

ECONOMIC RECOVERY BOARD FOR CAMDEN

December 18, 2007

Camden County College – Technology Center

MINUTES OF THE MEETING

Members of the Board present: Chairwoman Lopa Kolluri, designee for Acting State Treasurer Michelle Davis; Rev. J. C. Jones, Vice Chairman; City Council President Angel Fuentes; Marge DellaVecchia representing DCA Commissioner Joseph Doria, Jr.; Freeholder Director Louis Cappelli, Jr.; Non-voting Member; and Public Members: William Hosey, Rodney Sadler, Rosa Ramirez, and Robert Milner.

Also Present: Assistant Secretaries: Maureen Hassett, Laura Wallick; Bette Renaud, DAG; and EDA staff.

Absent: Secretary Caren Franzini, designee for EDA Chairman Carl Van Horn; Judge Theodore Davis, COO; Mayor Gwendolyn Faison; and Legislative Members: Assemblywoman Nilsa Cruz-Perez, and Senator Wayne Bryant.

Chairwoman Kolluri called the meeting to order at 10:02 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 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.

Chairwoman Kolluri asked for a motion to approve the October 23, 2007 minutes of the Board.

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

MINUTES OF BOARD MEETING

Gary Bivins, Dean of the Camden County College – Camden Campus, welcomed the board and all present. He stated that Camden County College was familiar with the ERB's mission and goals, which ties into those of the college. Dean Bivins informed all present that the College was founded 37 years ago, and they have over 150 academic programs including associate degree programs, occupational certificate programs, and provide customized job training to create employment opportunities for residents. He applauded the ERB for all the work it's done and for its commitment to the City.

Chairwoman Kolluri asked Ms. Hassett to summarize the first item before the board, Ms. Hassett stated the first item, the Parkside Business & Community in Partnership, Inc.- Park Boulevard II (P15437) was a modification to an agreement that came before the board previously.

Ms. Hassett stated that at its December 23, 2003 Meeting, the ERB Members approved a \$395,825 soft loan for the substantial renovation of eleven (11) market-rate housing units of a twenty-two (22)-unit homeownership project in the Parkside section of Camden. This project represented Phase II of PBCIP's Park Boulevard project, which includes the renovation of approximately 150 properties along and near Park Boulevard.

Ms. Hassett pointed out that the approval of the ERB soft loan is scheduled to expire on December 23, 2007 due to the definition of a revitalization project. The Guide to Program Funds (Guide) states that the project must be "started in two years and completed in four years." Therefore, PBCIP is requesting an exception to the Guide by extending the term to December 23, 2008 in order to complete the homeownership project.

Initially, PBCIP worked with Martell Construction Co., Inc. (Martell), a Penns Grove based construction firm, which completed the renovation of 4 units. As the project progressed, it became apparent that Martell under-bid the project by 25%. This resulted in an under-funded project. Ms. Hassett stated that during this time, HMFA developed a new funding program, Choices in Home Ownership Incentives Created for Everyone (CHOICE) that provides up to \$100,000 subsidy per unit in the City of Camden. In the summer of 2007, PBCIP was approved a \$1,548,884 CHOICE subsidy for Phase IIB and is now working with the Camden Empowerment Zone and PNC Bank to co-lend construction funds for the Phase IIB.

Ms. Hassett pointed out that the Park Boulevard Phase II homeownership project has been separated into 2 components. All of the Phase IIA units have been completed and sold to Camden residents. Of the 16 Phase IIB units, 10 are under agreements of sale. Those units are projected for completion by September 1, 2008.

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

Council President Fuentes asked if the homeowners would pay taxes. Ms. DellaVecchia responded that they would.

Chairwoman Kolluri called on Ms. Hassett to summarize the next item before the board, the Respond, Inc. – New Worker Job Development Center (P015442) project. Ms. Hassett stated that the Members were being asked to approve a modification to extend the term of the project until December 31, 2008.

Ms. Hassett stated that on June 22, 2004, the Members approved the \$1,000,000 public purpose grant to Respond. At that time, Respond had invested \$350,000 to purchase two commercial properties that required renovations in order to house a variety of social service programs for the residents of Camden as well as Camden County.

The project was envisioned as an expansion of Respond's New Worker Center, located on Washington Street in the Lanning Square neighborhood in Camden. At that time, the center offered assistance to needy families, including access to computers for job searching and other services. Due to the expiration of grant funds, the Center is only providing childcare services. The childcare center, funded by the NJ Department of Education and the Department of Human Services, will now be relocated to the project site, which will include vocational skills training and childcare for Camden residents. The approval of the ERB public purpose grant is scheduled to expire at the end of the year. The Guide to Program Funds (Guide) states that the project must be "started in two years and completed in four years." Therefore, Respond is requesting an exception to the Guide by extending the project term to December 31, 2008 in order to complete the project.

Subsequent to the ERB grant approval, Respond searched for a project management company to oversee the rehabilitation of the buildings. In June 2006, the project management team of Triad Associates and DCM Architecture & Engineering LLC was established and predevelopment activities began to progress tremendously.

The proposed Center will consist of two commercial properties located at 924 and 925 North 8th Street. This building will have a Culinary Arts School, and an Early Learning Center, which will now include a rooftop playground and will accommodate 90 children.

Ms. Hassett pointed out that in addition to the ERB grant, Respond received approval from the U.S. Economic Development Administration for \$1,200,000 to help fund this public purpose project. On March 31, 2007, the U.S. EDA issued a letter to Respond to extend the grant term for project completion to August 31, 2009. The Camden Redevelopment Agency is working with Respond to purchase the building on Washington Street and provide relocation assistance for the childcare facility as a result of Cooper Hospital's expansion project. These funds will be used to complete the project. The Center is expected to be completed by November 2008.

Ms. Hassett also pointed out that the closing of ERB financing will be contingent upon the balance of funding being obtained within six months of approval, with the option to extend an additional three months and the approval of the CEO as well as those commitments being satisfactory to the NJEDA.

Ms. Hassett noted that additional contingencies include receipt of a permanent certificate of occupancy, a secured performance mortgage, Respond's payment of property taxes on the properties for a minimum of 10 years, commencing on the date of closing on EDA's financing, or entering into an Annual Service Charge Agreement with the Camden Redevelopment Agency and, finally upon the EDA's satisfactory review of any leases signed by tenants occupying the properties.

MOTION TO APPROVE: Rev. Jones SECOND: Mr. Milner AYES: 8

Mr. Milner asked about the size of the project. Ms. Hassett stated that 924 No. 8th Street will have 15,068 sf and that 925 No. 8th Street will have 11,222 sf.

Chairwoman Kolluri requested updates on items of interest from the Members.

Ms. Hassett stated that there was a package of materials was provided to the members today including the "Camden Works" newsletter, a joint publication of the EDA, Camden County and

the Camden Redevelopment Agency. Ms. Hassett took this opportunity to thank Freeholder Director Lou Cappelli, Jr. and Council President Fuentes, as the publication was a result of their suggestions earlier this year. She also noted that Carrie Turner of the CRA was helpful in this venture.

Ms. Hassett also informed the members that copies of the November 13th EDA board meeting presentation given by Laura Wallick of the EDA was available to them along with a brochure introducing the Camden Special Services District which is headed up by Steve Dragos of the Greater Camden Partnership. Mr. Dragos present in the audience gave brief remarks on the program.

Marge DellaVecchia stated there was a recent newspaper article stating that the YMCA building, which received funding from ERB, was being sold. She suggested conversations with the owner to determine the status of ERB funds recovery. Ms. Wallick stated that the EDA's Asset Recovery staff was working with the YMCA management and there was a Performance Mortgage filed so that ERB funds would be recovered.

City Council President Fuentes asked CRA Executive Director John Kromer if his letter of resignation was still in effect. Mr. Kromer confirmed his contract was expiring at the end of this month.

City Council President Fuentes stated that although he knew Mr. Kromer for less than two years, he had provided great service to the residents of Camden, he has restored a level of credibility in working with the neighborhood groups, and he would greatly miss him. He also stated he hoped the contract could be renegotiated.

Chairwoman Kolluri stated her wholehearted agreement with the City Council President, and remarked that since Judge Davis was not present, she would reach out to him and convey the sentiments expressed by all today regarding Mr. Kromer.

Reverend Jones stated that sometimes the board is criticized for things they don't do, but he felt good about the approval of today's two projects, and he was especially excited about Respond's childcare project.

Marge DellaVecchia stated that in light of ongoing recent sub-prime mortgage meltdown, HMFA and the Department of Banking was working with a coalition of banks and had refinance products available thru various lenders. She provided the website www.njhope.nj.gov where information could be obtained and promised to provide literature at a later date. She remarked that the worst thing a homeowner could do was to do nothing, and that they should reach out to their mortgage company. Ms. DellaVecchia also provided a number to a hotline set up to assist homeowners experiencing difficulties (1-888-995-HOPE) and volunteered to coordinate an outreach effort to address some of the sub-prime issues with homeowners.

Chairwoman Kolluri requested comments from the members of the public.

Mr. Colandus "Kelly" Francis, President NAACP of Camden County thanked the board for it's support of the Parkside Housing project.

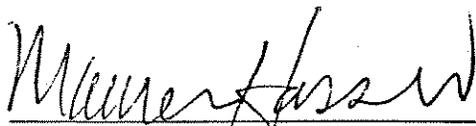
Mongalese Davis explained that he was elected by his group to attend various board meetings and asked about the ERB fund balance. Ms. Hassett stated that at each meeting an updated report is provided which is also available on line at the ERB's website.

Mr. Davis asked about the progress of the 301 Market Street project. Ms. Hassett stated that 301 Market Street was under a pending agreement and the board will abide by the terms of the agreement.

Mr. Davis mentioned that the people of Camden have been asking for a supermarket for years and inquired about the possibility of one being built. Chairwoman Kolluri stated that funds for a supermarket are available, but have to be applied for.

There being no further business, on a motion by Ms. DellaVecchia and seconded by Mr. Milner, the meeting was adjourned at 11:12 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.



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