

**ECONOMIC RECOVERY BOARD FOR CAMDEN**

**October 23, 2007**

**Rutgers University - Camden**

**MINUTES OF THE ANNUAL MEETING**

Members of the Board present: Chairwoman Lopa Kolluri, designee for State Treasurer Michellene Davis; Judge Theodore Davis, COO; Mayor Gwendolyn Faison; City Council President Angel Fuentes; Marge DellaVecchia representing Acting DCA Commissioner Joseph Doria, Jr.; Freeholder Director Louis Cappelli, Jr.; Legislative Member: Assemblywoman Nilsa Cruz-Perez; Non-voting Member; and Public Members: William Hosey, Rodney Sadler, Rosa Ramirez, 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; Rev. J. C. Jones, Vice Chairman; and Legislative Member: Senator Wayne Bryant.

Chairwoman Kolluri called the meeting to order at 10:17 am.

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*, 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.

Ms. Hassett welcomed Assemblywoman Nilsa Cruz-Perez to the board.

Chairwoman Kolluri asked for a motion to approve the August 20, 2007 minutes of the Board.

**MOTION TO APPROVE: Judge Davis                      SECOND: Mr. Sadler                      AYES: 9**

**MINUTES OF BOARD MEETING**

Larry Gaines, Vice Provost for Administration & Finance, Rutgers University, welcomed the board and all present. Mr. Gaines stated that the University was in the second phase of renovating the 20-year-old building. He pointed out that they had recently completed renovations to the dining hall over the summer. He also invited all present to visit the Gateway Arts Center on Fourth Street, particularly at night as the view was spectacular. Lastly, he pointed out that the recreation center received \$12 million in upgrades and is a wonderful place for students.

Chairwoman Kolluri summarized the first item before the board. Ms. Kolluri stated the purpose of the annual meeting is to elect the officers of the Board for the coming year including the Vice Chair and Treasurer. Ms. Kolluri stated that Reverend Jones has expressed an interest in continuing to serve as Vice Chairman, and Michellene Davis, State Treasurer, as Treasurer of the

Board with herself, Ms. Kolluri, as her designee.

Ms. Kolluri stated that the appointment of a Board Secretary is also required, and any Assistant Secretaries. She requested the board to confirm Caren Franzini as Secretary, and to appoint Maureen Hassett, Senior Vice President of the NJEDA and Laura Wallick, Regional Director, South of the NJEDA to serve as Assistant Secretaries.

Ms. Kolluri also pointed out that the by laws provide for the formation and appointment of the Members to the committees charged with advising the Board in its operations. The Board has two committees that were formed; the Policy Committee and the Project Review Committee. Members have expressed their interest in participating as follows:

The **Policy Committee** reviews the implementation of the Strategic Revitalization Plan, the Capital Improvement and Infrastructure Plan, the City Master Plan and the ERB Guide to Program Funds and monitors the progress of the investment strategy for the fund disbursements. This committee will consist of the Chairperson and the following four appointments: Judge Theodore Davis, COO City of Camden, Marge DellaVecchia, Executive Director of NJHMFA as designee for Joseph Doria, Jr., Acting Commissioner of New Jersey Department of Community Affairs, Council President Angel Fuentes, and Public Member, Rodney Sadler.

The second committee, the **Project Review Committee** reviews and approves all projects for financing prior to submission to the Members of the Board. Projects are reviewed for their consistency with the Strategic Revitalization Plan, Capital Improvement and Infrastructure Plan and the ERB Guide to Program Funds. The Project Review Committee will consist of the Chairperson and five appointments who will rotate monthly. The rotating Members will include Marge DellaVecchia, Rodney Sadler, William Hosey, Robert Milner, Rosa Ramirez, Reverend J.C. Jones, Mayor Gwendolyn Faison, designee Dennis Kille, and Freeholder Director, Louis Cappelli.

Ms. Kolluri referred the Members to the attached schedule of the ERB's monthly PRC and Board meetings through October 2008. She stated that by resolution the board would be adopting the schedule for next year's Board meeting dates. Election of the Secretary, Assistant Secretaries, Committee appointments, a Vice Chair and Treasurer were presented to the board for approval.

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

Chairwoman Kolluri called on Ms. Hassett to summarize the next item before the board, the Amendment to 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 increase to the infrastructure project-funding limit from \$60 million to \$70 million.

Ms. Hassett stated that on June 20, 2003, the Members of the ERB approved the Guide to Program Funds (the "Guide"), which outlines the purpose of the ERB and the general criteria for project financing. At that time, the Board established a funding limit of \$20 million for infrastructure projects.

On December 23, 2003, the ERB approved changes to the Guide regarding infrastructure projects, which allows for 100% of a project to be funded at a limit of \$5 million in the form of grants and recoverable grants. To date, the ERB has approved 27 infrastructure projects totaling \$57.4 million of which two projects amounting to \$3,550,000 have been repaid. These 27 projects have and will eliminate blight and create opportunity for future development. They will leverage more than \$228 million in other public and private investment and result in the creation of approximately 1500 construction jobs and approximately 122 permanent jobs.

**MOTION TO APPROVE: Mr. Hosey                      SECOND: Judge Davis                      AYES: 9**

Chairwoman Kolluri called on Ms. Hassett to summarize the next item before the board, the ERB Business Incentive Grant Programs Status Update. Ms. Hassett stated that pursuant to the endorsement of the ERB Policy Committee, the Members are asked to extend the ERB Business Incentive Grant Programs an additional 12 months through September 30, 2008. In addition, the Members are asked to amend 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. Further, the Members are asked to modify the BII program criteria to allow the full amount of the grant to be disbursed upon completion of the building improvements.

Ms. Hassett 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. As part of the approval, staff was asked to report on the program annually to evaluate the program criteria and to determine its viability to move forward.

Ms. Hassett explained the incentive programs as originally established and then provided an update on each.

Ms. Hassett went on to say that staff has met with numerous businesses; specifically property owners on Market Street and Westfield Avenue who are very interested in applying for the BII grant incentive. These property owners have petitioned staff to seek approval to amend the program criteria to allow for the full amount of the grant to be disbursed upon completion of the improvements. This modification will enable the owners to reduce debt obligations associated with the improvements and/or replenish working capital funds needed to operate the business. Based on the activity to date, staff is recommending the criteria be amended with the expectation that more businesses will be encouraged to make improvements to their facilities. Ms. Hassett indicated that due to limited activity under the program staff is also recommending that the funding level be reduced to \$500,000. When leveraged with UEZ funds, this level of funding can assist in excess of 25 property owners. The remaining \$500,000 will be re-allocated back to the Demolition & Redevelopment Financing Fund to support qualified revitalization projects throughout the city.

Ms. Hassett also noted that staff would like to seek input from its partners at the Camden Redevelopment Agency and the Greater Camden Partnership that would establish a limit on the number of grants to be allowed for any one property. Ms. Hassett indicated that the Board would be advised of these limits at the next scheduled meeting.

Under the BLI program, 9 applications have been received and approved for approximately \$1.7 million. The nine approved projects will result in 115,000 s.f of additional leased space and the creation of approximately 420 new jobs spurring approximately \$20 million in new rents over the next 10 years.

Based on the average amount of the lease incentive grants approved to date, staff is recommending the program funding limit be reduced from \$15 million to \$10 million which can support at least 40 additional companies at an average BLI grant of \$200,000. The remaining \$5 million will be re-allocated back to the Demolition & Redevelopment Financing Fund to support qualified revitalization projects throughout the city.

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, 2008 and to amend the level of funding from \$16 million to \$10.5 million with maximum allocations of \$500,000 for the Business Improvement Incentive Program and \$10 million for the Business Lease Incentive Program. Further, the Members were asked to modify the Business Improvement Incentive program criteria to allow the full amount of the grant to be disbursed upon completion of the building improvements with a limited number of grants to be approved per property.

**MOTION TO APPROVE: Mr. Hosey                      SECOND: Judge Davis                      AYES: 9**

Chairwoman Kolluri called on Ms. Hassett to summarize the next item before the board, the Fund Allocation. Ms. Hassett stated that pursuant to Article 9, Section 72 of the Municipal Rehabilitation and Economic Recovery Act (the "Act") the Chief Executive Officer ("CEO") of the New Jersey Economic Development Authority and the Chief Operating Officer ("COO") for the City of Camden are authorized to reallocate up to 20% of the total amount deposited into each individual funding category in order to serve the economic revitalization goals the Act seeks to promote.

Notwithstanding the above, a policy was adopted that requires the CEO and the COO to advise the ERB Policy Committee regarding any reallocation of ERB funds. This notification ensures full disclosure of how the ERB funding is being utilized.

Ms. Hassett stated that to date, a total of approximately \$137.7 million has been approved for 56 projects of which \$3.5 million has been repaid from two projects. In addition, \$1.7 million has been approved for 9 projects under the Business Lease Incentive ("BLI") program and \$40,000 was approved for 2 projects from the Business Improvement Incentive ("BII") program. She referred the Members to an attached Fund Approvals Chart.

Staff from the ERB, CRA and other state agencies compiled a pipeline of proposed projects to be developed throughout the City in the ensuing year that will be seeking financial assistance from the ERB in an amount totaling in excess of \$17 million.

Based on the fund amounts established under the Downtown Revitalization and Recovery Fund and the Demolition and Redevelopment Financing Fund and the number of projects approved under each category, the balances in these fund categories are insufficient to support the demand.

To enable these projects to apply for ERB assistance, the CEO and the COO, with the endorsement of the ERB Policy Committee, are seeking to amend the level of funding for Business Incentive Programs from \$16 million to \$10.5 million, which would increase the available funding under the Demolition and Redevelopment Financing Fund from \$246,471 to \$5,746,471. From this amount, 5% of the initial fund amount, equal to \$2,150,000 is being requested to be reallocated to the Downtown Revitalization Fund leaving a balance of \$3,596,471. In addition, the CEO and COO are seeking to reallocate 20% of the Economic Recovery Planning Fund equal to \$700,000 to the Downtown Revitalization and Recovery Fund leaving a balance of \$1,166,005. The requested reallocation of funds will enable the structured parking garage project to be located in the Downtown to move forward while leaving sufficient balances in the other categories to provide support to the other projects on the pipeline.

**MOTION TO APPROVE: Ms. DellaVecchia      SECOND: Judge Davis      AYES: 9**

Mayor Faison requested permission to summarize a memo she had written to the board requesting stabilization funds. The memo outlined how in the last five years, the City has spend \$12 million to demolish 927 structures with the average cost of demo being \$15,000.00 per structure. The memo outlined how stabilization would help save neighborhoods while reducing the cost of neighbourhood redevelopment. It would avoid costly demolition of properties presently in need of stabilization as well as those adjoining properties that would eventually be affected.

Marge DellaVecchia responded that based on the proposed use of funds the request for stabilization funds appeared to be eligible for financing from the ERB as an infrastructure project and suggested the Mayor present it through the application process.

Chairwoman Kolluri called on Ms. Hassett to summarize the next item before the board, the RPM Management, LLC (RPM) –Fairview Parking Courts (P15451) project. Ms. Hassett stated that the Members were asked to approve a modification to the Fairview Parking Courts project to allow for a reallocation of the \$791,694 ERB infrastructure grant due to a change in project scope.

Ms. Hassett stated that in August 2004, the Members approved a \$791,694 non-recoverable infrastructure grant to RPM to make improvements to parking courts and other infrastructure in the Fairview section of Camden to support nearly 100 rehabilitated housing rentals units in the area. More specifically, the grant was for the redesign and resurfacing of four interior parking lots to contain 46 parking spaces; a fifth parking court at Yorkship School and Alabama Road to create 8 parking spaces; and the repavement of the 1200 and 1300 blocks of South Merrimac Road.

Previously, the CRA and the City Council had agreed to transfer the land ownership to RPM, subject to the company receiving funding to make the necessary improvements to the parking areas.

In addition, RPM was to maintain the parking courts through snow removal, landscaping, repair, lighting, capital reserves, and administration costs. RPM had planned to require the residents to pay for parking permits at a monthly cost of \$35 for the fifty-four (54) parking spaces.

Subsequent to the ERB approval, the City discovered that a clear title could not be conveyed to RPM. The City determined that it would issue a license to RPM Management, LLC to operate and maintain the parcels as the alternative. Since RPM will not own the land, ERB funding will be subject to receipt and satisfactory review by the Deputy Attorney General's office of an executed license agreement between the City and RPM.

The infrastructure project changed significantly in April 2007, due to the Municipal Engineer's recommendation to identify and repair the defective sewers impacted by the project. Since these sewers are in severe disrepair, the project needs to be phased as well as scaled down because of the increase in project costs and lack of additional funding available.

With the reallocated ERB funding, RPM will be able to complete the improvements for two (2) of the parking courts (Phases 1 and 2). These parking courts will contain a total of 23 parking spaces as well as landscaping. The monthly fee for residents is \$25 per parking space.

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

**Mr. Milner voted no because he disagreed with the \$25.00 parking fee for residents.**

Rodney Sadler asked how the \$25 parking fee was determined. Alicia Johnson, Project Manager, RPM Management, LLC, stated that the original fee of \$35.00 almost covered all maintenance fees, however after meeting with residents who were not happy about the fee, it was reduced.

Chairwoman Kolluri called on Ms. Hassett to summarize the final item before the board. Ms. Hassett stated the Cooper Health System (CHS) project (P19475) was approved under delegated authority. Ms. Hassett stated that CHS was approved for a \$26,604 Business Lease Incentive Grant. CHS will lease 2,956 square feet of space in the Waterfront Technology Center at Camden to establish a pathology lab and will create six additional jobs within the next two years.

Chairwoman Kolluri requested comments from the Members.

Ms. Hassett stated that last week, there were two committee meetings held at the new EDA offices in the Waterfront Technology Center at Camden. A miscommunication on the location of the meetings led some committee members being unable to participate in the first meeting, the Policy Committee meeting. That meeting took place with three of the five members participating by phone. When the second meeting, the Project Review Committee (PRC) meeting began, the members of the Policy Committee that had been in the building in a different

room entered the meeting. Their presence, along with the others on the phone, triggered a quorum. Ms. Hassett asked that, in order to avoid a quorum, some members exit the meeting, and that EDA staff would follow up individually with the two members of the Policy Committee who had not been able to participate to ensure any questions or concerns were addressed. Ms. Hassett stated that the EDA holds itself to higher standards, and took the opportunity to publicly apologize to committee members who may have felt inconvenienced by the mix up.

Rosa Ramirez expressed her extreme displeasure, and stated that she felt very offended and requested an explanation of what a quorum was, and a copy of the by-laws.

Mr. Sadler, one of the Members affected by the committee meetings, stated that it appeared that the confusion was because it was the first meeting in a new building.

Chairwoman Kolluri stated that although we must abide by the rules of a quorum, we don't want anyone to feel upset, and asked Ms. Ramirez to call her to work thru the situation.

Chairwoman Kolluri requested comments from the members of the public.

Gwendolyn Harris, Associate Director, Rutgers University – Camden asked for clarification on what had just transpired and on the rules surrounding meetings.

DAG Renaud explained that some committee members were turned away from the PRC meeting last week because of quorum rules. DAG Renaud explained that when seven ERB Board Members assemble whether in person, or by telephone, that constitutes a quorum. A meeting with a quorum must be publicly noticed, or it cannot proceed. Because of the logistical misunderstanding surrounding the committee meetings, there was a quorum at the PRC meeting and the extra members had to be turned away.

Roy Jones of Unity Community Center, Inc., (UCC) distributed a Community Arts Center & Theatre brochure and an executive summary of a business proposal. Mr. Jones stated they were working with EDA staff, who have been very helpful in the application process. He remarked that Unity Committee Center has been around for 23 years, changing the lives of Camden's young people and has never asked for funding from the State. He also pointed out that Jamal Dickerson, President, Unity Community Center, recently received the Outstanding Teacher of the Year Award. He stated that UCC was working to resolve some financial glitches, and that a letter would be forthcoming from Rohm Haaus stating that the organization would be providing matching funds to the organization. He wanted to ensure that funding would be available for UCC's project when ready to move forward.

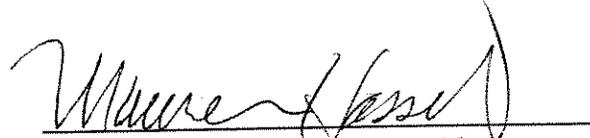
Mr. Colandus "Kelly" Francis, President NAACP of Camden County expressed his displeasure about more low income housing being built in Centreville, near Interstate 676, and the sewerage treatment plant because of the environmental issues and the potential health issues.

He stated that Jamal Dickerson, President of Unity Community Center, Inc. was also a member of the NAACP, and that the UCC was a worthy recipient of ERB funding.

He followed up on the Mayor's comments regarding funding for stabilization, remarking that restoration was preferable over new construction, as the older construction techniques were typically superior.

**There being no further business, on a motion by Judge Davis and seconded by Mr. Hosey, the meeting was adjourned at 11:35 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, appearing to read "Maureen Hassett", written over a horizontal line.

Maureen Hassett, Sr. Vice President  
Governance & Communications, EDA  
Assistant Secretary, ERB