’s Conference on Housing, including:

- A new “Green and Sustainable Development” category was added to the conference
- The Gwendolyn Faison Mews Housing Complex in Camden received an award under the new category
- St. Joe’s Carpenter Society, celebrating their 20<sup>th</sup> anniversary, won the “Special Project of the Year Award” for rehabilitating a house in only one week

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

Frank Fulbrook, President Cooper Grant Neighborhood Association expressed his thanks to the board for moving forward with the construction of 18 new market rate units to be located in the Cooper Grant neighborhood. He also requested that the Members of the Board contact the Camden Empowerment Zone Corp. regarding its funding approval amount for the project.

Mr. Colandus “Kelly” Francis, President NAACP of Camden County expressed his thanks to Marge DellaVecchia and the NJHMFA for their work on the Gwendolyn Faison Mews Housing development and stated he was extremely proud of the project. Mr. Francis also expressed concern that potential occupants of the Radio Lofts condominiums were being given an unfair tax break.

In response, COO Randy Primas stated that the tax breaks were a necessary incentive to attract higher income individuals to the City in an effort to develop mixed income communities. He also indicated that a PILOT (Payment in Lieu of Taxes) would be paid by these condo owners based on a percentage of the construction cost.

Marge DellaVecchia added that the NJHMFA has been successful with its “shared equity” philosophy, which requires the homes to be the permanent residence of the buyer, and if the homes are sold within 7 years from the date of purchase, the NJMHFA will share in the proceeds from the sale.

Sean Brown, of CamConnect addressed the board stating he took issue with Camden being designated as the poorest city in the nation based on an outdated definition of poverty. He also stated that the CRA should work with the ERB to develop an economic development plan for the City of Camden.

In response to Mr. Brown, Ms. Hassett stated that when the ERB was first created, a Strategic Revitalization Plan was developed and the ERB is in fact working from that plan to create jobs and develop housing.

Mr. Primas added that since the creation of the ERB, work has been done in literally every neighborhood in the City. However, private sector investment is needed. Mr. Primas went on to say that although the board is working with the limited resources of \$175 million, a consultant, Hammer Siler George, was hired to advise the ERB on how to best invest that \$175 million to obtain the most leverage. These recommendations were captured in the Strategic Revitalization Plan.

There being no further business, on a motion by Robert Milner and seconded by Mr. Primas, the meeting was adjourned at 11:30 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 black ink, appearing to read "Maureen Hassett", written over a horizontal line.

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