

ECONOMIC RECOVERY BOARD FOR CAMDEN

November 22, 2005

Camden County One Stop Career Center

MINUTES OF THE MEETING

Members of the Board present: State Treasurer, John E. McCormac, Chairman; Reverend J. C. Jones, Vice Chairman; Marge DellaVecchia representing Acting Commissioner Charles Richman; Chief Operating Officer, Randy Primas; Mayor Gwendolyn Faison; City Council President, Angel Fuentes; Legislative Member: Senator Wayne Bryant; and Public Members: Rosa Ramirez, William Hosey, Robert Milner, and Rodney Sadler.

Also Present: Assistant Secretary, Maureen Hassett; Elizabeth Renaud, Deputy Attorney General; EDA staff; and guests.

Absent: Carlos Medina, designee for Al Koepp; Mayor James M. Maley, Representative of the Regional Impact Committee; Freeholder Director Louis Cappelli, Jr.; and Legislative Member: Assemblyman Joseph Roberts.

Chairman McCormac called the meeting to order at 10:01 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 October 25, 2005 minutes of the Board. Reverend Jones pointed out an error in the October 25, 2005 ERB meeting minutes. Specifically Reverend Willie Henderson will be amended to read Reverend Willie **Anderson**. Also, the minutes reflect a comment by Ms. Hassett that the Business Lease Incentive program requires the participants to create a minimum of 25 jobs. This comment will be amended to read that the **participants are required to facilitate their job recruitment through the Camden One Stop.**

**MOTION TO APPROVE: Ms. DellaVecchia    SECOND: Rev. Jones    AYES: 8**

MINUTES OF BOARD MEETING

Chairman McCormac called on Howard Miller, Coordinator for the Camden County One Stop Career Center for welcoming remarks. Mr. Miller welcomed the ERB and its guests to the One Stop Career Center and stated they represent the best in the City. The Career Center's main purpose is job creation and they're happy to help in the revitalization of the City.

Chairman McCormac asked Ms. Hassett to announce the first project. Ms. Hassett stated that the Members are asked to approve a \$444,050 grant for the Camden Redevelopment Agency ("CRA") to help fund neighborhood plans and planning activities in the City of Camden

("City"). Ms. Hassett stated that the Act authorizes a total of \$3.5 million to be disbursed for planning and administrative costs to be incurred for needed plans under the Economic Recovery Planning Fund.

Ms. Hassett stated that in May 2004, the CRA received a grant from the Camden Economic Recovery Board ("ERB") in the amount \$641,250 to prepare 14 redevelopment plans for Marlton I and Marlton II, Bergen Square, Downtown Camden, Central Waterfront, Cooper Plaza, Gateway I and Gateway II, Lanning Square, Liberty Park, North Camden and North Camden Industrial Park, Rosedale, Stockton II, Waterfront South, Whitman Park, and Morgan Village. The grant also included the preparation of 7 neighborhood plans for Morgan Village, North Camden, Liberty Park, Whitman Park, Centerville, Fairview, and Parkside areas. Ms. Hassett stated that \$8,961.25 of ERB funds has been disbursed to date and copies of the plans are available to the public at the City Clerk's Office, the Office of Development & Planning and on the City and CRA websites.

Ms. Hassett stated that the CRA is seeking funds in this application to prepare 5 additional neighborhood plans for Gateway, Bergen Square, Central Waterfront, Cooper Plaza, and Marlton. The neighborhood plans involves a collaborative process interfacing with the community members and city agencies to identify neighborhood needs, development and improvement opportunities, and a description of how available resources will be organized to address the needs and opportunities. In addition, the funds will implement 3 other planning activities: (1) a City-wide Housing Production Strategy for any relocations that become necessary due to redevelopment activities; (2) a City-wide Industrial Site Inventory which will show analyzed data on current and possible industrial sites within the City, and (3) a Project Decision Model which includes information in a project database that not only tracks projects by property, neighborhood, funding, and progress, but assigns weights/values and will be able to steer resource allocation for decision makers at the local, regional, and state level. This will allow weighing variables such as public cost and relocation against variables such as job creation and tax generation.

Ms. Hassett stated that the neighborhood plans should take 18-24 months to complete and are expected to start early in 2006. The expected completion date for the City-wide Industrial Site Plan is February 2006, the Project Decision Model is expected to be completed by April 2006, and the City-wide Replacement Housing Strategy is expected to be completed by June 2006.

A contingency of the grant is receipt of a commitment letter from HMFA. Marge DellaVecchia confirmed that she had the letter.

**MOTION TO APPROVE: Ms. DellaVecchia    SECOND: Mayor Faison AYES: 7**

**COO Primas abstained from the vote. He is the Chairman of the CRA**

Rosa Ramirez entered the meeting at 10:10 a.m.

Council President Angel Fuentes entered the meeting at 10:11 a.m.

Chairman McCormac asked Ms. Hassett to summarize the CRA – River Road Affordable Housing Sites application (P016717).

Ms. Hassett stated that the request for \$3,504,393 in project financing is to support infrastructure costs including acquisition, relocation, demolition and environmental remediation costs included in the construction of 162 rental units in the Cramer Hill section of Camden.

Ms. Hassett stated that Cherokee Camden LLC (“Cherokee”) has been designated as the redeveloper for the Cramer Hill Redevelopment Project by the Camden Redevelopment Agency (“CRA”). Cherokee has chosen to work with Michaels Development Co. (“Michaels”) on this project. Ultimately, Michaels will develop 700-800 affordable mixed income rental units throughout the neighborhood in accordance with the CRA’s Housing Production and Implementation Strategy approved in October 2004. The first two developments scheduled to proceed are Sites E and F and will be constructed under the statutory authority of the New Jersey Fair Housing Act. Site E will have 79 rental units and Site F will have 83 rental units. Both sites will have units affordable to households with income between 42% and 50% of area median income.

Cramer Hill Residents Association, Inc. has been granted an Order with Temporary Restraints (“Order”) against the CRA and Cherokee. The Order temporarily ceases activities to involuntarily acquire 72 properties that the City has identified to be acquired under Ordinance C-9643. The Order does allow the defendants to proceed with tasks in preparation of these properties such as inspecting properties, conducting appraisals of properties and filing applications for funding as well as proceeding with acquisition of certain properties upon presentation proof to the Court that the acquisition is purely voluntary on the part of the property owner.

Ms. Hassett announced that Joel Silver of Michaels was in the audience and that Michaels has over 30 years experience in producing top quality affordable housing.

The City in accordance with the Fair Housing Act will acquire the parcels for affordable housing development. Once acquired, the properties will be conveyed to the Camden City Redevelopment Corporation (“CCRC”), a duly organized, 501C3 non-profit organization that is serving as the project sponsor. The CCRC was formed to foster neighborhood revitalization and redevelopment activities in and about the City of Camden, by acting as sponsor, developer or builder of real estate projects within the City. CCRC will own the land and enter into a long-term ground lease with River Hayes Urban Renewal Associates I and II, LP, who will own the improvements. The general partners of the limited partnership are subsidiaries of Michael.

Upon completion, the River Road Affordable Housing Sites E and F will be leased to qualified low- and moderate-income households for rents of \$460 for a 1 bedroom, \$545 for a 2 bedroom, \$625 for a 3 bedroom and \$680 for a 4 bedroom. These rents are affordable to households whose incomes are at 40% of the Camden County median adjusted for family size.

Contingency for the project are: 1), Receipt of satisfactory environmental analysis/remediation completed/NFA and 2), ERB funds are conditioned on the use of the funds for voluntary acquisition purposes and those associated costs.

Ms. Hassett asked DAG Renaud to comment on the court order. Ms. Renaud advised the Board that ERB funds would not be disbursed unless the court has reviewed the transaction documents and confirmed that the transactions were conducted according the order and that the transactions are voluntary.

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

**COO Primas abstained from the vote. He is the Chairman of the CRA.**

Chairman McCormac asked Ms. Hassett to summarize the New Jersey Housing and Mortgage Finance Agency's \$5,000,000 loan application (P16969). Ms. Hassett stated that the goal of the program is to connect individual residents directly to Camden's revitalization efforts and reverse the cycle of disinvestment in the City's neighborhoods.

Ms. Hassett pointed out that members of the Camden Churches Organized for People ("CCOP") with the support of the Camden Community Development Association ("CCDA") and the Concerned Black Clergy ("CBC") were instrumental in building public support for the Camden recovery initiative. Ms. Hassett noted that representatives of these groups, the Reverend Willie Anderson, Monsignor Robert McDermott, Joe Fleming, and Liza Nolan were in attendance at the board meeting.

Ms. Hassett stated that the program would target repairs and rehabilitation of approximately 1,000 single-family owner occupied houses located throughout the City of Camden over a five-year period. The member groups have requested the HMFA to assist them in establishing and implementing the program. Qualified low and moderate-income homeowners will receive recoverable grants of up to \$20,000 to upgrade major systems and fund exterior improvements. The homeowners may choose to use other housing program resources and/or bank financing to carry out additional upgrades.

Ms. Hassett went on to state that the program would prioritize upgrades to major systems including electrical, plumbing, HVAC and structure to improve health and safety conditions and support facade repairs to create visible signs of investment for those living and traveling through the neighborhoods. The ERB loan to the HMFA will be used to establish the Citywide Home Improvement Program ("CHIP"). HMFA together with the CCOP and CCDA will issue a request for proposal to identify a qualified program administrator. Qualified not for profit organizations may undertake part of the marketing, applicant in-take, and eligibility and processing components.

As a pilot program, ERB staff will monitor the demand on funds and give a status report on a quarterly basis to determine if the requested level of funding remains appropriate and to make any recommendation to enhance or amend the program. Disbursement of funds will be made in tranches to the HMFA. HMFA will subsequently disburse funds to the program administrator after improvements are completed and inspected.

Contingencies of the project are: 1) receipt and satisfactory review of Management Agreement with the program administrator, and 2) receipt of other funding commitments from NJDCA and the Camden City Housing Assistance Program.

The Members are also requested to authorize the CEO of the NJEDA to negotiate a final structure, with review by the DAG's office and subject to approval by the State Treasurer, as necessary to close on the transaction and recommend this project to the NJEDA Board of Directors for funding authorization.

Marge DellaVecchia advised the Board that the HMFA would be holding a special Board meeting on November 28, 2005 to approve this project. The program is also contingent on HMFA Board approval.

Ms. DellaVecchia also advised the Board that she had a copy of the funding commitment for the Balanced Housing funds from the NJDCA.

**MOTION TO APPROVE: Ms. Ramierez                      SECOND: Mr. Hosey                      AYES: 9**

**Marge DellaVecchia abstained from the vote. She is the Executive Director of the HMFA.**

Chairman McCormac asked Ms. Hassett to summarize the Pietrangeli and Pietrangeli, Inc. application (P16934). Ms. Hassett stated that the applicant currently operates a pizzeria in Deptford, NJ and is planning to expand by opening a new restaurant in the Victor Building in Camden's waterfront district. PNC Bank has approved a \$170,000 U.S. Small Business Administration 7(a) loan and a short-term credit facility to bridge the funding of a \$100,000 term loan from the Economic Recovery Board.

Pietrangeli and Pietrangeli, Inc. is a C-corporation established in 1998 for the purpose of acquiring and operating Franks III Pizzeria in Deptford, NJ. The business was started by others in 1988, and has been under the control of Salvatore Pietrangeli, President and 50% owner, and Marie Pietrangeli, Secretary and 50% owner since 1998. With seven years of experience, the borrower is looking to expand and open a second location. The restaurant will serve the lunchtime needs of area business, including L3 across the street, visitors to the Camden waterfront attractions, and Victor building residents, which is reportedly 97% occupied. The public purpose is met with the potential to occupy a vacant storefront on the waterfront and the creation of at least two full time and two part time positions in the City of Camden.

Conditions of the loan are 1) receipt of construction bids and revised comprehensive project budget to include gas hook up costs, 2) evidence of the satisfaction of the VW Credit/Philadelphia Telco credit arrangements for Maria Pietrangelli, 3) receipt of executed lease for a minimum of 10 years with tenant improvement allowances totaling \$85,000; and 4) receipt of revised monthly cash flow projections indicating a gradual ramp up in sales, and three years of projected project and loss statements.

**MOTION TO APPROVE: Mr. Milner SECOND: Council President Fuentes AYES: 10**

Chairman McCormac asked Ms. Hassett to summarize the Rutgers Camden Technology Campus, Inc. (RCTC) Business Lease Incentive. Ms. Hassett stated that the Members are asked to approve the \$600,000 Business Lease Incentives to RCTC as outlined herein.

Ms. Hassett stated that first incentive to Rutgers Camden Technology Campus, Inc. (“RCTC”) would be in the amount of \$300,000 for 20,000 +/- square feet of initial research and development space at the Waterfront Technology Center Camden (“WTCC”) in the Tech One building. The second incentive would be for \$300,000 should RCTC exercise its two (2) year expansion option of 20,000 +/- square feet. The lease incentives would be payable over 5 years per the schedule for office and high tech tenants.

RCTC operates the Rutgers-Camden Business Incubator (“RCBI”), which encourages entrepreneurs to locate their businesses in Camden, and assists them with low-cost office and conference space, technical support services and mentoring for successful startup. There are currently 42 member companies participating in this program. RCTC has agreed to require its tenants to facilitate job recruitment through the Camden One Stop.

Staff has reviewed the application for consistency with the Business Lease Incentive program and credit criteria and has determined that RCTC is eligible for the incentive.

**MOTION TO APPROVE: Mr. Sadler      SECOND: Council President Fuentes AYES: 10**

Chairman McCormac requested comments from the public.

Mr. Colandus “Kelly” Francis, President NAACP of Camden County asked how much was approved for the HMFA’s housing project and who would administer for program. Ms. Hassett stated that \$5 million was approved and that a RFP for an administrator would be issued by HMFA with input on the process from the non-profits.

Reverend Willie Anderson expressed his gratitude to everyone involved in getting the Citywide Home Improvement Program approved. He stated that this is tangible evidence to the residents of Camden that the ERB as well as the CCOP were working to improve the lives of Camden’s residents. He also wanted to clarify that CCOP and the other Camden based partners would not receive the money allocated, but they were advocates for the program.

Chairman McCormac asked for comments from board members.

Rosa Ramirez stated that she was grateful for the work accomplished by the board during the last 3 ½ years. She went on express her gratitude to all of the board members for helping make Camden a better place for everyone to live.

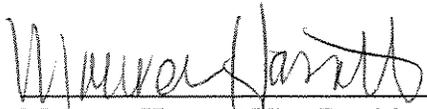
Chairman McCormac stated that this was one of most progressive agendas so far, and the board approved some excellent projects.

Dr. Mary Jane Barretta, Executive Vice President and CEO of the YMCA of Camden County took the opportunity to bring the board up to speed on the YMCA’s progress. Ms. Barretta pointed out that the YMCA was 126 years old this year. She stated that their primary concerns were for youth, family and jobs. She indicated that since many of the parents they serve were very young, the YMCA was evolving into a youth oriented service.

Dr. Maryann B, Coffey, also of the YMCA, stated they are seeking to administer a nine week Customer Relations course which would include an intern experience. Dr. Coffey stated that the YMCA is partnering with Camden County Community College, the School District, and the Stella Horton of Camden County Youth Development center and expects to serve 60 – 100 students. Dr. Coffey stated that while the program had funds to support in house staff they didn't have enough to pay student interns. She estimated they needed \$80,000 in program funding and asked the ERB for its help.

**There being no further business, on a motion by Ms. DellaVecchia and seconded by Mr. Sadler, the meeting was adjourned at 10:50am.**

**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", is written over a horizontal line.

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