

CAPITAL CITY REDEVELOPMENT CORPORATION

2015 ANNUAL REPORT

As Required Pursuant to N.J.S.A. 52:9Q-26

BACKGROUND

The Capital City Redevelopment Corporation (CCRC) was created in 1988 pursuant to N.J.S.A. 52:9Q-9 et seq. (the “CCRC Act”). The CCRC is an independent authority of the State. Its mission is to ensure the capital district is a great place to live, work and conduct business by assisting with the planning, coordination and promotion of public and private development within the capital district. The District consists of those portions of the City of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located.

In July 2014, the CCRC entered into a Memorandum of Understanding with the New Jersey Economic Development Authority (NJEDA) to assist the CCRC in fulfilling its mission by providing office staff and support services to the CCRC, including, but not limited to, assisting in the carrying out of the policies and directions of the CCRC, providing administrative and support services including corporate governance and public information support services for board meetings, acting as a liaison with the Governor’s Office and serving as records custodian.

ACTIVITY REPORT

The following activity took place in 2015:

Financial Review

The CCRC approved an FY15 budget for total expenditures of \$13,000. In August 2015, the CCRC approved a FY16 budget for total expenditures in of \$12,419. The total amount of resources available as of June 30, 2015 was \$213,622. See Attachment A for itemized budgets.

Collaborative Efforts

In 2015, EDA staff, on behalf of CCRC, participated in several citywide meetings such as the Mayor's Economic Advisory Council and Trenton Team Meetings. EDA staff also holds regular meetings with the economic development staff in Trenton City Hall to discuss strategies and projects, and in consultation with State agencies has developed several presentations to the Board to inform on ongoing activities in Trenton.

EDA staff has held several meetings with the newly formed Greater Trenton Initiative (GTI) to discuss their vision and purpose, and representatives of the group made a formal presentation to the CCRC. The CCRC memorialized its support of the Initiative's goals through the adoption of a resolution in February 2015, and made a commitment going forward to invite GTI representatives to CCRC meetings on a regular basis to share progress.

Real Estate Development

State Office Building Project

Under an MOU approved by the EDA in June 2014, the NJ Division of Property Management & Construction prepared a Feasibility Study for the Health Lab, Agriculture and Health Administration, and Taxation Buildings. This study considered alternatives involving keeping these agencies in Trenton, and it also

provided recommendations as to the cost effectiveness of renovating these buildings, relocating their occupants to new constructed buildings, or leasing new space either in Trenton or a neighboring town. With the assistance of KSS Architects, the Feasibility Study commenced at the beginning of 2015. The study included an analysis of the current and future occupancy needs of these buildings, and it resulted in a space program, site analysis of several targeted State owned parcels, cost, and a financial analysis of the occupancy alternatives. Through a Net Present Value analysis, it was determined that new construction was the preferred option as compared to renovating the obsolete structures or leasing alternative space.

South Broad Street Corridor

The CCRC board, along with the City, asked EDA to assist in implementing components of the Trenton 250 vision plan, specifically by providing assistance to small businesses and improving the aesthetics of the area through façade improvements. There has been a direct request to provide funding for a façade improvement grant program that the City would administer, through \$150,000 of City funds. EDA is currently in the process of seeking philanthropic funding to meet this request.

Additionally, EDA staff will be providing technical assistance on the sale of the Van Sciver and Watkins Stove Buildings, two state-owned properties, located on South Broad Street. EDA is seeking to implement a mixed-use redevelopment along the South Broad Street Commercial Corridor in the Downtown. Rather than sell the property at auction, a Request for Qualifications (RFQ) has been drafted which will offer the property for sale. Prospective bidders will be required to meet certain development and financial minimum qualifications and develop the property in accordance with uses that are acceptable to the City. State House Commission approval will be required to adopt these procedures. GTI has offered their assistance with this undertaking, through selection committee participation, marketing to developers and other technical assistance.

State Street

Another area of focus to help improve the Downtown is East State Street. EDA participated in the selection of a private developer to renovate a historic building. As envisioned, the Bell Building Project will help demonstrate the potential that projects have to help ignite the Downtown. The City has entered into an agreement with Ajax Management LLC to renovate and operate the building. The project will include retail space on the main floor, with the goal of attracting tenants such as a coffee shop and bank branch. The Trenton YMCA also plans to occupy space on the second floor, with a fitness center, programming space, and corporate offices. The remainder of the space will be utilized for a mix of 80 one- and two-bedroom market rate, loft style apartments.

Business Growth & Redevelopment

In 2014 and 2015, the EDA approved over \$36 million in business incentives to support projects in the City of Trenton. This assistance is expected to leverage an estimated \$102 million in private investment and serve as a catalyst for the creation of more than 460 construction jobs.

Notably, the New Jersey Economic Opportunity Act of 2013 strengthened New Jersey's incentive programs and designated Trenton as a Garden State Growth Zone (GSGZ), providing companies and developers advancing a project in the City with lower eligibility thresholds and higher incentive levels. Trenton's designation as a GSGZ is helping to attract new investment and development.

Roebing Lofts

Roebing Lofts is a mixed-use development being advanced by HHG Development Associates, which will transform the old Roebing Steel building into rental lofts and apartments. Located on Clark Street, the Roebing Lofts will be constructed in a vacant warehouse, previously used for manufacturing wire rope. Closed since the mid-1950's, the structure represents the first of four John A. Roebing &

Sons buildings planned for rehabilitation by HHG. The project will include multi-family lofts, two-bedroom lofts, and one-bedroom units, all featuring high ceilings and large industrial windows. Future plans for the complex include an additional new construction featuring loft-style units and restaurant/retail space. The \$42 million project was approved for up to \$16.1 million, in tax credits, over ten years through the residential Economic Redevelopment and Growth (ERG) program.

Trent Center Campus

EDA approved up to \$11 million through the residential ERG program to support the rehabilitation of the Trent Center Campus – a 14 story apartment complex for senior citizens with 474 total units. The estimated \$36 million rehabilitation project includes upgrading the HVAC system, elevator and emergency generator replacement, improving the security system, replacing interior and exterior doors, updating kitchens and appliances, updating bathrooms, painting, parking lot repairs, curbing and landscaping.

North 25 Housing

A residential ERG of up to \$8.8 million was approved to advance the \$29 million North 25 Housing apartment project on Willow Street. The project includes the rehabilitation of an existing 233-unit section 8 multifamily development. The scope of renovations includes the rehabilitation of all family units, exterior repairs, major system upgrades, and site improvements. Unit improvements will include flooring replacement, new window coverings, and new kitchens including cabinets, countertops, and Energy star appliances. All required HVAC systems will be rehabilitated, including new central boiler and water heater replacements. The roof will be replaced and the elevator will be modernized.

Entrepreneurship & Training

UCEDC

In July 2015, the EDA Board took action allowing for the continuation of a strategic partnership with UCEDC, a statewide not-for-profit economic

development corporation. The partnership helps to extend the State's reach to underserved businesses and communities and expands the array of training and technical assistance services available to New Jersey entrepreneurs and small businesses. UCEDC offers a wide variety of free and low-cost training workshops, including a series of courses that help develop financial and business literacy for business owners and a comprehensive program that walks entrepreneurs through all aspects of starting a business, culminating in the development of a business plan. In 2014 and 2015, UCEDC held three networking events in Trenton, as well as five financial/business training workshops.

Regional Business Assistance Corporation (RBAC)

The EDA makes capital available to financial intermediary organizations that can effectively reach small businesses in local markets, including micro-lenders and Community Development Financial Organizations. These organizations have the ability to offer term loans and lines of credit to micro-enterprises and small companies not qualified for traditional bank financing. In 2015, the EDA closed on a \$500,000 loan to RBAC, a Trenton area not-for-profit organization that provides loans and partners with other community development organizations to conduct workshops and training sessions that help clients achieve their business goals. Nearly 50 percent of RBAC's loans have gone to support minority-owned businesses.

STRATEGIC PLAN

Under the direction of the Board, EDA staff has worked with the City of Trenton staff to understand their strategic priorities and the implementation of the Trenton 250 plan. EDA will continue to work closely with the City of Trenton on this effort. At the CCRC's direction, EDA will assist the City of Trenton with their

Facade Improvement Program and will use a similar program effectuated in Camden as its template.

CCRC BOARD MEMBERS

EX OFFICIO MEMBERS:

Ford Scudder, Acting State Treasurer

Richard T. Hammer, Acting Commissioner, Department of Transportation

Charles Richman, Commissioner, Department of Community Affairs

The Honorable Eric Jackson, Mayor, City of Trenton

PUBLIC MEMBERS:

The Honorable Peter A. Inverso, Chair

Gwendolyn L. Harris, Vice Chair

Christopher Brashier, Managing Director, CHB Investment Group, LLC

Robert D. Prunetti, President and CEO, MIDJersey Chamber of Commerce

Richard Sims, Judiciary, State of New Jersey

**CAPITAL CITY REDEVELOPMENT CORPORATION
FY15 YEAR ENDING**

(Prepared by Treasury Administration)

| AMOUNT AND DESCRIPTION | FY13 EXPENDED | FY14 EXPENDED | FY15 FINAL |
|--|----------------|---------------|--------------|
| Account 12-Salaries | | | |
| Salaries | 60,500 | 12,418 | 0 |
| Fringes | 27,449 | 7,483 | 0 |
| Sub-Total | 87,949 | 19,901 | 0 |
| Account 21-Printing and Office | | | |
| Copier Rental and Supplies | 1,708 | 2,043 | 0 |
| Sub-Total | 1,708 | 2,043 | 0 |
| Account 24-Household | | | |
| Bottled Water | 29 | 11 | 0 |
| Sub-Total | 29 | 11 | 0 |
| Account 31-Telephone | | | |
| Telephone | 3,372 | 0 | 0 |
| Sub-Total | 3,372 | 0 | 0 |
| Account 32-Postage | | | |
| Central Postage | 1,957 | 0 | 0 |
| Sub-Total | 1,957 | 0 | 0 |
| Account 33-Insurance | | | |
| Property & Casualty | 2,200 | 5,180 | 4,589 |
| Officers & Directions | 0 | 0 | 0 |
| Sub-Total | 2,200 | 5,180 | 4,589 |
| Account 36-Professional Services | | | |
| Auditing Services | 10,115 | 3,315 | 0 |
| Sub-Total | 10,115 | 3,315 | 0 |
| Account 38-Other Services | | | |
| City of Trenton | 0 | 0 | 0 |
| Official Receptions | 479 | 0 | 0 |
| TDA | 5,000 | 0 | 0 |
| OTT Salary & Equipment Maintenance Charges | 8,047 | 0 | 0 |
| EDA Services | 0 | 0 | 0 |
| Other | 0 | 4,636 | 0 |
| Sub-Total | 13,526 | 4,636 | 0 |
| TOTAL | 120,856 | 35,086 | 4,589 |

| | | |
|--|--|------------------|
| Resources: | | |
| Projected balance in the State account | | \$136,043 |
| Balance in the CCRC Bank account | | \$77,579 |
| Total Resources: | | \$213,622 |

**CAPITAL CITY REDEVELOPMENT CORPORATION
FY16 BUDGET**

(Prepared by Treasury Administration)

| AMOUNT AND DESCRIPTION | FY14 EXPENDED | FY15 EXPENDED | FY16 BUDGET |
|--|---------------|---------------|---------------|
| Account 12-Salaries | | | |
| Salaries | 12,418 | 0 | 0 |
| Fringes | 7,483 | 0 | 0 |
| Sub-Total | 19,901 | 0 | 0 |
| Account 21-Printing and Office | | | |
| Copier Rental and Supplies | 2,043 | 0 | 0 |
| Sub-Total | 2,043 | 0 | 0 |
| Account 24-Household | | | |
| Bottled Water | 11 | 0 | 0 |
| Sub-Total | 11 | 0 | 0 |
| Account 31-Telephone | | | |
| Telephone | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |
| Account 32-Postage | | | |
| Central Postage | 0 | 0 | 0 |
| Sub-Total | 0 | 0 | 0 |
| Account 33-Insurance | | | |
| Property & Casualty | 5,180 | 2,504 | 4,589 |
| Officers & Directions | 0 | 2,085 | 0 |
| Sub-Total | 5,180 | 4,589 | 4,589 |
| Account 36-Professional Services | | | |
| Auditing Services | 3,315 | 0 | 6,830 |
| Sub-Total | 3,315 | 0 | 6,830 |
| Account 38-Other Services | | | |
| City of Trenton | 0 | 0 | 0 |
| Official Receptions | 0 | 0 | 0 |
| TDA | 0 | 0 | 0 |
| OTT Salary & Equipment Maintenance Charges | 0 | 0 | 0 |
| EDA Services | 0 | 0 | 0 |
| Other | 4,636 | 0 | 1,000 |
| Sub-Total | 4,636 | 0 | 1,000 |
| TOTAL | 35,086 | 4,589 | 12,419 |

| | |
|--|------------------|
| Resources: | |
| Projected balance in the State account | \$136,043 |
| Balance in the CCRC Bank account | \$77,579 |
| Total Resources: | \$213,622 |