

ECONOMIC RECOVERY BOARD FOR CAMDEN

October 27, 2009

Waterfront Technology Center, Camden, NJ

MINUTES OF THE ANNUAL MEETING

Members of the Board present: Chairman David Rousseau, State Treasurer; Rev. J. C. Jones, Vice Chairman; Dennis Kille designee for Mayor Gwendolyn Faison; Tina Vignali designee for City Council President Angel Fuentes; Ed Carman representing DCA Commissioner Chuck Richmond; Caren S. Franzini designee for EDA Chairman Carl Van Horn, and Public Members: Rodney Sadler, William Hosey, Rosa Ramirez, Robert Milner; and Anthony Bucci for Freeholder Director Louis Cappelli, Jr.; Non-Voting Member.

Present via conference call: Alberta Hyche, Interim COO

Also Present: Maureen Hassett, and Laura Wallick, Assistant Secretaries; Bette Renaud, DAG; Rob Shane, Governor's Authorities' Unit; and EDA staff.

Absent: Non-Voting Legislative Members: Senator Dana Redd, and Assemblywoman Nilsa Cruz-Perez.

Chairman David Rousseau called the meeting to order at 10:10 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 September 23, 2008 minutes of the Board.

MOTION TO APPROVE: Mr. Milner SECOND: Mr. Hosey AYES: 10

Chairman Rousseau welcomed all present to the annual meeting of the ERB.

Chairman Rousseau summarized the Annual Meeting memo stating that an annual reorganization meeting is held in October of each year to elect officers for the coming year including the Vice Chair and Treasurer. He stated that once again Reverend Jones has expressed an interest in continuing as Vice Chairman and that he would serve as the Treasurer.

Chairman Rousseau asked 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.

Chairman Rousseau made the following recommended appointments to Board Committees:

Policy Committee - This Committee will consist of the Chairperson and the following four appointments: COO City of Camden, Commissioner of New Jersey Department of Community Affairs, Council President Angel Fuentes, and Public Member, Rodney Sadler.

Project Review Committee - The Project Review Committee will consist of the Chairperson and five appointments that will rotate monthly. The rotating Members will include the Commissioner of New Jersey Department of Community Affairs or designee, the Mayor of the City of Camden or designee, Rodney Sadler, William Hosey, Robert Milner, Rosa Ramirez, Reverend J.C. Jones, and Freeholder Director, Louis Cappelli.

Finally, Chairman Rousseau asked the Committee to adopt the Calendar for next year.

MOTION TO APPROVE: Mr. Milner SECOND: Mr. Carmen AYES: 10

Mr. Sadler entered the meeting at this time.

Chairman Rousseau asked Ms. Hassett to summarize the first item before the board, the Camden Redevelopment Agency - Radio Lofts (P017493). Ms. Hassett stated that the Members are being asked to approve a modification to the \$1,997,716 non-recoverable infrastructure grant to the Camden Redevelopment Agency ("CRA") to support the change in scope to the remedial action work plan (RAWP) for the former RCA Manufacturing Facility, Building 8 located in the Waterfront District of Camden.

Ms. Hassett added that this change in scope resulted in an increase to the project budget of approximately \$1.5 million for which HDSRF grant funding has been approved. In addition, the Members are asked to allow for the ERB grant to be disbursed periodically in conjunction with funding from the New Jersey Redevelopment Authority (NJRA) to support the RAWP schedule and to be used as bridge financing for the HDSRF funds if required.

Lastly, the Members are asked to extend the grant term to December 31, 2013 to allow sufficient time for the project to be completed and the air monitoring to be conducted.

MOTION TO APPROVE: Ms. Franzini SECOND: Mr. Carman AYES: 11

Mr. Hosey asked the representatives from CRA and Dranoff Properties to ensure that the environmental risk assessment report is distributed to the general contractor as well as all of the subcontractors.

Ms. Hassett added that the demolition, clearing and remediation of the Tire & Battery site will prepare a key parcel toward the development of the Gateway Office Park. The cleared and remediated site will be conveyed to CSC for development as part of the Gateway Redevelopment Plan. The development of the Gateway Office Park is a critical element in ensuring the continued presence of CSC in the City and will help maintain the company's 1,200+ jobs. Additionally, the development of the office park will eventually encourage the creation of additional professional and research oriented jobs.

The original budget did not provide for any engineering oversight or contingency and did not include the USEPA grants which the CRA has been awarded. These elements account for most of the variance between the original and revised budgets.

Ms. Hassett noted that the project is currently 39% complete, and with the completion of the clean fill cap by the end of this year, the project will be 74% complete. Additional time is needed to complete the project and to allow for DEP to review and issue notice requiring no further action.

MOTION TO APPROVE: Mr. Milner SECOND: Mr. Sadler AYES: 11

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board, the Cooper's Ferry Development Association, Inc. - Boyd and Morse Infrastructure Project (P018149)

Ms. Hassett stated that the Members were being asked to approve a modification to the \$3,570,000 non-recoverable infrastructure grant to Cooper's Ferry Development Association, Inc. ("CFDA") to amend the scope of work and extend the term of the grant agreement to October 31, 2010.

Ms. Hassett remarked that on April 24, 2007, the Members approved a \$3,570,000 non-recoverable infrastructure grant to CDFA to fund infrastructure improvements on three city blocks in the Marlton Section of Camden.

The project also includes the construction of new streets, alleys and sidewalks in and around the three block target area. Lastly, it includes the installation of new water lines, sewer lines, storm water lines, as well as gas lines, electrical services, and telecommunication services feeding approximately 120 existing homes and the proposed housing units.

The conceptual plan for the Carpenter Square housing development included the construction of 45 units however, based on input from the community and project architect, St Joe's decided to reconfigure the project and reduce the number of units to be constructed to 42 units.

CDFA has employed several cost-saving strategies and best management practices to reduce the actual cost of the project construction. As such, CFDA is seeking an increase in its management fee to cover those expenses related to value engineering, its public outreach on the project and for those costs related to a contract CFDA will enter into with St. Joes to acquire and demolish four vacant privately owned properties not contemplated in the original scope of work.

The infrastructure project is now 95% complete. The remaining items to be completed include the installation of fencing on existing properties in the area. CFDA is requesting an extension of their grant agreement until October 31, 2010 to allow sufficient time to complete the improvements and acquire and demolish the remaining four properties.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Milner AYES: 9

Rosa Ramirez abstained because she is an employee of St. Joseph's Carpenter Society.

Dennis Kille abstained on behalf of Mayor Faison, who is a member of the Cooper's Ferry Development Association Board.

Chairman Rousseau announced that the next item, "Delegated Authority for ERB Grants, Recoverable Grants, Loans and Incentives" would be held and would be brought back to the board at another time.

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

Ms. Hassett indicated that under the **Business Improvement Incentive** program, \$500,000 is allocated to reimburse financially viable business applicants for 50% of the cost of improvements made to facilities located on one of the city's major commercial corridors with a maximum incentive of \$20,000. The program is structured to allow for the full amount of the incentive award

to be disbursed to the applicant upon completion and inspection of the improvements. For investment properties owners, there is a limit of three BII grants.

Through the **Business Lease Incentive** program, \$10 million is allocated to attract businesses seeking to relocate to the City of Camden and plan to lease more than 500 s.f. of market rate building space.

Although the outreach efforts continue to be aggressive, activity for the BII has been minimal primarily due to economic recession and the challenges small businesses are experiencing accessing capital. 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, 17 applications have been received and approved for approximately \$2.1 million. Of the 17 approved projects, 2 are inactive. The remaining 15 projects have resulted in approximately 200,000 s.f of additional leased space and the creation of approximately 550 new jobs spurring approximately \$32 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, 2010 and to recommend this extension to the EDA Board for approval.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Sadler AYES: 11

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board, the Nueva Vida Homes, LLC Predevelopment Work Phase II (P23514) project. Ms. Hassett stated that the Members were being asked to increase the \$50,000 ERB recoverable predevelopment grant to \$100,000 to fund the increase in expenses associated with the predevelopment activities ("Project") for Phase II of Nueva Vida Homes, a mixed income housing development located in the Cramer Hill neighborhood of Camden.

Ms. Hassett stated that the project is the second phase of a three-phase development that will total 66 newly constructed homes in the Cramer Hill section of the City of Camden ("City"). Cramer Hill Community Development Corporation ("CHCDC") has successfully completed Phase I (Nueva Vida Homes Phase I) of this neighborhood revitalization project. Phase I consisted of 14 units and was completed in February 2008.

Phase II of Nueva Vida Homes is a 20 unit new construction, mixed-income homeownership and neighborhood revitalization project. Specifically, Phase II development area is located between 24th and 28th Streets, from Harrison Avenue to Wayne Avenue. While the broader Phase II project and its construction financing will include land acquisition, site preparation, infrastructure improvements, construction, and soft costs, the subject of this memorandum is for funding certain predevelopment activities only.

On February 24, 2009, the City introduced an Ordinance amending the transfer of City property to the Cramer Hill CDC that would remove eight properties and add four properties. The additional four parcels would allow the CHCDC to develop 20 homes on 22 City owned parcels. The Ordinance was passed in March, 2009.

The additional four parcels are located along 24th Street between Harrison Avenue and Pierce Avenue. In order to include the four parcels in the development, CHCDC has incurred substantial additional predevelopment expenses. Additional expenses include environmental, geo-technical,

and civil engineering specific to the 24th Street parcels. The ERB predevelopment grant would allow Nueva Vida to proceed with the Planning Board and Zoning Board applications.

Mr. Milner asked how and why the City transferred the properties previously committed to Nueva Vida and was advised that the City and the CRA made an administrative oversight. He indicated that their mistake is resulting in the increase in the ERB funding. Ms. Wallick indicated that while this is true, it is very difficult to secure pre-development financing and based on the ERB' prior experience with Nueva Vida the increase was being recommended. Ms. Hassett indicated that the ERB funding is structured as a recoverable grant and should the project advance, be repaid by the permanent financing on the project. Caren Franzini asked the CRA to ensure these types of oversights don't happen again. James Harveson of the CRA acknowledged the oversight.

MOTION TO APPROVE: Mr. Milner SECOND: Mr. Sadler AYES: 11

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board, the Salvation Army, a New York Corporation - Kroc Corp Community Center (P17483). Ms. Hassett stated that the Members were being asked to approve an extension of a \$4,000,000 non-recoverable infrastructure grant and a \$1,000,000 public purpose grant to The Salvation Army, a New York Corporation ("Salvation Army") until December 31, 2011. The ERB Grant will be used to fund a portion of the permanent financing of the Kroc Corp Community Center ("Kroc Center") in the Cramer Hill section of Camden.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Miner AYES: 11

Steve Dixon, Development Director, for the Salvation Army addressed the members of the board. He advised the members that in 2004, the Salvation Army received a bequest of nearly \$1.6 billion from the estate of Mrs. Joan Kroc, widow of McDonald's Restaurant Corporation founder Ray Kroc.

Following a review of proposals from 28 cities in The Salvation Army's Eastern Territory, Camden was one of only eight locations awarded funds to create a Ray and Joan Kroc Corps Community Center and was ranked #1 on the list. The Camden Citadel received a total of \$54 million, of which half will be applied toward construction and half will be allocated to an operating endowment.

He pointed out that the \$36 million, 120,000 square foot Kroc Center will be located on a 24 acre campus in the Cramer Hill section of Camden. It will provide education and job training; include a state of the art community center, outdoor fields, walking and running trails, and a 25 meter competitive size pool. It will also include a performing arts center suitable for dances, and banquets. He emphasized that it will be safe, secure location open to all.

Reverend Jones indicated that this is a very important project for Camden because it will create jobs for city residents.

Chairman Rousseau asked Ms. Hassett to summarize the next item before the board. Ms. Hassett stated that the next items were approved under delegated authority and were for informational purposes only. The first of two applicants, 808 Market Street Associates (P28334) was approved for a \$20,000 Business Improvement Incentive Grant for building renovations. They have two employees and plan to create an additional four new jobs within the next two years. The second applicant, Standard Merchandising Company (P28176), is located in the Gateway neighborhood. The company was formed in 1922 by the current owner's grandfather as a hosiery distributor and finisher including toe closing, dyeing, bleaching, packing and shipping. The company was

approved for a \$20,000 Business Improvement Incentive Grant for site improvements. The company currently has 57 employees.

Chairman Rousseau requested comments from the members of the public.

Mr. Colandus "Kelly" Francis, President NAACP of Camden addressed the board to provide an update on the \$5 million approved in 2004 for the Hope VI project in Centerville section of Camden. He stated that he opposed the project in the beginning and was alarmed to learn that 2 square miles of trees were torn down to prepare the land for sewers to accommodate the 90 units of housing. He stated that trees had previously served as a buffer against pollution and noise associated with 676, and the housing would place a strain on the nearby Washington School which is very old.

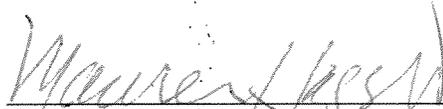
Mr. Francis questions the veracity of the environmental report submitted to HUD.

Ms. Hassett stated that for the most part, in addition to ERB approval, projects receiving ERB financing must receive approval from various planning and zoning boards under the direction of the City, and that ERB relies on the appropriate city departments to provide supervision and oversight to ensure projects are in compliance with city approvals.

Chairman Rousseau stated that the matter would be followed up with the Department of Community Affairs, and the Attorney General's office.

There being no further business, on a motion by Rev. Jones, and seconded by Mr. Hosey, the meeting was adjourned at 11:10 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