

The Economic Recovery Board  
for Camden



## *The Economic Recovery Board for Camden*

### **2010 Qualified Municipality Capital and Economic Recovery Financial Plan**

September 20, 2010

#### **Background**

The "**Municipal Rehabilitation and Economic Recovery Act**" was enacted in July 2002, creating the Economic Recovery Board (ERB) and authorizing the New Jersey Economic Development Authority (EDA) to oversee the strategic investment of public funds in the City of Camden.

In accordance with the Act, the ERB is required to submit a "Qualified Municipality Capital and Economic Recovery Financial Plan" designed to implement the financing of proposed projects. As required, the Financial Plan contains an enumeration of the bonds, notes or other obligations of the EDA. In addition, the Financial Plan also contains proposed amounts to be appropriated and expended, as well as any amounts that the EDA intends to obligate in the ensuing fiscal year.

#### **Update**

In May 2003, the EDA closed on the sale of \$175 million in taxable and tax-exempt bonds to fund revitalization projects in Camden. Since inception of the ERB, staff has reviewed 120 applications of which 68 are approved for a total of approximately \$148 million in grants, recoverable grants and loans. In addition, 25 projects have been approved for approximately \$2.1 million under the Business Lease Incentive and Business Improvement Incentive Programs.

The 93 approved projects total approximately \$150 million of investment, leveraging \$669 million in other public and private financing. These investments have resulted in the creation of approximately 1,150 full-time jobs and have generated approximately \$2.4 million in additional annual revenue to the City. The balance of the applications received represents 27 that were withdrawn.

## ERB Fund Activity

Pursuant to the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c. 43, the EDA was authorized to issue bonds to fund revitalization projects that met the requirements of the legislation from the five special purpose funds as described in the statute. The attached ERB Fund Approvals report outlines the allocated funds for the approved projects within the five established funding categories.

To date, 93 projects have been approved, of which two are inactive and 86 have closed. Of the 86 closed projects, 46 projects are fully funded, of which three have been repaid and two are no longer active. The other 35 closed projects are in the process of requisitioning ERB funding.

### **Residential Neighborhood Improvement Fund**

Of the \$35 million allocated, \$35.7 million has been approved for 20 projects, with a balance of \$2 million. Of the 20 approved projects, 18 have closed, of which 13 are fully funded and the remaining five projects are in the process of requisitioning ERB funding. This fund has a balance of approximately \$2 million as a result of a 6.5-percent reallocation of funding from the Demolition and Redevelopment Financing Fund.

### **Downtown Revitalization and Recovery Fund**

Of the \$45.8 million allocated, approximately \$47.1 million has been approved to support 16 projects, including the \$25 million legislatively mandated for the New Jersey Aquarium. Of the 16 projects approved, all have closed and 14 have been fully funded. One, a \$1.55 million infrastructure project, has been repaid. This fund has a balance of approximately \$3.1 million as a result of a 5-percent reallocation of funding from the Demolition and Redevelopment Financing Fund and a 20-percent reallocation from the Economic Recovery Planning Fund.

### **Demolition and Redevelopment Financing Fund**

Of the \$43 million allocated, \$31 million has been approved for 23 infrastructure and redevelopment projects. One project is inactive and 20 have closed. Of the 20 closed projects, 13 are fully funded, of which two have been repaid and seven are in the process of requisitioning ERB funding. The balance of this fund is approximately \$2.6 million

To support the Business Incentive Grant Programs, \$7 million has been allocated to the Business Lease Incentive program (BLI) and \$500,000 has been allocated for the Business Improvement Incentive program (BII). Currently, 25 projects have been approved under the BLI program for approximately \$2 million, of which three are inactive. Under the BII program, seven projects have been approved for approximately \$132,000. The outstanding balance under the BLI and BII programs is approximately \$5 million and \$368,000 respectively

## ERB Fund Activity *continued*

### **Higher Education and Regional Health Care Fund**

Five projects under this legislatively mandated fund have been approved, totaling \$32.3 million. A balance of \$15.3 million remains to support the remaining mandated projects. All five approved organizations have completed their respective projects and received their allocated reimbursement from the ERB.

### **Economic Recovery Planning Fund**

Of the \$3.5 million allocated, \$465,000 has been utilized for the Strategic Revitalization Plan and the Capital Improvement and Infrastructure Plan, \$723,945 has been approved for Neighborhood Plans, and \$445,050 has been approved for additional neighborhood plans and for the City's replacement housing strategy and industrial inventory database. In addition, approximately \$110,000 has been approved for the North Camden Infrastructure Study and \$70,000 has been approved for the City's Consolidated Plan for HUD. The balance remaining in this fund totals approximately \$986,000.

### **Waterfront Technology Center at Camden**

The 100,000-square-foot Waterfront Technology Center at Camden was built with \$1 million in financing assistance from the ERB's Downtown Revitalization and Recovery Fund, in addition to support from the EDA, the Delaware River Port Authority and Wachovia Bank. In 2006, the Center became the first public project in the state to be certified under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System.



The Center has since been honored by the state Chapter of the National Association of Industrial and Office Properties and by the Northeast Economic Developers Association for bringing technology and life science companies to Camden and for serving as a catalyst for other economic development projects.

In an effort to attract more biotechnology and life science businesses to the city, the EDA will complete the construction of 20,000 square feet of wet labs on the 5th floor of the Center this September. The labs have already attracted A.J. Drexel Plasma Institute (DPI), which executed a 10-year lease with the EDA for over 10,550 square feet of the new space. DPI is a major research initiative of Drexel University and was formed in 2002 as a multi-disciplinary research lab in order to stimulate and coordinate research and commercialization projects related to plasma and other modern high energy engineering techniques. The Center is currently 90-percent occupied or committed under Letters of Intent, and houses over 500 employees.

**Anticipated Expenditures from ERB Bond Proceeds**  
*(through July 2011)*

**ERB Mandated Projects:**

\$5,100,000	Rowan University	Higher Ed./Regional Health Care
\$9,000,000	Rowan Medical School	Higher Ed./Regional Health Care
\$1,000,000	Virtua Hospital*	Higher Ed./Regional Health Care
<hr/>		
\$15,100,000	Subtotal	

\*Virtua notified the EDA that it will not be pursuing the project identified in the Act, but is seeking to expand its emergency health care services. As a result, the \$1 million in ERB funding reverts to the Higher Education and Regional Health Care Fund, for which the other health care institutions can apply.

**ERB Economic Development Projects:**

\$5,000,000	Proposed Pipeline	Various Funds, as determined by Staff and through an Application Process
-------------	-------------------	--

**Anticipated Expenditures from EDA Resources:**

\$2,000,000		Various loan and guarantee applications pending review
-------------	--	--

**\$22,100,000**                      **Grand Total**

Information on how State agencies, including the Department of Community Affairs, Housing Mortgage Finance Agency, Department of Environmental Protection and Department of Labor and Workforce Development, have also contributed to Camden's rebirth is available at:

[www.camdenerb.com/tac\\_report.asp](http://www.camdenerb.com/tac_report.asp)

The Economic Recovery Board  
for Camden



## Board Members

### Ex Officio Members

Andrew P. Sidamon-Eristoff  
ERB Chairman  
*NJ State Treasurer*

Alberta Hyché  
*NJ State Treasurer Designee*

Lori Grifa  
*DCA Commissioner*

Melissa Orson  
*DCA Commissioner Designee*

Al Koeppe  
EDA Chairman

Caren Franzini  
*EDA Chairman Designee*  
*ERB Board Secretary*

Dana Redd  
*Mayor Camden*

Ralph Kramer  
*Mayor Designee*

Louis Capelli, Jr.  
*Freeholder Director*

Jeffrey Nash  
*Freeholder Director Designee*

Francisco Moran  
*City Council President*

### Public Members

Reverend J.C. Jones  
*ERB Vice Chairman*

William Hosey

Robert Milner

Rosa Ramirez

Rodney Sadler

### Board Officers

Maureen Hassett  
Sr. Vice President, EDA  
*ERB Board Assistant Secretary*

Laura Wallick  
Regional Director, EDA  
*ERB Board Assistant Secretary*