

Joint Public Hearing

before

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE AND ASSEMBLY HOUSING AND LOCAL GOVERNMENT COMMITTEE

*“Testimony, public comments, and discussion about the report issued
pursuant to the ‘Municipal Rehabilitation and Economic Recovery Act’”*

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: January 30, 2007
10:00 a.m.

MEMBERS OF JOINT COMMITTEES PRESENT:

Senator Ronald L. Rice, Co-Chair
Assemblyman Jerry Green, Co-Chair
Senator Fred H. Madden Jr.
Assemblywoman Nilsa Cruz-Perez
Assemblyman Craig A. Stanley
Assemblywoman Alison Littell McHose



ALSO PRESENT:

Robert C. Rothberg
Joyce W. Murray
*Office of Legislative Services
Committee Aides*

Eugene Lepore
Senate Majority
Kate McDonnell
Assembly Majority

Nicole DeCostello
Senate Republican
Thea M. Sheridan
Assembly Republican

***Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***

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ASSEMBLYMAN JERRY GREEN (Co-Chair): We're going to get started.

I would like to take this opportunity to thank everyone for coming out this morning, especially my colleague, Senator Ron Rice, Chairman of the Community and Urban Affairs Committee. On behalf of my fellow members, I wish to extend a thanks to the Municipal Rehab and Economic Development (*sic*) Recovery Act. The act required the Chief Operating Officer of Camden to report, at the end of four years, on the progress made in rehabbing Camden and the issues of economic development in the city.

I would also, at this time, like to acknowledge--

UNIDENTIFIED PERSON FROM AUDIENCE: (can't hear)

ASSEMBLYMAN GREEN: Can you hear me now? Is that better? Yes, I'm sorry. (referring to PA microphone)

At this time, I would like to acknowledge Mr. Randy Primas, and also -- who is the Chief Operating Officer for the past four years; and the Mayor from the City of Camden. (applause)

Thank you.

What we're going to do before I ask my colleague, Senator Rice, to have some remarks, we're going to somewhat set the structure of how we want to work this morning, so everyone can work within a structure -- that we all can be satisfied. What we're going to ask -- Mr. Primas, as well as the Mayor -- out of respect, to give them more time than we're going to give everyone else. But we're hoping that we can keep your comments within five minutes. We're going to try to stick to what we consider -- what we're here today to talk about: Camden's future. We don't want to get into the

personal issues. We don't get into any issues that I feel -- that might put us in a gray area. And I'm going to ask everyone to cooperate with this. I like to feel that we should be here for one concern -- and that's the City of Camden, and making sure we can make sure that that city is working, moving in the right direction with the support of the State of New Jersey.

So at this time now, I would like to have my colleague from the Senate, Senator Ron Rice, to have a few remarks.

Thank you.

SENATOR RONALD L. RICE (Co-Chair): Thank you very much, Chairman Green.

Good morning.

Let me concur with the remarks of the Chair from the Assembly. Let me also indicate that we passed this act in 2002 for the revitalization of Camden. We put \$175 million worth of State aid -- at least that's what we directed there. And as was said earlier, the act does require, as a means -- to determine whether the term of a chief officer should be extended, and to consider what aspects of laws actually should be revised. It is -- those are the issues that need to be addressed this morning, and that's why we're here, under the statute itself.

We will do a roll call, and then we will commence on the hearing process. So with that, I'm going to ask staff to do a roll call. There may be other members coming in, because we had to put this hearing together very quickly, under statute, and so we're here to take testimony. And let me also indicate to you that all the comments are being recorded. I will caution you on what you say, and I would hope that everybody stays with the issue of the agenda as to why we are here.

With that, Mr. Chairman, we're going to ask for a roll call.

ASSEMBLYMAN GREEN: Staff, would you ask for a roll call, please?

MR. ROTHBERG (OLS Committee Aide): Senator Madden.

SENATOR MADDEN: Here.

MR. ROTHBERG: Chairman Rice.

SENATOR RICE: Here.

MR. ROTHBERG: Chairman Green.

ASSEMBLYMAN GREEN: Here.

MR. ROTHBERG: Assemblywoman Cruz-Perez.

ASSEMBLYWOMAN CRUZ-PEREZ: Present.

MR. ROTHBERG: Assemblyman Stanley.

ASSEMBLYMAN STANLEY: Present.

ASSEMBLYMAN GREEN: At this time, I'm going to ask Mr. Randy Primas, would you like to come up to the mike, and speak into the mike? Like the Senator said, we're recording this whole process today.

Mayor, would you like to come at the same time with him, or -- in case he needs your help?

MAYOR GWENDOLYN A. FAISON: Oh, absolutely.

MELVIN R. PRIMAS JR.: I can always use that. (laughter)

ASSEMBLYMAN GREEN: Like I said earlier, I want to thank the both of you. I like to feel that we're here on behalf of the City of Camden this morning, and we would like to be able to, I would say, extend our hands in terms of working with you. So whatever is being said today and the direction we're going, all of us want it to be positive, because we like to feel the Mayor -- you have done a great job, and the State is here to

work with you. So again, I want to welcome you this morning and look forward to hearing your testimony.

MR. PRIMAS: Thank you very much.

In deference to the Mayor, would it be appropriate if the Mayor opened, or would you want me to open? Either way you want. But I have a great deal of respect for my colleague, and she is the sitting Mayor of the City.

ASSEMBLYMAN GREEN: Well, Mayor, would you care to open up with your remarks? If that's all right with you, it's okay with me.

MAYOR FAISON: Well, it's fine.

I thank you and appreciate it. You may have to change some of my verbs -- have or had or has. But anyway, thank you so much for the opportunity. I have been here before, and I want to thank you for all your help. However, I would just like to remind you, just -- I want to set the picture.

In December 22, 2000, sitting in my living room, 7:00, and I'm called to come to Camden City Hall to be sworn in as a mayor. I took the position under very unusual circumstances, that we will not go into details. I mentioned that incident-- As a mayor, how would you feel walking into an office that was topsy-turvy, everything turned out on the floor with FBI investigations? Maybe we're not where we should be now, but, baby, we've come a long way. And I just wanted to remind you that maybe I still have 48 problems, but when I started I had 148.

And I might as well just give you the rest of my remarks. Because Randy certainly has been a jewel, to have worked with me over the years, I want to thank him personally for all he has given to the city in the

last four years. He has accomplished so much. And I'm sure his report, no doubt, is going to say that. Of course you know, Camden is still the poorest city in the country, even though it's located in the richest state in the country. Think about it.

Some four years ago, the Legislature enacted the MRERA legislation. In enacting that legislation, you showed courage in the face of -- of a lot of conversation -- controversy. The State of New Jersey committed itself to a condition that still is to be a source of shame to all New Jerseyans.

So when I took the office -- I was already in office two years before Randy came. So I'm proud of the fact that at least my administration set up a solid foundation the COO could come and build on. And the good thing about it, the MRERA Act really brought us good financial resources and it brought us the human resources. Now, at this time, it's my greatest fear -- is that resources will be withdrawn and all the progress made during the last four years would be lost. God, I hope not.

I'd like for the State to continue in this environment to sustain the progress. And I endorse Mr. Primas' recommendation for the extension of the MRERA. Certainly, he's going to cite all the good things and the shortcomings. But now what we're faced with -- our city's children were dramatically exposed on the program Friday night. I think everyone saw the 20/20, didn't you? And I'm going to tell you, we can't bury our heads in the sand. We shouldn't attack the messenger. We do have those problems, they do exist, but it's not just for those three families you saw. It's for many, many, many of the children in the City of Camden.

So I hope that we're beyond the time when people are looking for someone else to blame for our conditions. And it's my sense that if anyone is to blame, they have either moved on or passed on. So today, municipal government provides effective and efficient services within the limit of its resources. There's a framework to guide us to redevelopment in the city, and I'm asking for your continued support, through MRERA, that would allow the progress to continue. Don't let it stop. There is a guideline.

And I want to personally thank you, and personally thank Randy. Because I gave up a lot -- even my governance was sacrificed -- but I kept working because my passion is all about people. And I love this man, Randy Primas.

Thank you.

ASSEMBLYMAN GREEN: Thank you very much for those kind remarks.

Is it the wish of this panel to wait until Mr. Primas has made his remarks before you ask any questions of the Mayor or, either, Mr. Primas? Do you prefer to wait until after Mr. Primas makes his remarks?

SENATOR RICE: We'll wait.

ASSEMBLYMAN GREEN: You have the floor, Mr. Primas.

MR. PRIMAS: Thank you very much, Mr. Chairman, and to the members of the Legislature. Thank you for extending the opportunity to come up and share a little bit about a city that we all love and care so deeply about.

Back in 1992, we, together -- the Legislature, the administration, and the city -- started out on an adventure. The MRERA

legislation was radical. But we all believed that what Camden needed was something very radical. I believe that the Legislature saw, in its wisdom, to create the MRERA legislation. Because as the Mayor has indicated, we are talking about the poorest city in America, and one that, over a period of years, has declined; and we found ourselves in a situation where we did not have the resources locally to support our own government. So I can imagine the thoughts of many of our legislators, particularly those outside of the area, seeing large sums of money sent to the City of Camden on an annual basis. Some of you, and most of you, are probably aware of the fact that I had served as Mayor of the City of Camden from 1981 to 1990, and served as a member of its City Council from 1973 to 1981. And since 1973, we have worked diligently to try to bring about a change in economic development.

But the reality is, is that there are three things that we've not come to grips with -- that I allude to in the report that I will get to -- and those are the issues of race, class, and poverty. Because when you look at Camden, it is a city that is full of minorities. We know that it is the poorest city in America.

I know my good friend Senator Rice hails from the great city of Newark. And we are fortunate in this state to be in a state that enjoys the highest median household income in the nation -- over \$60,000. The Senator comes from a community that the statistics will show the median household income is \$30,000, and the challenges that that brings. Camden is half of Newark. And so the median household income in our city is \$18,000 a year. And so we have been left with the challenge of providing

basic municipal services to the most impoverished and the most dense population of poverty in this nation with no resources.

Let me give you a couple of the statistics: Our municipal operating budget is approximately \$140 million. We generate about \$17 to \$20 million in local property taxes. If we were to collect 100 percent of all the taxes that were due to Camden, we'd collect about \$25 million towards an operating budget of 140. And that is why many, many years ago, during the administration of Tom Kean, that they first created the Distressed Cities Program. I can tell you, in meetings with the other urban mayors and the administration at that time, they looked at Camden and saw the gap in terms of the revenue that we had the ability to generate and what was needed, and saw that one did not match the other, and that it would take many, many years in order to generate enough local dollars to support the municipal government operations.

And certainly, all that went into your thinking when the MRERA was created. And the MRER Act had really a couple of purposes: One, to provide an increased level of municipal services, to try to upgrade the quality of the services that we are providing to the residents. But at the same time, to create an economic base so that, at some point in the future, we would be able to generate sufficient tax dollars so that we would be comparable to other municipalities in this state. Looking at that is a daunting task. And none of us, at least at the local level, believe that that is something that can be achieved in a four- or five-year period.

I recognize that the MRERA talks about a five-year commitment, and then a 10-year compliance time. And one of the recommendations that we have come forward with was to extend the Chief

Operating Officer's position for an additional five years, because I believe that we have begun to make significant progress towards economic development, towards increasing the rateable base. But at the same time, you've got to know the challenges of dealing with a place that, again, is concentrated in poverty. And so the challenges that we have are -- I guess they're exacerbated with the challenges of poverty.

We've been regarded in the past as the murder capital of the country. We are not number one this year, because we have worked hard to try to improve that. But to be anywhere on the list is not something that we would want. But again, if we're going to be honest, when you look at those places that are on those lists and look at the income levels of the residents of those communities and those neighborhoods, it's no secret that in the poorest communities, and those that have been devastated the most, crime is a significant problem. And so while over 75 percent of our municipal operating budget goes towards public safety, we are still challenged.

As I was talking to you about the municipal budget and how much we can generate locally, what I failed to tell you is that we don't collect enough taxes in all of Camden to pay for the health benefits for the employees. Our health benefits costs for the City of Camden are approximately \$25 million -- for its employees and its retirees. And yet again, the tax base only produces about \$20 million. And so when we ask ourselves the question, "How do we change that?" in my view it has to be through a major redevelopment program. And if one is talking about redeveloping an entire city, one has to look at a horizon, in my view, that stretches out 25 to 30 years.

Certainly, to start with the \$175 million -- and we've got some other speakers who will articulate on the number of projects that have been completed. With the help of that \$175 million -- you must remember that that \$175 million was not for the operating budget, but that was set aside to spur economic development. That was for special projects to, again, create an environment so that the private sector can come in and be a part of the economic revitalization of our city. There is not a community in this nation that can be rebuilt on public dollars. You all do not have enough public dollars to send to us, and we can't generate enough locally. And we all know that the amount of funds that we get locally from our Federal Government has consistently been diminished.

And so, at the local level, we are stuck and have no place to look but to State government. We first began to look internally to make sure that we're doing all that we can, to be as efficient as we can, to make sure that we operate to the best of our ability. And we have made, I believe, some substantial progress along those lines. If you'll look in the report, you will see that we have increased the tax collection rate in the City of Camden to the highest level in over 30 years, and will continue to make progress along those lines.

We have reached a point where there is genuine interest in the City of Camden. For years, it was very difficult to attract the private sector, or private investment, in Camden. And I can tell you, several years ago when we first arrived, when the city had its tax sale, very few people bid on tax sale property in Camden. As a result, the city wound up with a huge portfolio of tax liens that no one would buy. Over the past two years, when we have held tax sales, we have had to hold them over for a second day.

And literally, all of the properties are being bid on, people are paying premiums, and the city is collecting on that asset which had been lying fallow for many years. So we are certainly moving in the right direction in order to make that happen.

We have enormous challenges with our Police Department. Even before 2002 -- when I, as Chief Operating Officer, arrived on the scene -- the State was involved in the operations of our Police Department. Through the Attorney General's Office and through the Prosecutor's Office, they have, in fact, been running the Police Department in the City of Camden. And again, through local cooperation with the Mayor and Council and the private sector, we have worked to try to do a much better job of policing, getting the citizens involved. Because one of the things that we recognize is that all of the police in the world are not going to solve crime by itself, and that we need to involve the community in the process. And over the past several years, there has been a great deal of outreach in our community to get our citizens involved in their own neighborhoods and working with the police. I think that we have made tremendous progress in marrying our Police Department with the residents of our community. We've changed the way we police, and we have set up civilian groups that meet with our police regularly, in order to do a better job of policing.

Economic development continues to be a challenge. As you know, we are a waterfront community and have been blessed with a number of resources there. But the reality is, is that that alone will not solve Camden's problems. We took the position early on that revitalization could not just be in the downtown and the waterfront -- that revitalization had to go out into literally every neighborhood in Camden if, in fact, we

were going to have success. When we started the venture, we were required by the statute to complete a Strategic Revitalization Plan. That plan, with the assistance of EDA, was done by a company out of Silver Spring, Maryland -- Hammer, Siler, George. And they laid out a strategy for how we could best leverage the \$175 million, that this body sent down to Camden, to help spur economic development. And by any accounts, I think the statistics will show that that has been a success, in terms of the amount of development that is occurring and what is happening in the neighborhoods. And in communities that did not have private-sector involvement just a few years ago, we're starting to see very serious private sector investors coming in and making a difference.

Camden has also been blessed as being the County Seat, so we are the home for county government. But we're also home to something that we refer to as the *eds* and the *meds* -- the educational institutions and the medical institutions -- who have, in fact, been the backbone for the redevelopment of our community. We have the Camden campus of Rutgers University, the Camden campus of Rowan University, the Camden campus of Camden County College; we have Cooper Hospital University, a hospital; we have Our Lady of Lourdes Medical Center; and we also have the Virtua Health System -- all located in the City of Camden.

Some of you may be aware of the fact that each of our public and private eds and meds have gone through a significant expansion period, and some of those individuals -- well, we'll talk about that a little bit later on, in terms of the development of their own institutions. But what we have found is that the future of Camden is going to lie with our eds and our meds, both in terms of jobs and opportunities, and we've been working with

them on the human resource side, as well. Because in addition to the challenges of running government and making Camden a place that we can all be proud of, it is really about the citizens who live in our community. It is a very young community. Forty-two percent of the population is under the age of 25. And if you look at the statistics, some of them are daunting. Fifty percent of the residents over the age of 25 don't have high school diplomas. And so we struggle with a very young, and unfortunately, very large population that dropped out of the public school system. And so trying to rebuild our citizens is another challenge that we have.

It is my belief that if we were to come in and rebuild Camden with just bricks and mortar then we will fail. I believe that it is government's responsibility -- our collective responsibility to create an opportunity for our residents who perhaps have made some poor choices in the past -- dropped out of school, gotten involved in the criminal justice system. Another stat that we're not particularly proud of is that we send more young people to the juvenile penal system in this state than any city in the state. And our population hovers around 80,000. Yet we lead in sending young people to the penal institutions. And so we have got to create some programs and give these individuals who have made these poor choices a second chance -- to come back and get an education or/and to get job training so that they can become productive members of society.

We live in a state that has some of the highest housing costs around. And so we've also recognized that Camden cannot continue to be the only community in South Jersey that is providing affordable housing for families. And until all of the communities in New Jersey begin to accept the burden or shoulder the responsibility of both sheltering and helping to

provide assistance for the poor, we will continue to have cities that are concentrations of poverty, which makes it much more difficult for us to climb out and to be successful. And so we need a regional approach to affordable housing, and we also need a regional approach to jobs. Because while Camden is but nine-square miles, we don't have the resources to create all the jobs that we need for our citizens. And so there needs to be partnerships so that Camden residents will be able to take advantages of jobs that are being created in the wealthier suburbs and communities that are, in fact, around us. And again, a challenge for all of us in government.

But again, I also understand that you can't send an individual to a job if they are not trained. And so that has to be a major component if we are going to be successful in the future for turning around the City of Camden, and other areas in this state and in this nation, that have such high concentrations of poverty.

And so everything that we have done has been geared towards those goals -- improving municipal services with the help of the Mayor and Council, and at the same time creating economic opportunities so that the private sector will come in and invest. Because as I said earlier, there are just not enough public dollars in order to make that happen. We need to continue to be good stewards of the resources. We need to work in partnership with State government.

When Governor McGreevey appointed me as the Chief Operating Officer, the Governor also made it very clear to each of his Cabinet officers that Camden was, in fact, a priority. Not only was it policy from the Governor, but it is written in the bill that we are to get priority treatment. And it is not that we think that we are special. We don't. But

we realize that the challenges that we face are not challenges that are faced by any other community in the state. Certainly there are communities that have poverty, that have crime rates, but they also have a balance of middle-income people and a tax base that is much larger than what we have in Camden.

And so it is going to be a long journey to get Camden turned around. And again, we believe that it can be done. We believe that the resources are there and that a tremendous start has happened. You will see development going on, you will see communities getting involved in their neighborhoods.

One of the frustrations I had as a Councilman, and also as Mayor, is that we went through a period of time where citizens were just disengaged. Well, I'm happy to report to you today that the citizens of Camden, in fact, are engaged in that process. You all may have read about some of the redevelopment efforts and plans. And one of the most widely publicized plan was the Cramer Hill Redevelopment Plan, where Cherokee Investment Partners came in and worked with the city on a major redevelopment plan that would bring 5,000 new housing units, and the conversion of a municipal landfill to a golf course, and other developments in that community. It was going to require the acquisition of some -- or the displacement of approximately 400 homeowners, and approximately 600 renters. We had made provisions for all of those who wanted to remain in the neighborhood to stay.

The truth of the matter is, is that plan went out a bit prematurely before all the residents understood it. And so about 1,000 residents showed up at City Hall expressing their concern with the plan.

We went back and we redid the plan, explained it to the residents and, in fact, took the next meeting to Rutgers University -- the largest area that we had for a public meeting. After explaining it to the residents of the City of Camden, fewer than a hundred people showed up. That plan was, in fact, adopted to move forward, but it has gotten caught up in some legal challenges. But it is that type of development -- large-scale development -- that we need.

We have a number of community-based, nonprofits that do housing, that do a great job. But we need to bring about the development to scale. It's one thing for a community group to do 10 or 15 units. We need to get developers in that are doing thousands and hundreds at a time if, in fact, we are going to turn around our community. And that, again, is something that has started.

And so I would certainly want to be able to respond to any specific questions. But I just wanted you to know that the overall thrust had to deal with working with our assets -- and again, our residents are also our assets -- but with our eds and meds. As they expand, we see Camden as a college community. We see Camden as a hub for both education and health care. And we continue to work with those institutions, as they grow, to create opportunities for our residents. But that is how we see Camden growing. We have to also, again as I've said, make sure that there are opportunities for the residents of our community to get a hand up. That's not a handout, but a hand up. They need the opportunity to go back for additional training and education. And again, that is something that we have to collectively work on.

And then the issue of regional, affordable housing: It is unreasonable to think that one community has to be responsible for all of the affordable housing in a region, or just the urban centers in the state being the centers of low-income families. We need to change that dynamic. And that is something that I hope we can do as a community together.

I guess, in closing, I would suggest that I believe that-- I am proud of the effort that has been made. There are those who thought that in five years Camden would be turned around. And again, I don't think that that is practical. But I do believe that we have made giant steps in terms of going forward. I do believe that the authority that was vested in the Chief Operating Officer -- we have found a way to work with the administration and council. It would be my recommendation that the Legislature consider extending the Chief Operating Officer's position for another five years, and that, again, would make it a 20-year process for revitalization. And most importantly, there must be a partnership with State government--

MAYOR FAISON: Yes.

MR. PRIMAS: --in all of its operating departments. And so I believe that there is a commitment from this Governor to revitalize the community. And those are the things that I believe are necessary so that, at some point, the amount of aid that Camden will require from the State of New Jersey will begin, in fact, to go down as we continue to increase the rateable base and generate additional dollars locally.

And with that, I would be happy to respond to any questions that the group might have.

SENATOR RICE: Thank you very much, Mayor and COO Primas, for your presentations.

I certainly know the ills that we face in urban America, and I certainly know the ills you face in Camden. I can recall when I first met you, coming down for PSE&G to write checks for a nonprofit, and you had government -- the State on one floor and-- A lot of people who don't know, particularly the new generations, about Camden -- those youngsters who were yet not born -- is when they ripped that city off. They ripped that city off. I remember your office with no carpet, and panel off the walls. I mean, that was really low, in terms of ripping off.

We know we have a lot of work to do. We know there is a process of doing the work. All of us in the Legislature, as well as local government, are criticized -- sometime rightfully so and sometime unjustly. Unfortunately -- and unfortunately political actors become barriers to progress because of other agendas.

But let me ask a couple of questions. I need to, first of all, just-- You came in under the MRERA with the McGreevey administration, and we have a new administration -- the Corzine administration. Have they been supporting you? If they've been supporting you -- I mean, what has been their role to date?

MR. PRIMAS: Certainly--

Can you hear me now? (referring to PA microphone)

Certainly, this administration has been supportive of our efforts in Camden. Clearly, this administration is just about -- just over a year old, and when the Governor came into office last year, faced the horrific challenge of the budget that you all went through. And so, clearly, they

were getting their arms around that as we continued to move forward. But I found support from this administration on trying to move Camden forward. I think this administration is working on its plans as it relates to one of the very basic things that we need, and that is land acquisition. And you can't do wholesale and large-sale redevelopment without land acquisition. Thus, the issue of eminent domain arises. And so I know that the Governor charged the Public Advocate -- they were working on policies that this administration wanted to get behind as it relates to eminent domain. And so, to answer your question, yes, this administration has been supportive of trying to move this city forward.

SENATOR RICE: Let me, for the record, indicate that eminent domain is an issue that the Legislature has taken up. We respect the administration, but they implement what we give them. Sometimes they try to legislate by dictating. And so I just want to indicate, the Public Advocate and I agree and disagree on how that should be handled. But that's another bill, another time.

The question, when you talk about the land acquisition -- the question comes to mind that needs to be asked: Are there enough -- at least in your relationships -- willing and private firms that are willing to invest in Camden despite the current state of the municipality? And we're growing. And you indicate there's an interest. Is that a broad-spread interest?

MR. PRIMAS: Yes, it is, Senator.

Again, as I've mentioned, in the Cramer Hill Redevelopment Plan, it was a major investor, Cherokee Investment Partners. I can tell you that some of the largest housing providers in the state, which include K. Hovnanian, Westrum, Pennrose, Michaels -- some of the largest developers

of housing, both affordable and market rate -- are now in Camden, interested in acquiring properties and moving forward. So we, in fact, are seeing-- And the difference in the type of businesses that we are seeing now and those that I saw, in years past, is that we now have businesses that have resources.

In the past, when I served either on council or as mayor, very often developers would come in and express an interest. And the next question was, "What do you have for me? What can you give me?" in terms of resources.

But, Senator, yes, there are a significant number of businesses that are interested in, in fact, moving to Camden. As we speak, on our waterfront there is a new office building -- I guess the first private office building to be built in Camden in many, many years is going up. And in it will house Susquehanna Bank. They will be moving their corporate headquarters to the City of Camden. And so they and others-- Carl Dranoff, a private investor and developer in Philadelphia, has developed the Victor Building that has received much acclaim, at least in our neck of the woods, and is now moving on his second project, which will be the first market-rate condominiums to be built in Camden ever.

And so, when I tell you that, yes, we do have private sector businesses prepared to come and invest in Camden, that in fact is happening.

SENATOR RICE: Let me fold two questions into one, then I'll yield to my colleagues, and come back to you. Throughout your tenure as the COO, since we talk about the business interest, what have been the most challenging obstacle to the plan redevelopment? But along with that,

can you identify the differences, since you brought it up, between the successful redevelopment projects -- such as the Baldwin's Run -- and those that have been stalled by the opposition, such as Cramer Hill?

MR. PRIMAS: Well, site acquisition is a significant problem. While Camden is probably the largest landholder in Camden, it's parcels are scattered. And so we have very few parcels. If you were to ask me to identify a 10-acre parcel of land that a developer could come in and build on, I would be extremely hard-pressed to do that. We have small parcels. And so we have to assemble land. And generally, when we have to assemble land, it invariably involves the need for eminent domain for acquiring some privately held property. So that has been a major problem.

In the case of Baldwin's Run, Baldwin's Run was a Hope VI project, where the land was already owned by the Housing Authority of the City of Camden. And the old Westfield Acres housing development was demolished, and on its site, Baldwin's Run was put in its place. Now, we were able to, with the assistance of the State, acquire some additional property around Baldwin's Run where we are building a new school and a Boys & Girls Club in one facility. And while we had to take some parklands, we are replacing that parkland and building both senior housing and additional family housing. And that project itself is a major revitalization effort in East Camden that complements the Baldwin's Run development that you spoke about. And so the concentric circle is getting larger, in fact, around that development. But I would say that land acquisition, and being able to have parcels--

One of the other challenges that we face-- As you know, Camden is on the waterfront, and we have the South Jersey Port

Corporation, which is a quasi-State agency that runs the port operation there. And they probably own over 200 acres of waterfront property for which the City of Camden gets \$2 million a year. And so again, going back to the tax-base issue, there needs to be some sort of equity, in my view, for the most valuable land that we have that does not generate tax dollars for our city.

SENATOR RICE: Are they similar to the Port Authority?

MR. PRIMAS: Similar -- similar, yes. They operate the ports.

ASSEMBLYMAN GREEN: At this time now, I want to entertain any questions from any of my colleagues. I'll wait until after everyone has spoken, because basically we covered a lot of concerns that I have. Because like you said earlier, when you take the 30 years that you have been involved in government, people who have been in the game as long as you and I have, we realize mistakes have been made over the years, especially when it comes to housing. That's why we're going to have a public housing hearing to deal with other people picking up their responsibility. We have, basically -- went to sleep at the switch and created our own problems. And so there's not much that you didn't say today that I don't support, I don't understand.

Mayor?

MAYOR FAISON: Excuse me.

Randy is a little modest. But let me mention: As the Mayor, working with Randy, with his qualifications of being a mayor, being a commissioner, being a banker, being an educator, born and raised in the City of Camden, what is happening-- The obstacle is, a lot of these persons do not understand the MRERA. Our obstacle was the Memorandum of

Understanding. You really have to read that. I've had my problems with DCA that -- who's the boss, who cares? We have a job to get done. Who supersedes? And Randy could not even do his job properly because we have people that were so concerned about who's on first instead of helping us get the job done -- knowing that Camden has over 50 percent tax exempt. Right, Randy? You sit, modest.

This man works hard. But there's times-- The old Camden legend is, if you're poor, you've got mismanagement or you don't know what to do. You know, we've got to get all of that cultural stuff out. You understand? So I wanted to put that part through, because Randy left me because of that MOU conversation. So you might as well know the truth, the theory, the physical, and the whole issue.

Thank you.

ASSEMBLYMAN GREEN: She started it, so I guess we have to listen to it.

At this time now, Assemblyman Stanley.

ASSEMBLYMAN STANLEY: Thank you.

Thank you, Mr. Chairman.

I, too, understand the tremendous difficulties that we have in some of our urban areas. I share a legislative district with Co-Chairman Rice, Co-Chair of the Senate side. And so I certainly approach this with a lot of experience with respect to some of the obstacles, some of the issues. But I also see them as tremendous opportunities for all of us to turn around a city like Camden. If we can turn around a city like Camden, we can certainly claim victory in basically any community in America.

And we certainly have the resources. I think your opening comments mentioned the fact that this is one of the wealthiest states in the country. The wealthiest state in the country, in the history of the world, yet we can have the highest concentration of poverty and don't address it. That in itself is somewhat criminal and is somewhat of an indictment of us all.

I just had a couple of quick questions. I'm sorry to get on the soapbox here, Senator, but sometimes we've got to speak the truth, right?

SENATOR RICE: That's right.

ASSEMBLYMAN STANLEY: The infrastructure of Camden -- can you comment a little bit on the infrastructure of Camden? Well, maybe before you get to that, can you comment on what we had -- on what the situation was before, as opposed to where we are now? I know that the collection rate seems to -- you've done a tremendous job with the collection rate of the rateables. Can you give us an overview on some of the other things? Are we moving in the right direction, or are we somewhat just holding pace, or are we going downhill in some of the socio-economic factors in Camden?

Thank you.

MR. PRIMAS: You talked about infrastructure. Let me tell you that our infrastructure is very old. Our sewage system is over a hundred years old. I was on City Council when we took out the last wooden sewers. And so our infrastructure needs a lot of work. I will tell you that we have formed a tremendous partnership with the Camden County Municipal Utilities Authority, who is the agency charged with the processing of sewage throughout Camden County. And we are working

closely with them for upgrading the sewage system in the city. The County government, as well, has put up substantial dollars to help improve that system. But our system of roads continues to need an awful lot of work. You can really mess up a front end driving through the streets of our city, because the sewer system is collapsing, and that creates potholes. And so we struggle to keep up with that.

We looked at-- Initially, there was a look at the total infrastructure, and the numbers were just staggering in terms of replacing it. But I can tell you that our water treatment facility has been completely upgraded and we have spent -- I believe it was close to \$60 million, if not more than that, in upgrading our water system. And so, in the City of Camden, a portion of Camden is serviced by our own municipal system, and the balance is serviced by New Jersey American. I can tell you that those who have municipal water pay a rate that is about 50 percent lower than New Jersey American; and there have been some serious quality problems that have been raised in the past. But I will tell you that we have a new plant; that if the switch has not been thrown, it is about to be thrown to come on. Our real challenge now is the existing pipes that are in the ground, because they, too, are old. And so we have begun a program of both replacing and cleaning our waterlines in the city.

So there is an infrastructure plan that we are working on and making, I believe, some pretty good progress on. But it is going to take a long time to get through that process.

ASSEMBLYMAN GREEN: Before we go any further, I would like to recognize Assemblywoman McHose. She came in during the course of your presentation.

ASSEMBLYWOMAN LITTELL McHOSE: Thank you.

Thank you, Chairmen.

ASSEMBLYMAN STANLEY: Thank you.

The next question I'm going to ask-- And I hope we can come back to another round, because I want to make sure everybody gets an opportunity to ask questions they want to ask.

Is the South Jersey Port -- the corporation that, actually, Senator Rice had alluded to -- how many acres did you say that they hold? How much land?

MR. PRIMAS: I know it's over 200 acres. They have two facilities: One -- if any of you have visited our downtown waterfront and may have visited the E-Center for some great entertainment, the land adjacent to that, going south, begins the Beckett Street Terminal of the South Jersey Port Corporation; and then, at the far end of town -- which was the old New York shipyard that employed some 45,000 people when we were building ships -- has also been taken over by the South Jersey Port Corporation. So they operate two facilities in Camden. But I think together it's approximately 200 acres.

ASSEMBLYMAN STANLEY: Is that Port operation -- is that maximizing the potential of the area and the potential for commerce there?

MR. PRIMAS: There's been a lot of discussion. There is a school of thought that believes that, particularly, the South Jersey Port land that is adjacent to the downtown could have a higher and better use, be it housing and other development. But on one hand, it does create jobs. There are city residents that work there. And so the South Jersey Port has been looking at that, in terms of consolidation and looking at the best way

to be able to have a functioning port; but to also maximize the use of valuable waterfront land that is just opposite downtown Philadelphia. And so that is a discussion and debate that is going on now.

ASSEMBLYMAN STANLEY: Thank you.

Thank you, Mr. Chairmen.

ASSEMBLYMAN GREEN: Ms. Cruz.

ASSEMBLYWOMAN CRUZ-PEREZ: Yes. Good morning, Mr. Randy Primas, Mayor Faison, and everybody in the audience. Good morning.

MR. PRIMAS: Good morning.

ASSEMBLYWOMAN CRUZ-PEREZ: I recognize most of the people in here -- all of them.

Mr. Primas, I just want to congratulate you and the Mayor for working together to make sure that we move Camden forward. When we created the legislation, we had a plan to move the city forward. As we move the city forward, I know that you have suggested that we will continue with the Municipal Rehabilitation and Economic Recovery in Camden. But I want to know what has been your major challenges? What in the legislation needs to be either changed or what kind of an approach do we need to take so we can make this work the way we plan it to work? We want to make sure that this works, because we want to help the people in Camden city.

So what exactly -- what has been your major challenges, and what do you see that is not working that should be changed so we can really do the real job in here?

MR. PRIMAS: Sure.

Well, going forward, I think clearly -- and the Mayor made reference to a Memorandum of Understanding between the Department of Community Affairs and the city. That ought to be resolved up front. The MOU became an issue that, I guess, led to my resignation as Chief Operating Officer. I fully believe that we are accountable to the State. As you know, I used to chair the Department of Community Affairs. It's a tremendous Department and serves a major function. And we were asked -- or I was asked to sign a Memorandum of Understanding that, in my view, took away the authority that was granted by the Legislature in the position of Chief Operating Officer. And so I refused to sign that piece of legislation.

And so, going forward, while I do believe that there ought to be a MOU between DCA and the city, because DCA tends to be the lead agency that works with municipalities, it needs to be articulated up front. And so I would say that that would be one. And coming up with the MOU, I think it would be imperative to make sure that the MOU is consistent with the MRERA legislation that this body had passed.

Resources continue to be a problem. And 175 million -- as I said, that pot of money is controlled by the Economic Recovery Board. And so the administration -- this administration is in the process of working out how that works. Let me give an example: When we were first set up, the Treasurer of the State of New Jersey, John McCormac, chaired the Economic Recovery Board, and there was a link between Camden and the State government that helped in bringing about many of the changes that, in fact, we saw. And we now have a new administration, and this administration has to figure out how they want, in fact, to deal with

Camden. And so we have to leave it up to the Governor to figure out if, in fact, he believes that the road that we have gone down is the appropriate one, and who is going to be leading the Economic Recovery Board.

But I guess my point is, there needs to be a strengthening with the relationship between Trenton and the city. I always try to remind individuals that the Chief Operating Officer is an appointee of the Governor. I do not work for Camden. I was not paid for by Camden -- but appointed by the Governor. And when we had an interagency task force of commissioners that worked on the issue of Camden, we were able to make an awful lot of progress. And so that relationship, I think, needs to be articulated up front so that everybody knows, in fact, what it is.

ASSEMBLYWOMAN CRUZ-PEREZ: How often did you actually meet with the Governor, to give the Governor a report of what the progress has been in Camden? I know it's not in the legislation that we mandate that you do that. But to keep up working relationships, since you respond to the Governor and you are appointed by the Governor, how often did you really, in the time that you were the CEO, how often did you actually meet with the Governor -- to tell the Governor the report or to tell the Governor that something wasn't working the way it should be?

MR. PRIMAS: We had periodic meetings with both Governor McGreevey, Governor Codey, and with Governor Corzine. But again, I will tell you that during the largest tenure, when John McCormac was the Treasurer, there was weekly, if not daily, communications with his office. And so there was an awful lot of communication going on between the administration and the Chief Operating Officer's Office.

ASSEMBLYWOMAN CRUZ-PEREZ: So you don't see a problem in communicating with the Governor for you to do your job and move forward, the city? That was happening. Communication was happening until recently, obviously.

MR. PRIMAS: Yes.

No. And again, I don't mean to suggest that it is not happening now. But again, in practical terms, you had a new administration that came in, and we were already going down a path. And certainly, we met early on with Governor Corzine as they tried to work through their priority. And I understand that a newly-elected Governor -- while each of us in our municipalities like to think that we have the most pressing problems and deserve the most attention, certainly the Governor had some major challenges. And so, again, there was a period where there was not a lot of communication with the new administration. And I believe that's appropriate, but we have talked regularly, and there are no problems in communications with the Governor's office.

ASSEMBLYWOMAN CRUZ-PEREZ: And obviously, the job for Camden is not just for the people in Camden and the people who are working so hard in Camden, it's for all of us in the State of New Jersey. Because Camden is a place in New Jersey that should be better, it shouldn't be in the condition that it is. That makes it everybody's responsibility, from the administration to the legislators, and everybody who lives in the State of New Jersey. It's unacceptable to have a place like Camden in New Jersey.

You mention in your report that the legislation has failed to take a regional approach. In the legislation, it was mandated to create a

regional board to keep working. Can you tell me about that board, how efficient that board has been?

MR. PRIMAS: Yes. One of the boards that was to be created -- and in fact, it has been created -- is the Regional Impact Council. And it has served more as advisory, in terms of looking at plans that have been made. This was a new venture. And so getting the region involved, we think, is necessary.

But it also gets to be very challenging. During the debate with Cherokee, when there was a lot of publicity about a thousand families being relocated from Camden, I got many comments from many suburban communities afraid that those residents were going to wind up in their communities. And so it goes back to the issue that I spoke about earlier, in terms of a policy, in the state, of affordable housing that is shared by all 566 municipalities. And we are not there. We are not close to that. But I believe that that is something that we have to work towards. I think that is a major part of getting Camden fixed -- and that is, having that responsibility of so many poor being shouldered by more people.

ASSEMBLYWOMAN CRUZ-PEREZ: Thank you, Mr. Chairman.

Thank you, Mr. Randy Primas, Mayor.

ASSEMBLYMAN GREEN: Mr. Primas and Mayor, is it possible that you can be available? The reason why I say being available, I would like to take a different approach, if you can spare the time. Does any of my colleagues have any questions?

Do you have any questions, Senator?

SENATOR MADDEN: Yes.

ASSEMBLYMAN GREEN: Okay.

And what I want to do-- Okay, Senator, then the Assemblywoman. Because what I want to do after that is that -- we have a few people that want to testify. And I would like to feel that after listening to them testify maybe there's some questions that you, or the Mayor, might entertain from this Committee.

MR. PRIMAS: Yes, sir. Be happy to do that.

ASSEMBLYMAN GREEN: You don't mind?

MR. PRIMAS: Be happy to do that.

ASSEMBLYMAN GREEN: Thanks very much.

Senator, would you like to ask any questions at this particular time?

SENATOR MADDEN: Thank you, Chairman.

Good morning, Mayor. Good morning, Randy. How are you doing?

MR. PRIMAS: Good morning.

MAYOR FAISON: Good morning.

SENATOR MADDEN: If we may shift to public safety, real quick, for a second here and keep that the focus of our discussion. How many police officers does Camden City Police Department have right now?

MR. PRIMAS: Over 400, a little over 400, I believe.

SENATOR MADDEN: Do you know how many they had about five years ago?

MR. PRIMAS: I would say somewhere around 350 -- in the range between 350 and 400 has been pretty consistent over the past four or five years.

SENATOR MADDEN: My firm belief, especially with my background-- But my firm belief is that crime and the ability of having a quality of life -- just being able to sit on your front step means an awful lot to people.

MR. PRIMAS: Absolutely.

SENATOR MADDEN: I believe that the crime rates and the crime volume in communities have a lot to do with the flight of the people; and not just as individuals, but businesses also, which is the backbone of your economic loss to the city. I would think that, in a revitalization or redevelopment network, that the crime-fighting measure would be pretty much a paramount issue going in, understanding the whole point about -- I believe over 50 percent over 25 had less than a high school education.

MR. PRIMAS: Correct.

SENATOR MADDEN: Some of the demographics that you had quoted.

But if we could focus, what really, in the terms of a crime-fighting measure, has really happened in Camden city during this revitalization period -- whether you're number one, number five, whichever. But I mean--

MR. PRIMAS: Right.

SENATOR MADDEN: --there's fluctuations. And I'm just trying to say, a five-year turnaround on something such as that, I would expect there would have been some input, even if we said, "Hey, this part of Camden is a whole different world than it was five years ago," realizing you can't just blanket crime control over the entire city, maybe, necessarily.

MR. PRIMAS: Sure, sure.

SENATOR MADDEN: So if we could just chat about that for a little--

MR. PRIMAS: Absolutely.

SENATOR MADDEN: --bit, have some comments, and--
Thank you.

MR. PRIMAS: We have gone to a more police-based form of patrolling. We've divided the city into two sectors, and each sector has two divisions. And in the two sections, we now have a captain who is in charge of that section 24 hours a day. And so the whole notion was to get both our police officers and our residents working in one particular area so that they, one, got to know the residents, the residents got to know them. We've been working towards moving our Police Department to permanent shifts because right now, we unfortunately are on a rotating basis, and each week the police officer changes its shift. We had, I believe before I left, reached consensus on a schedule that will move to permanent shifts for our police officers.

We have implemented the recommendations of a Blue Ribbon Panel in terms of changing the way we police. We have hired an individual who had been the Chief of Police in San Diego--

MAYOR FAISON: Sacramento.

MR. PRIMAS: I'm sorry, Sacramento, California -- who is now, what we call, the *Supersession Executive*, coming in reporting to the Prosecutor's Office. But he is the individual leading the public safety effort as it relates to police in Camden -- Arturo Venegas. He brings a great deal of both experience and training. We are now trying to provide much more training for our police officers. And so, you're right: in order for a

community to be revitalized and in order for private-sector businesses to want to invest, and our own businesses to expand, there has got to be a degree of safety. And so we are also working with the police departments of our major institutions -- be it Rutgers University, our hospitals -- in coordination with the county. We coordinate with the county sheriff. So there is coordination that goes on. The Delaware River Port Authority also has jurisdictions for some portions of Camden. So I can sit here and tell you that there is a great deal of coordination between all of the law enforcement agencies.

The problems of drugs continues to be a major scourge in our city. Camden is a very violent place if you happen to be between the ages of 18 and 35 and are involved in illegal drugs. It is a very violent place. That is not to say that violence has not crept into very innocent bystanders and children. It is a far too violent place, far too much crime. But I happen to believe that the bulk of it is related to drugs, and I think that the arrests will point that up.

And so we've waged a war on drugs in this country for many, many years. And when you superimpose the issues of drugs with poverty, you wind up with the socio-economic conditions and the pathologies of poverty that we have. And so we have tried to focus, to make sure that our police department gets to be better trained. And they are working closely with the residents, and we are working to make sure that the residents do not see the police as their adversary -- as had been the case in the past -- but working together. They have to be a part of the solution. I am pleased that we have community meetings between the police department and the citizens, that are regularly scheduled in the various sectors that I spoke to

you about. And I'd like to think that some of the statistics that are going in the right direction are a result of that effort to try to deal with crime.

Because the reality is, is that if we do not deal with crime and if we cannot -- and I know we're not here to talk about education -- but if we do not deal with education and create an educational system where people are comfortable sending their kids, and their kids get a quality education, then we will fail in terms of any revitalization effort.

So certainly, public safety, education, and sanitation are at the top of what we have to do to ensure our prosperity, going into the future.

SENATOR MADDEN: The new individual from Sacramento, he reports to the Prosecutor?

MR. PRIMAS: Yes.

SENATOR MADDEN: Who is actually running the day-to-day operations in setting the direction of the Camden City Police Department, the Prosecutor or this new appointed individual?

MR. PRIMAS: Well, the appointed individual. He has been given the power through the Prosecutor's Office, through the Attorney General, in order to do that.

SENATOR MADDEN: But that's why I'm asking this--

MR. PRIMAS: Yes. He sits--

SENATOR MADDEN: --because this whole agreement has multiple layers.

MR. PRIMAS: Yes, it does.

SENATOR MADDEN: Much like you have the DCA issue, I'm sure under the Attorney General's Office there's oversight also.

MR. PRIMAS: That's correct.

SENATOR MADDEN: It's my understanding that there has generally always been a little bit of a struggle implementing, sometimes, recommendations from the Attorney General's Office. At the time, it was the AG, it was the Prosecutor, there was a Chief.

MR. PRIMAS: That is correct.

SENATOR MADDEN: And then there was the input from, say, the City Council, then the neighborhood watch. And when it was all said and done, great plans were laid out, but they weren't always covered from *A* to *B*.

MR. PRIMAS: Sure.

SENATOR MADDEN: In fairness to everybody involved-- I mean, look, we either have our hands together around something, and we're going to commit to it and see if it works; or we're just going to twist and tweak as we go along, which causes nothing but friction in the leadership. And then the workers that have to implement it, whether it be at the State level or at the office in control, they're trying to figure out what the message of the week is.

MR. PRIMAS: You're absolutely correct.

SENATOR MADDEN: So could we talk about -- what are we doing? Like, who's actually setting a pace--

MR. PRIMAS: Sure.

SENATOR MADDEN: --and who's going to be the sole leader here that everybody listens to?

MR. PRIMAS: Again, shortly after I got on the scene -- again, the Prosecutor's Office had been in charge for several years, going back, I believe, to the Whitman administration.

The Mayor and I met with both the Attorney General and the Prosecutor, and they indicated to us that they were not happy with the Chief at the time, who was not carrying out the mandates as mandated by both the Attorney General and the Prosecutor. And at that time, the Mayor and I brought in the Police Chief and suspended him from that position. There was a vacancy that occurred for, I guess, a little over a year, but it was to deal with the issue that you speak about. Clearly, under the supersession, the Attorney General, as the top law enforcement officer in the State, had the authority, and he vested that with the Prosecutor. And we had a couple interim individuals come in. But it is clear now that Art Venegas is the individual at the local level, and we had made provisions to appoint Art Venegas as the Director of Police, with the advice and consent of the Council, certainly, and the Mayor. It's going to be both the Chief Operating Officer and the Mayor's appointment to have Art Venegas serve in, in fact, that capacity. And I believe that will happen. So that everyone knows that, in terms of the policy being set for police officers -- where that authority lies. And we are trying to make that in Mr. Venegas.

SENATOR MADDEN: Thank you.

MR. PRIMAS: You're welcome.

SENATOR MADDEN: Thank you, Chairman. Thank you, thank you. I'm finished.

ASSEMBLYMAN GREEN: Thank you very much, Senator.

At this time now, Assemblywoman.

ASSEMBLYWOMAN LITTELL McHOSE: Thank you, Chairman Rice, and Chairman Green, and my colleagues for being here today.

Mr. Primas and Mayor, thank you.

I just want to preface my comments by saying I'm the new member to this Committee. I've only been in the Legislature four years, so the legislation authorizing this appropriation was before my time. So I may have a few background questions, if you don't mind.

And just for the record, although I am from Sussex County, which is a very different part of the state, I do have a degree that includes a concentration in urban economics and public policy, so I am very aware of cities and their situations. So I just wanted to put that out on the table for you.

I'm also a member of the Assembly Budget Committee. So in preparing for this hearing today, I was slightly troubled when I looked at some of the figures and saw that already, of the \$175 million, that almost 120 million has already been spent. Can you explain to me the timeline? You mentioned in your comments that potentially this could be a long-range project of 10, maybe 20 years. But the initial legislation, back in 2002, were there guidelines or time limitations built into that legislation?

MR. PRIMAS: In terms of timelines, you're talking for the expenditure of the dollars?

ASSEMBLYWOMAN LITTELL McHOSE: Yes.

MR. PRIMAS: No, that was not spelled out in terms of how long one had to spend those dollars. The Economic Recovery Board was created and began, initially chaired by the Treasurer. I sit as a member, the Mayor sits, the Council President sits. There are several commissioners that sit, as well as citizens. And it is that body that determines the allocation of that \$175 million. That \$175 million does not touch the City's books, and

is not part of the municipal operating budget. That is a separate fund managed by the EDA. The EDA serves as staff to the ERB -- the Economic Recovery Board. And it is that body that manages that \$175 million.

Let me just say, as all of us know, \$175 million is a lot of money. But in terms of revitalizing a community, it is but a drop in the bucket. An example that I've shared: I mentioned the name of Carl Dranoff, who is a private-sector housing developer, who came in and took over one of the old RCA Victor buildings and converted it into luxury condominiums. If my memory is correct, he spent about \$75 million, and that took care of one block in the City of Camden. And we have the task of taking \$175 million and spreading it and making it work all over Camden. I don't think anyone ever believed that \$175 million was going to be enough to revitalize Camden. It's a great start. But in terms of the effort that is required, it is but a drop in the bucket.

And so we needed to leverage those dollars. And so there are leverage requirements, that the EDA has put on, for projects that are receiving some of those moneys. And I think your numbers are about correct, in terms of about \$120 million has been either committed or spent. We should also remember, in the legislation it talked about a couple of specific projects on our waterfront -- the Aquarium and others. There were funds that went to each of our educational institutions, and you're going to hear from some of those individuals -- Rutgers and Rowan Universities, and Camden County College -- and our hospitals. Which again, they've leveraged with their own dollars to pump up that \$175 million number.

ASSEMBLYWOMAN LITTELL McHOSE: Okay.

You have to keep in mind that, again, as a member of the Legislature and a member of the Budget Committee, I've seen, over the last four years that I've been here, that the City of Camden historically receives large amounts of State aid. I have in front of me a document that was prepared by the Office of Legislative Services. It is total appropriations to the City of Camden from FY '98 to FY 2007, and it is-- What is this -- \$3 billion? Now that -- let me just explain to you. That does not include additional Green Acres money, DEP -- sort of other project money that may have come also to Camden.

When you were speaking earlier, you alluded to sort of a guardian angel, or a person who has helped the City of Camden tremendously over the years. And I don't doubt anyone's commitment to the City of Camden -- the Mayor; Assemblywoman Cruz-Perez, who ran for Mayor -- who felt passionately about the City of Camden; yourself.

But something has gone wrong in the City of Camden. You talk about the culture of drugs. But the culture of corruption has also made it's way into the City of Camden. This is a problem. How do we explain to the rest of the State of New Jersey that we are pumping money into the City of Camden constantly? And what do we say to those people? What do I say to my people who say, "We send money to Trenton all the time. Do we get a return for it?" It is a frustration that I need to express to you here today.

MR. PRIMAS: Sure.

ASSEMBLYWOMAN LITTELL McHOSE: And I understand you're not in the job any more, and I realize you are here to represent the report--

MR. PRIMAS: Sure.

ASSEMBLYWOMAN LITTELL McHOSE: --that you put forth.

MR. PRIMAS: Sure.

ASSEMBLYWOMAN LITTELL McHOSE: But if you could, please, explain to me how we go forward.

MR. PRIMAS: Sure.

I think you were probably not here when I made some opening remarks in terms of the rateable base that is in Camden, and the fact that if we collected every tax dollar that is owed to us, we would collect \$25 million a year, which would cover the cost of health insurance for our employees. And so with the most impoverished community in this nation, we are trying to raise enough money to run government, and it doesn't work. That is not a problem that was created by this administration, or the prior administration. You see, I grew up in Camden, when Camden worked, when Camden provided the resources and the tax base to build the suburbs. But the reality is, is that people moved out of Camden, the dollars left, businesses left, and Camden was left with a city of poor people with no resources in order to run its affairs.

The New York Shipyard, with 45,000 employees, closed. The Campbell Soup -- the manufacturing facilities have closed. So as the nation moved from an industrial economy to a technology-driven economy, we got left behind. And so when you look at the population, again 42 percent of the population is under the age of 25 -- many of those have dropped out of school. You know, you're not talking about a population that has resources to support it's government. And so, while I don't think we can point to any

one administration -- because this has been going on for years. And as the flight moved to the suburban communities, and the jobs moved, what was left behind were families at the lower end of the economic ladder without the resources to fend for themselves. And so, yes, we require substantial aid for this community, because there are just not enough resources locally in order to get it.

Now, let's talk about this corruption that we keep hearing about. And everybody says that, you know, five of the last seven mayors in Camden have gone to jail or have been arrested. If you look at that, that is certainly true. But those were individual actions, starting back with -- I guess it was Angelo Errichetti, who was involved with Abscam. There was not another person in the City of Camden -- the city was not involved, city resources were not involved in his actions while he was both a mayor and a State Senator. And so I don't buy that there is a culture of corruption. What I see every day are employees that are working with tremendous odds, with very few resources, doing the very best that they can to try to provide services to people who really need them. We are not flush with employees. We have about 1,200 employees -- 600 of which are policemen and firemen.

MAYOR FAISON: That's right.

MR. PRIMAS: So that leaves 600 people to do everything. When you drive through Camden, you'll see that it's not a real pretty place. That's because in our Public Works Department we've got four people to cut grass. And we've got a few truck drivers. And so with few resources, we're trying to do a whole lot. And everywhere we go, we hear about this culture of corruption in Camden. And people say it long enough that they

then want to believe it. But there has not been, other than those individuals -- and again, I'm not suggesting that they didn't do corrupt activities. But that doesn't mean that everything that happens in Camden is wrong or corrupt. There are people struggling every day, coming to work, trying to do the very best that they can to improve the quality of life for people in this town. And it is a very difficult challenge.

I know what it is to sit in the Mayor's chair, to daily have people come in with all kinds of needs that, fortunately, many people in this state don't have to deal with. I don't know if you happen to have seen the *20/20* edition last week? Diane Sawyer chronicled the life of three youngsters in Camden over the past 18 months. And they are just representative of a large number of our citizens who are living far below the poverty line. The median household income in Camden is \$18,000 a year. And try raising a family on \$18,000 a year. And so those -- that's the problem that is confronted in Camden. It has to do with -- as I said earlier -- race, class, and poverty. And there was a time that the Federal Government was in the game. I could remember Federal revenue-sharing money coming in.

When I was elected to City Council, Camden had 2,250 employees. When I was elected Mayor, we had 960. And again, there was just an erosion of Federal dollars. The Feds said that the states had all the money. The states were wealthy and the Federal Government was looking at huge deficits. And so all those dollars went away. So where do they get replaced? Unfortunately, in New Jersey, we can only turn to property taxes or you, the State. So in a community that doesn't have a rateable base, that doesn't have a population that can support it, where do we turn? Again, we

try to streamline government to be as effective as we can, but again that will produce \$25 million, if we collected 100 percent. That leaves us \$115 million short each year, just to start off the year.

MAYOR FAISON: It's bad.

MR. PRIMAS: And so that's the challenge, and that's why revitalization, we believe, is necessary. And that is going to require an infusion of even more dollars over a sustained period of time so that, in fact, large-scale redevelopment can take place. We need businesses that can come in and can be successful. And so that is what the whole intent of the MRERA legislation was about. And again, we think that we have made progress, but there's just so much to be done.

I could imagine the frustration. Any town in this state, whether it's the wealthiest or the poorest, I'm sure believe they've got their own challenges. And nobody's having it easy; and everyone is frustrated with property taxes. And so that gets taken out on you, as an elected official. And I'm sure that those of you who are not from Camden, as my good friend Assemblywoman Cruz-Perez, who-- Their residents question why so many dollars go to Camden. So many dollars go to Camden because it's such an impoverished place. And then again, it is not that we are wasting money. Eighty percent of our budget goes for public safety; 80 percent goes for police and fire. That doesn't leave a whole lot. We can go through and fire every city employee other than policemen and firemen and still not close the budget gap. That's the enormous challenge. And that's why I suggest to you that Camden is, in fact, different than most places, not only in this state, but in this nation. Because there have not been very many communities that have been left to go down so far.

You know, most of the urban centers were able to maintain a middle-income neighborhood and businesses. We lost literally all of that, and are working now to try to bring that back. Because if we don't have neighborhoods that are both economically and racially integrated, then again we'll fail. We can't continue to be the city that is the poorest in America, and folks expect that everything is going to be well -- that we're not going to need any money and we're going to be able to manage with just the resources that we have in Camden. And unfortunately, it doesn't work that way, and Camden doesn't fit the mold for most urban centers.

There has been, over the past couple of decades -- there has been a lot of revitalization in cities across the country. Cities have become the new pioneer. I mean, we've paved over the rest of the country, and now folks are looking again at the urban centers where the economics of density can make sense. And Camden is a very weak market city. And we recognize that if, in fact, we can turn that around and begin to get some middle-income folks back in to create mixed neighborhoods, that's our only solution. And so, again, I share the frustration. I don't have an answer as to-- All I know is what it costs to run the basic units of government. And like I said, if it were just police and fire, that's 80 percent of our \$140 budget. And I think we all believe, at the local level, that it is true revitalization.

You know, when you look at the piece of real estate that we sit on, we are across the bridge from the cradle of liberty. From the Mayor's office, one could almost see the Statue of Liberty. Constitution Hall is an eyesight from my office, which is on the 13th floor. And to think that the value of that real estate in the wealthiest state in the Northeast corridor,

with the assets-- Many of them are in this room, that you'll hear from in a few minutes. It shouldn't be, it shouldn't exist, but it does. And so we have got to find a way to help the residents and to help the city to create an environment so that the private sector will come in and also become a partner. Because as we mentioned earlier, there are not enough dollars in State, county, and local government, because that all comes from our taxpayers. And so there are just not enough dollars there to do what needs to be done.

ASSEMBLYWOMAN LITTELL McHOSE: Mr. Chairman, I just have one last question. It's a specific bonding question.

You, as a banker, I guess-- I missed the whole Memorandum of Understanding. You didn't want to sign it because, I guess when a bank loans money-- We're the State, we loaned you money, in a sense. We were asking you to sign this agreement. Can you just talk a little bit about that? And what concerned me, and the reason I asked that, is because in doing research for this hearing, I found instances where there were bond sales -- participating underwriters of the bond sales that received fees, when actually they were never allocated any bonds. It's unclear what they did the work for. One in particular was a \$45,000 payment to (indiscernible). And I've written a letter to Stuart Rabner, because I was so troubled by this, and I'll share that with you later. But just from a banking perspective, your involvement with the bond sale, and then why you didn't sign that?

MR. PRIMAS: Sure.

We've really not been involved at all in bond sales since I've been here. We do tax anticipation notes.

The Memorandum of Understanding was a document that was sent out from Community Affairs, and the Commissioner felt that each town should sign the exact same MOU. And when I saw the MOU, as an example, it said that, as a Chief Operating Officer, I couldn't transfer an employee without checking and getting approval from someone at the Department of Community Affairs. I couldn't hire anyone. I couldn't hire a consultant, couldn't hire an attorney. The Legislature vested enormous authority in the Chief Operating Officer's position. In fact, the authority -- he vetoed actions of the governing body. And I was on the scene, and I am a State employee appointed by the Governor, and I just believe that that-- And as I said to the Commissioner, I believe we should sign an MOU, but it needs to be a different MOU, because no other community in this state has a State official making the decisions and can override the Mayor and Council.

MAYOR FAISON: It's tough.

MR. PRIMAS: And so that was why I refused to sign the MOU. In terms of cooperation and providing information, absolutely. But it was on the principle that it violated, in my view, the MRER Act that was passed by the Legislature and the authority that was vested in the Chief Operating Officer's position.

ASSEMBLYWOMAN LITTELL McHOSE: Thank you very much.

MR. PRIMAS: You're welcome.

ASSEMBLYWOMAN LITTELL McHOSE: Thank you, Mr. Chairman.

SENATOR RICE: I need to say something at this point, and then we'll let you go, and I'll run you back for questions.

Let me just say this, because every time I participate at a hearing, whether I hold it or someone else, the issue of corruption comes up. Legislators and government people don't like to talk about that word. It exists in America's society throughout this country, and other countries, too. Let's make that very clear for the public. It's good politically -- apple pie, motherhood -- conversation, to use the word. However, the government in this situation, State government, established this MRERA, which means that whether we like or dislike it, the Chief Operating Officer is the State. And if, in fact, there is "corruption" taking place under what we establish, the State government -- meaning both Houses, both parties, and the governors, as they come and go, and our administrators -- must be held accountable.

We had the same accusations in the City of Newark under the school system. And yet, the State sends someone in and they rip off \$70 million that was never replaced. And yet we continue to get criticized for every other municipality who has economic problems, too; and have to pay taxes -- who don't have our problems, not understanding what really occurred with representation. Then the elections take place, and some of the same villains -- that we don't know, that are never brought to light -- are constantly pumping money into our communities under the auspices of helping poor people, women and minorities; really to get people -- some of us who are trying to do the right thing -- out of office. And then this word *corruption* comes up; so all of us sitting around here, because you work for me, get painted with the same brush. That needs to be put in perspective.

Because any place in New Jersey that corruption exists -- true corruption, not the allegation of it -- real corruption, then we need to address that through the laws we have. All this pay-to-play stuff is mirrors and smoke. We have laws right now that say you can't do it. And so we are moving away from the issue, because of the economic hard times we're in, of addressing real people problems.

I'll always argue and tell people, and I educate them-- Any time we're doing budgets in this state, and we're doing budgets at the Federal Government and local government, and we're talking about deficits and cutbacks, people get angry with those of us who represent urban and middle-class people, primarily because we say, "Hold it. We're going to get hurt." No, you're not. "Yes, we are." Because the majority of the dollars spent in America from any level of government are spent on programs and services for poor people -- those who have nothing -- low income, and middle income. We don't do programs for rich people, which means regardless of where we make the cut, we're going to feel some pain. We have to determine where we are going to accept that pain. And so, as a result of that, there are those folks who do come in under the guise of helping, whether it's the needle exchange program, whether it's (indiscernible) and women minority programs, whether it's the voucher people on the auspices of coming in and helping us with quality education while they privatize public schools. They come in with billions of dollars that we can't compete with. And then we get this flare every meeting about corruption, corruption. There's corruption; go and deal with it. We should deal with it. If anyone knows of corruption, then we should say it.

I have a bill, that I didn't put in, to hold every legislator and government official accountable for knowing there's corruption and turning their back. I didn't do it, because I didn't want people playing games with the legislation, making allegations that aren't real. And so, yes, we need to address corruption. And I hate to say that, Mr. Chairman. I get angry when I hear this word, because it is plaguing this state and it's costing us a lot of money throughout this whole state. All of our districts are hurting because of it, and we can't pinpoint all the actors. But when we do, we should remove them, and go on with-- It should have nothing to do with servicing people. If I do something wrong, remove me, but stay focused on the need of the people. If the government rips off money on this side, then we've got to find a way to replenish and stay focused on the quality of life and the issues that are affecting us. I've got people dying in Newark every day. Every day there's a shot someone is dying. And people's attitude -- it's what the Mayor says -- that there's a characterization: they're urban, they're women single head of a household, and they're a minority. And they can't manage, they can't represent, they can't be Senate Presidents or Speakers of the House. That's the mentality in this state, and it's racist in some degree and it's real in other degrees.

So I said that for the media. Print it the way I said it, so New Jersey can understand that there are some of us working hard, and we're tired of the politics of it, etc. And we are going to deal with this Act. And if there are violations of this Act, we want them cleaned up. And I'm glad you sent that letter, because the government has the responsibility to follow up on those things we're moving. But they also have the responsibility to come back and say, "We're going to deal with the negative side of it and the

criminal side, but we're recommending you move forward this way." And if it's government officials involved with it, whether it's the administrative side, appointed or elected down here, then they should be dealt with by the administration too. We can't cover and hire their own, when it's real and substantial.

So I had to go on record with that, because I get tired of it. We're going to hear it over and over at every hearing, and that's okay -- and that's okay. But at least let the press print it where New Jersey and America know that if these things are happening -- yes, they should be addressed, but we still have to move forward, diligently maybe, but collectively.

Thank you.

ASSEMBLYMAN GREEN: Thank you very much, Senator.

At this time now, if you don't mind, would you like to join us on the dais?

MR. PRIMAS: Sure.

ASSEMBLYMAN GREEN: This way, in case there's a question -- Mayor, you can join us also, if you don't mind? Mayor, we have two seats up here. Okay.

SENATOR RICE: Okay. We're going to call up, next, Mr. Roger Dennis, who is the Provost for Rutgers University in Camden. And why don't we bring up, with him, Mr. Peter O'Connor. Well, why don't we hold up on Peter and Kevin -- I know them. I think they have a different subject matter. Why don't we bring up Roger.

At least have other names.

ASSEMBLYMAN GREEN: And what I'm going to ask my colleagues, as well as Mr. Primas and the Mayor, is try to keep your response, your comments within a three-to-five-minute period. Because if we go over five minutes, we're going to have to tell you enough is enough.

Again, out of my respect to the Mayor and Mr. Primas -- it's obvious in order to get a true picture of what's really going on in Camden, we had no other choice but to give them that ability to lay out what I consider what's really going on. But I would prefer that we don't get into any personal attacks, that we stay on the issue that we have done so far this morning.

And as far as my colleagues are concerned, I hope you keep your questions and your answers within a three-to-five-minute period, as well as Mr. Primas and the Mayor. We cannot get too far out there. This would help give everybody an opportunity to share your concerns about the City of Camden.

You have the floor.

R O G E R J. D E N N I S: Thank you, Assemblyman.

I've devoted 26 years of my professional career to working in the City of Camden, and I think I've developed some perspective over those number of years about this city. So let me just start with two points about the MRERA legislation. I believe, indeed, the division of the bill and the structure of the bill are correct, in fact brilliant. The mix of investments that the bill targeted into the City of Camden were and are what the City of Camden needs. It builds on the strength of the city, so the investments in the educational and medical institutions of the city, the neighborhoods of

the city, the waterfront are all what -- the building from strength and what the City of Camden needs.

The bill also has in it an enormous amount of very creative legislation around reforms in government, some efforts to improve K-12 education in the city. And I think those are also absolutely necessary for the city to move forward.

Just to brief the Committee, Rutgers University got \$11 million in the bill. And we're leveraging that investment, which we are so grateful for, with \$35 million of University money to improve our law school facility. And some of your staff can tell you, a fair amount of that money will be going to support the physical infrastructure for our legal clinics, which provide more than 10,000 hours of free legal services to residents of the City of Camden and the region. In addition, I just might also note for the Committee that the University, again with the State's help, will be investing approximately another \$130 million of infrastructure in the City of Camden to improve the facilities for the education of our students and the research of our faculty.

I think all of us who lived and worked in the City of Camden for the number of years I have are frustrated over the pace of reform and revitalization. And if I might just briefly make five quick points about the source of that frustration. I think, as Mr. Primas has already said, the decline in the City of Camden is at least a 50-year story. At one point, in the City of Camden, there were 100,000 good jobs. Those jobs are simply no longer present. So \$175 million of targeted capital investments could not at all remediate that 50-year history.

Factoids I carry in my head, Committee: I live in the Township of Cherry Hill, which has approximately the same population as the City of Camden. The assessed valuation in the Township of Cherry Hill is north of \$4 billion. The assessed valuation in the City of Camden is less than \$800 million. And as you all know, with all the other things you're challenged with these days around property tax reform and home rule, you can see that simple fact there tells a story of why revitalization of the City of Camden is a long-term project of the State of New Jersey.

I might say, in addition to the job collapse, the housing stock in the City of Camden was never luxurious. It was always a city of hope and opportunity for the lower and lower-middle class of South Jersey and the region. And so when the jobs left, the city was left with a housing stock that middle-class people simply didn't want to live in.

Another thing that affects Camden in a unique set of ways is our neighbor across the river, the City of Philadelphia. Well, Randy said it's the product of liberty -- it is also one of America's most challenged urban environments by itself. So unlike cities like Hoboken and Jersey City, Camden does not get, currently, much effective, slop-over development from our major city across the river. That's another special challenge of the City of Camden.

So I think the structural issues around the City of Camden are totally and utterly and completely different than almost any other location in the United States. I just wanted to frame that as the first point on why we might be frustrated about where Camden is and where it should be going.

Senator Madden also raised my second point: Public safety is and was a key determinate of recovery. And I would have to say it's been a complicated work in progress. We probably didn't pay as much effective attention to the revitalization of public safety in the City of Camden early on. I am somewhat pleased to see the recent reorganizations in the Police Department, particularly around shifts, and I hope that public safety improves promptly. Because unless that happens, nothing else will happen.

The COO Emeritus also said we weren't prepared to talk about education, but I must insist on talking about K-12 education. I have much more appreciation for the challenges of urban education as we sponsor the largest charter school in the State of New Jersey, and we've been frustrated ourselves about the pace of improvements of our student learning. But having said that, I think one of the issues that Camden has faced is the effective utilization of the public education dollars.

And Assemblywoman, when you do your \$3-to-\$4-billion category, that's where most of it comes from. I don't believe the Abbott money in construction has yet been effectively spent. It's a tragedy. I believe we really do need to pay much more attention to that construction program and to the quality of K-12 education.

At my business, Rutgers-Camden, we try to hire city residents whenever we can. And often, we are improving their lives dramatically by hiring them. So a security guard or somebody else on campus -- was their first good job, right, and it gets State benefits -- an issue we all face on funding. But that's a good job, and many of those people promptly move out of the City of Camden. And it's not only around public safety, they want the same things every American wants for their children. And until we

get at the K-12 situation in the City of Camden, revitalization is not going to happen.

I think the bill had in it a lot of wonderful ideas about capacity building in city government. Unfortunately, I think one of the gaps in the bill -- those were unfunded mandates, largely. So also a work in progress, that I believe the Legislature must pay attention to, is capacity building in city government, particularly in the economic redevelopment operations of the city.

My final point on where we are: All of us, I think, were excited by big projects in the neighborhoods. But those projects, both economically and legally, turned out to be much more complex than any of us anticipated in implementation. So I want to cite a project -- a neighborhood that was redeveloped -- is being redeveloped in a quite different way, as a model: the Fairview neighborhood, which my University has been deeply involved in helping. Fairview has had a developer that's worked on redeveloping that neighborhood in a very effective way, very much in collaboration with the community. And as a consequence of that redevelopment, houses that in Fairview were worth \$40,000 five years ago are now worth \$90,000. So it can work. You need a good developer, and you definitely need collaboration with the community.

Let me suggest a couple of things that you might consider--

SENATOR RICE: Hang on one moment. Yes. Why don't you give us consideration. That beep-beep-beep means you have one minute left, but because-- And that's for everyone coming up. There's a timer for the five minutes, and you're going to hear beep-beep. If you don't hear it,

we will. We'll tell you you have one minute left. Go ahead and wrap up with those suggestions and recommendations.

MR. DENNIS: Okay.

My recommendations are clearly concentrated on further targeting investments particularly in K-12 education, technology for government capacity, and the training to use that technology well. I also think, if I was going to give you one gigantic project -- and I already sort of said maybe that isn't the way to go -- we've already discussed the ports in Camden. I believe port consolidation is necessary. I believe the Beckett Street Terminal would be better used for other purposes related to commercial development and residential stuff. It would be a boon to the people who live in Bergen and Lanning Square in the community -- some of the more troubled neighborhoods in the City of Camden.

And so, we have a lot of work to do. It took 50 years to get this way, and I do believe it will take some number of further years and some number of pretty creative people working very hard to see the way forward for the City of Camden. It is a regional problem that must be solved regionally.

Thank you for your consideration.

SENATOR RICE: Thank you.

Did you give us written testimony, by chance?

MR. DENNIS: I can write it.

SENATOR RICE: You did?

MR. DENNIS: I'm working from talking points, Senator, but I can reduce it to writing for you.

SENATOR RICE: Would you do that? And through the Chairs, submit it to us so we can distribute that for you.

MR. DENNIS: I will.

Thank you.

ASSEMBLYMAN STANLEY: Mr. Chairman, if I could ask a question?

ASSEMBLYMAN GREEN: Assembly Stanley, yes. Go right ahead.

ASSEMBLYMAN STANLEY: Thank you, Mr. Chairman.

You mentioned two things that I'm very, very interested in. One, you mentioned -- well, you mentioned a number of things. I'm very interested in K-12, but we'll save that for another time. But the idea of Philadelphia being so close of proximity to Camden and the fact that -- is it that that cannot be a benefit to Camden, or is it that under the current environment it's not? And what do we have to do to get to that point? And the other thing was that the port in Newark, our port -- and I know you can't compare, necessarily, the Port of Newark to the port in Camden. But it provides just thousands and thousands of jobs to people. And someone had mentioned the jobs that the port provides. Is there any hope of expanding the utilization of the port or the capacity of the port so that that provides jobs for the people in Camden?

MR. DENNIS: Okay. Two excellent questions, two excellent questions.

The point on the City of Philadelphia -- so a lot of people sort of criticize the slow pace of redevelopment in Camden, citing Jersey City and Hoboken. And speaking quickly, Assemblyman, I was just making the

point that Philadelphia is a very challenged city itself. And, in fact, there's probably more competition for redevelopment between Camden and Philadelphia than Camden currently benefits from its location next to Philadelphia. So it's not a good analogy.

The port story in Camden is a more complicated one. There are not thousands of jobs on the Camden port, currently -- maybe hundreds, maybe dozens. I'm not totally familiar with the number of jobs. But there are not as many port jobs in Camden as you would imagine. I'm not totally prepared to say what my plan would be, but I'm imagining that it would take a major capital investment. That port consolidation, down to the south part of Camden, could preserve every single job in the port industry in Camden; in fact, grow the port industry in Camden and free up some of that 200 acres Mr. Primas was talking about for a higher and better use. And also tie some very troubled neighborhoods to the waterfront, which would create value for the people who have stuck it out in those neighborhoods -- kudos to them; and also present some opportunities for, again, this vision of a mixed-income, racially-diverse city that has a lot of residents in it. So I think that's something that, clearly, the Governor, and the next CEO, and the Legislature will have to seriously consider.

ASSEMBLYMAN STANLEY: Thank you, Mr. Chairman.

ASSEMBLYMAN GREEN: Any other questions? (no response)

Thank you very much.

MR. DENNIS: Thank you.

ASSEMBLYMAN GREEN: At this time now, we're going to entertain Peter O'Connor and Kevin Walsh.

PETER J. O'CONNOR, ESQ.: Thank you.

Kevin is not addressing the Committee, just myself.

My name is Peter O'Connor, and I think I may have the distinction among all the people testifying, including Randy, that I have worked in Camden for 38 years. And I'm familiar with the city, and I've worked with Mr. Primas over those years.

I head a nonprofit corporation that has developed the most affordable housing in the City of Camden. We own the housing and manage it. We've just completed a \$12 million renovation of one of the developments, and we've received some Economic Recovery money -- about 1.2 million of the 175 million.

My testimony will be rather brief, because I'd like to just make a few points. First, I don't view this name as appropriate, calling it the Camden Recovery Act. I think it's really, when you look at it, a capital funding program that fails to have a strategy attached to it that addresses the core problems in Camden. Both those problems are: poverty concentration, and combined with racial segregation. There is an exclusion of Camden's poor from the surrounding region, and this bill does nothing to address that. Therefore, the bill, in and of itself, has produced a number of capital projects that are fruitful standing alone; but when measured against a recovery of a city, or a revitalization of a city, have little impact. If there was a regional strategy coupled with this bill through amendments, or through State action, then what is going on would be a good first step and a building block toward revitalization.

Mr. Primas has mentioned that regional housing for the poor that are in Camden -- to give them a choice of where they would like to live

is a critical element to such a strategy. On the contrary, this State must accept the responsibility for having just the opposite strategy. The combination of Community Affairs, HMFA, and COAH have created a program to keep the housing for the poor in the city, and to minimize the impact of the *Mt. Laurel* decision and the Legislature Fair Housing Act on the suburbs. The most recent evidence of this is last week. The Appellate Division ruled unanimously in our favor, declaring that all of the third-round COAH regulations were completely ridiculous, understated the need, and were contrary to *Mt. Laurel* and the Fair Housing Act.

Now, to look at this recovery money in isolation without taking a broader perspective is the reason that there is so much criticism of the Recovery Act itself. It cannot accomplish what people think it should accomplish when the State that's funding it is working against such a recovery by perpetuating the racial segregation and poverty concentration in Camden.

We have a situation where Camden has about 80,000 -- most of them are minority, and coupled with the fact that most are poor and undereducated. And what's being attempted here, in a city that has a capacity of about 120,000, is to try to bring in 40,000 middle-class people. And the question that comes up is, why would they move into a terrible school system, a segregated environment, high crime rates, and tremendous problems? They're not going to do it unless there is some release and some opportunity for the poor, who have suffered and are in Camden because of regional discrimination. They must have access to the region. If there was some out-migration as part of a State strategy in housing, that gave people a choice to move out of Camden in some numbers, that would begin to lessen

the pressure, and create the opportunity, and set the stage for the middle class to move back into Camden because of its location.

One of the things that's pending, that has compounded this problem statewide, is the regional contribution agreement provision in the Fair Housing Act. Speaker Roberts and Senator Adler have now introduced legislation to eliminate those. They should be eliminated because they've let the regions around our state off the hook for residential responsibility for the urban poor. Coupled with it, they must, though, provide some money for the rehabilitation, which that Act attempts to do.

The last thing I'd like to address is the Cramer Hill situation. The reason that there's been a major cloud for the last four years over this whole Recovery Act and its implementation is because a plan was introduced up front to displace over a thousand families in East Camden and build 4,000 or 5,000 homes. And those thousand people were concerned because they know they're excluded from the region because there's no affordable housing, and they banded together to oppose what Mr. Primas was doing. They were going to be displaced through eminent domain. We must restrict the widespread use of eminent domain, work with the community groups to minimize its impact, and provide relocation resources up front before there's any displacement.

So, in conclusion, I would say that this Act needs to be amended to bring into it a broader strategy, not just focused on Camden. The solutions for Camden do not lie in the City of Camden, they lie in a combination of Camden and the region.

Thank you.

And I'll be glad, Senator and Assemblyman, to submit something in writing, with your permission.

ASSEMBLYMAN GREEN: Any questions? (no response)

I just have one, if you don't mind.

MR. O'CONNOR: Yes.

ASSEMBLYMAN GREEN: What I said earlier -- we really need to look at our housing stock -- and I think Randy summed it up very well -- not only, I would say, in Camden, but in all of our urban communities around the state. While we have basically allowed areas-- The cities here in the state happen to exist for, quietly, we have been absorbing all of the poor, all of the social ills, things of that nature. And the reason why I bring this to your attention -- I'm somewhat rather blessed at the present time. I live in the City of Plainfield; I represent the City of Plainfield. And we have gone on record that we have more than our share of low income. In the last 30, 40 years, the City of Plainfield has been the hub for the homeless, for all the other social programs. And every time we bring in another social program, we take a property off the tax rolls. So when you really look at what is happening to Camden, this is just the start of what can happen all over the state unless we begin to talk about some of the concerns we have. And basically, when you talk about the fact that a certain percentage of your property is -- no longer are you getting taxes for it, because they have been taken off the tax rolls. One of the things that Randy was able to paint a picture of -- why our cities are in such direct need of dollars that we have to depend on the State and the Feds. But if we were treated like other municipalities, we wouldn't have to offer all the services that they don't have to offer. Imagine how numbers could rise.

So I think that the testimony that we're getting here today is going to lead us in a lot of different directions. It's going to set the table for how the State of New Jersey is going to have to deal with the cities, and exactly how to deliver service. Because of the fact that I was just listening to comparison of Cherry Hill and Camden, it's obvious when Camden was going down, I'm pretty sure Cherry Hill was not going down at the same time, because you wouldn't have been able to somewhat maintain the value of property. So that shows you, in just about every city in the state, where you have a city dropped into an area that's basically suburban, where you wind up with all the social ills. But at the same time, money can't get you out of that. It's a question of every municipality -- they should have some plan in place where they have to deal with these particular issues; and then just not become the concern of the City of Camden, as well as Newark and the other municipality, because this is where the problems have developed. We have become the problem-solving child of the State.

But yet, still, when you talk about the dollars -- I don't even want the dollars any more -- I just want to be treated fair. And this is the feeling of all the cities around the whole state right now -- is that there's no fairness in the whole process. People think when they throw money at you that just resolves the problems.

A prime example: We have a family of four going to the school system in Plainfield. After the first year, that 40,000 is eaten up. What about all the other services? Our hospital, right now, Muhlenberg -- \$9 million in arrear because half the people they service, basically, don't have insurance. But you go, maybe, a half an hour away in Somerset, they don't have those kind of problems.

So I appreciate the fact that everyone is bringing a lot to the table, because I think this can help us move Camden in the right direction, without people -- like the Senator said earlier-- Right off, when you talk about Camden, you're talking about giving them money, you're talking about crime. It's deeper than that. We have allowed this problem to exist, where now it has become a nightmare.

Thank you for your testimony.

SENATOR RICE: Let me say this to you, Mr. O'Connor, we go back with some conversation about affordable housing and RCAs. And let me go on record, I respect the Speaker and those who put in legislation, like they respect me. I don't believe in taking money from balanced housing to deal with the RCA issue. The problem in our community is that we are very cute in government down here. Maybe that's a bad word, the last time I used it I was in the paper. But we're very cunning. When it comes to urban ills -- and those of us who stand vigilantly to argue the case for poor and middle-class people, as a result of that we get cooperation. But then the government says we're going to take from this program that you need, diminish it, and put it over here, rather than finding additional revenues to make it. And that's going to be the big fight. Also, I think it's nice for individuals like yourself, and organizations like yours and the Jubilee, to just stand people up -- a thousand people in a room -- and say, "Say yes and no." Not you, but in that organization, you support or don't support, without explanation.

I chair Community and Urban Affairs. And let me assure you, I'm not going to allow anybody to circumvent that Committee when it comes to this issue. We're going to be holding joint committees on

housing. It's an issue that we're going to have to hear before we really entertain legislation from everybody, including organizations like yours, because there's a need to address it. And I think that's important for people to understand. RCAs were beneficial to cities like Newark and others. They were the sparkplugs to get us to where we had to go. And now we do have (indiscernible) in the combination.

And I'm going to also remind people of the realities of moving folks around. I always tell them, when people tell them that something is good for us, we'd better be very suspicious and suspect of who is telling us that. Because years ago, if people did not run out of Camden because of the problems -- and you know who I'm talking about, middle-class people and the majority of nonminorities, okay? -- then we would have grown the city. If they didn't run out of Newark in 1967 -- okay? -- and stayed there and help rebuild the city-- But after being gone so long, and all the growth in the State of New Jersey -- the transportation corridors and businesses -- it's too expensive.

And so now we say we want to help poor people and blacks and minorities, because we want to help them live in suburban America. I remember a time when nobody ever wanted us to live in suburban America, particularly if we're poor. We don't mind someone with a college degree and a decent job that we believe has good family discipline and values; but in general it's not our population. But when people start to see that the real infrastructure happens to be in the cities they left, and it's difficult to build the infrastructure the way we thought we could over the years outside of those urban cities, all of a sudden someone wants to help us. Why not move back under the conditions we are and be a part of that?

Yes, people die in my city on a daily basis and regularly. But you come and get shot at, too, while we're rebuilding it, okay? You come and get crossed in the intercross. Don't stay at transfer, and shift us around as a population. And then you will come in -- and we're going to be happy, when we can't get the bus transportation?

And I'm going to tell you something else. You know, you don't have any Lincoln Motels in West Caldwell. You don't have them in Cherry Hill, where they're isolating people and somebody is making money. They don't want that population. We don't have inmates. We say inmates should go back to the community they come from. We give the people the impression that's a wonderful thing because they're close to family. Oftentimes, it's not a wonderful thing. But if I suggest going to Hunterdon County, or Sussex, or someplace else where I have open space, and build enclosed communities where people can grow and be detoxed, people said, "No." So we've got to stop playing with people's mentalities. And to be quite frank about it, minority leaders and others need to stop buying into that rhetoric as well and look at the realities. Yes, we need a diverse population the way Newark was when I grew up. It was wealthy Jewish community, Irish, Italian, blacks, etc. We didn't know who was wealthy -- what's that? We had businesses thriving.

But this new twist is not about really helping people, it's really about the money-driven folks -- developers and other people -- who are running out of opportunities to stay wealthy and live where they live. If you want to build a nice project in the city -- you know what -- then live there. I don't know who Michaels is, but you know what? Tell Michaels to buy a house there, too. Tell him to build a mansion right there with poor

people and put his business there. He's not going to do it. You know, they have excuses. And that's why our school systems are failing. We isolate the kids in school, rather than keeping competition in the school. We want to build a (indiscernible) school and just take the cream of the crop out. The voucher is all about privatizing public education, but we use the sexy word *choice*.

So if individuals like yourself and your organization are going to speak before us, I'm asking you to be like me. I'm not a spring chicken; maybe I look like one sometimes, maybe sometimes I don't, but I have a lot of life experience. And I'm more objective and open about the realities of what's taking place in this society. Racism is still embedded deeply in this state and in this country. And that's fine. We're going to live with that and we're going to try to adjust it. People are doing things overtly now, and they're taking advantage of poor people who lack education, poor people who have no real economic schemes, etc., poor people who can't even get a job without education to carry a two-by-four to a carpenter on a construction site. That's the reality of what's taking place, but we spend a lot of money marketing that we're helping people. I'm not going to allow us to play that game, and that's probably why I have opposition in the upcoming election, because I've never allowed it to happen in my city without a fight either.

MR. O'CONNOR: I just wanted to make one response, Senator.

What we're talking about is building housing in the region that's affordable and offering people, both in the region and in the inner city, a choice. When I developed housing -- the first housing in Mt. Laurel

Township, Burlington County -- we had 1,800 families apply for 40 units. They slept out in parking lots overnight. A third of those families were from the City of Camden. I interviewed over 500 of them myself, over three days. They had two concerns: to escape crime and to get their children in a better school system. Now, I don't think that is wrong to offer that opportunity. The Mt. Laurel doctrine mandates, the Constitution says that should be offered. The RCAs go against that provision.

So if you're promoting lack of choice under some rhetoric of segregation that you're espousing, I oppose that. I think that we need to have regional housing. Camden cannot be revitalized if it's going to house all the regions poor and provide the necessary services which it cannot provide. So that's where we stand. I know you have a difference of opinion on it, and I'm sorry that we have that difference. But that's America. We think that we should have choice for people. It is not some fantasy when people show up and sleep out overnight because they're dissatisfied with the conditions in the City of Camden.

Thank you.

SENATOR RICE: And that's my point, while you exit, okay? You can have those things in Camden, as well as other communities. Let me just say this to you. The issue is not RCA -- that's the point I'm making. The issue is, if we want to deal with affordable housing, let's deal with it. RCA may have to be eliminated, it may not. But everybody talks about eliminating RCA as though, if you do that, that's the cure-all. That is not the issue. And as an attorney, you know that. Okay?

MR. O'CONNOR: No, no.

SENATOR RICE: You know that. So that's my point. I'm not going to have people playing a game that: "We've got to get rid of RCA so we can help those people." No, we have to come around and address the issue -- the best way of dealing with affordable housing in all of these communities, and what that population is going to be like, and make sure there's fairness.

And that's my point about RSAs. You don't have to respond. The point is, is that it stops, then, eliminating something that's a valuable tool. Maybe we can modify it. Maybe we have to eliminate it. But let's stay with what we need. We need housing. That's what we need.

MR. O'CONNOR: Where -- where?

SENATOR RICE: Throughout the State of New Jersey and every municipality. But we also need balance, not just housing for working people, but houses for people who are homeless as well. And they should not just be situated in cities like Irvington, cities like Newark. They should be in Mt. Laurel. They should be in Cherry Hill, if there's a need for it. And there should be quality, not some run-down place with pipes busted, etc. Because the communities you build in most of the time, if not all the time, would never accept our population unless we compel it. And that's the difference. We can talk affordable under RCAs, etc. What we're talking about is a different class of people, regardless of their ethnic backgrounds, versus those who have nothing. We're saying leave them, because we'll manage that some other kind of way. They'll die anyway. We'll give them free needles.

MR. O'CONNOR: Okay, thank you.

ASSEMBLYMAN GREEN: Thank you very much.

I want to get back on course of three minutes and five minutes. And all of us, including myself, let's limit our comments to just a direct response to a question. Let's just try to move on, because I have quite a few people who I want to be respectful of this afternoon. And I don't want to keep you guys here until next week.

So at this time, I have Louis Bezich, Chairman of the Camden Higher Education and Health Care Task Force.

Good afternoon.

L O U I S S . B E Z I C H: Thank you, Mr. Chairman.

Good morning, Chairman Rice, Chairman Green, members of the Committees. My name is Louis Bezich. I'm pleased to appear before you today. My role as Chairman of the Camden Higher Education and Health Care Task Force, where I represent Camden County College -- also known as the eds and meds group Mr. Primas referred to earlier.

Just for the record, our members include the Camden--

ASSEMBLYMAN GREEN: Excuse me one minute, please?

MR. BEZICH: Yes.

ASSEMBLYMAN GREEN: Do you think it's possible, so we can move this rather quickly, that we bring up James Wallace? It seems like--

UNIDENTIFIED PERSON FROM AUDIENCE: Mr. Wallace is not here today.

MR. BEZICH: Mr. Wallace is not here, but other public members of our coalition are here.

ASSEMBLYMAN GREEN: Would you like to bring them up with you? John--

MR. BEZICH: Sure. We have representatives from Cooper, from Camden County College.

ASSEMBLYMAN GREEN: Do you have John Sheridan? Yes.

MR. BEZICH: Dr. Ray Yannuzzi is also here from Camden College.

ASSEMBLYMAN GREEN: We'd like to bring them up, if that's all right with you individuals?

MR. BEZICH: Sure.

ASSEMBLYMAN GREEN: It will make it a lot easier for all of them.

MR. BEZICH: What I'm going to try to do is just briefly set the table for the details that these guys would fill in.

ASSEMBLYMAN GREEN: No problem whatsoever. I just didn't want to not allow these gentlemen to come up. Since we're -- all are in the educational field, this is the way I was -- sent to me. Okay? We all right now?

MR. BEZICH: Okay.

ASSEMBLYMAN GREEN: Okay.

MR. BEZICH: Okay. Again, just for the record, our members include CAMCare Health Corporation, Camden County College, Cooper University Hospital, Lourdes Health System, Rowan University, Rutgers University in Camden, University of Medicine and Dentistry, and Virtua Health.

Although our individual presence in the city goes way back, the eds and meds group came together in 2001. And as you heard, we'd like to believe that we formed the backbone, in many ways, of the Camden

revitalization effort, and we played a major role in ensuring the fulfillment of the goals of the Municipal Rehabilitation and Economic Recovery Act. And each of our institutions in one way or another -- and you'll hear the details in a moment -- has served as a driving force for economic growth and development.

Just to give you some quick background: In 2002 and 2004, some of the motivation to fund projects under our aegis came from the fact that we did some research. We did an economic impact study. And those studies, both in '02 and '04, demonstrated that a number of our institutions have provided a sizeable return on State investments, and provided significant quality of life improvements for the residents, and made multimillion dollar collective investments that have tremendous value to the city.

For example, our research showed that for every dollar in State financial support we collectively have received, we generated a total of \$20.60 in total spending, and another \$8.60 in wages. In addition, 82 cents of each dollar are recaptured by the State in some form of annual taxes, which were estimated, at that point in time, at over \$50 million. So, as you can see, the motivation to involve us in the Camden revitalization was the fact that we demonstrated, through our collective economic impact, that we could generate a significant return on investment, and any investment in our respective institutions would do that, under the new legislation at that time.

Our studies have shown that we are leading employers in the City of Camden. We employ over 7,000. We employed, back at the time of the research, over 7,000 full- and part-time workers. And we represent

roughly a little over 30 percent of all of the nongovernmental employees in Camden, including a good amount of Camden city residents, as you've heard earlier testimony. And many of our residents (*sic*) also come from Camden County, and almost 90 percent of our employees are from the State of New Jersey overall.

In addition to the direct benefits that our research has shown, and was demonstrated in a publication that we submitted to the State back in 2002 and '04, our institutions have educated more than 8,000 students each year. We award over 1,500 degrees and certificates each year; and provide a number of programs -- as you heard Roger Dennis refer to -- for the residents of Camden through various programs for education, as well as health-care services directed to the community.

Our member institutions have made substantial progress on new capital projects, which you'll hear about in a moment, that were funded from the Municipal Rehab and Economic Recovery Act. And my colleagues will get into the details. In addition to that, however, the economic investment and value to the city continues in other ways, and we've tried to attract new development to the city in addition to our own initial development.

And I want to finish by just pointing out that most recently, in March of this year, we announced a housing study that we did. It was a study of our employees, of our Camden-based employees in all of our institutions, as well as graduate students. And we measured their interests in new housing near their places of employment or their school. We found this particularly interesting. The results of the study were released in December of '06, last year, showing that a potential market exists within

the staff, medical professionals, and graduate students for new housing that's convenient to their place of employment. I have copies of the study for the members. But let me note that 31 percent of the respondents, all of whom lived in the suburbs outside the City of Camden, said that they would consider living in Camden if new housing were built in proximity to their places of employment. We thought that was pretty significant. We thought that was an indication that there is an opportunity there for growth and bringing new middle-class residents back to the city. This is the first study, to our knowledge, conducted in the city, and it indicates that among city and suburban residents who work in Camden, that there's an interest in new housing near their place of employment.

Members of the Committee: colleges, universities, and health-care institutions have long taken a lead in urban redevelopment. National models exist all over the country. In particular, the University of Pennsylvania in West Philadelphia has done a number of things there, as well as programs and organizations like CHEN in Newark. We believe that the Municipal Rehabilitation and Economic Recovery Act investment in our member institutions was a sound one -- a truly winning investment for the City of Camden and New Jersey. Your investment in us has allowed us to extend our services even further into the city. As I said, these individuals will explain that. A number of the capital projects, I would suggest to you, are a means to an end. They've allowed us to expand. They've allowed us to open up opportunities, whether it be education or health care, to residents of the city and the surrounding region. So please look at those capital investments as a means to an end, and that there has always been

and will continue to be added levels of substance in terms of programs and relationships.

We thank you for the opportunity to address you. And our members have served for many years, and we hope that we can serve for many more. And we're proud to be a member of the team revitalizing the City of Camden.

Thank you.

ASSEMBLYMAN GREEN: Any questions?

Senator, you have a question?

SENATOR RICE: Yes, a quick question.

You indicated that you had a survey, and a majority -- or a great number of your members said they would move into the City of Camden if there were housing opportunity? That's what you said.

MR. BEZICH: Yes. Thirty-one percent of the respondents said they would move to the city if there were new housing. We thought that was significant.

SENATOR RICE: All right. Did your survey -- and that's good -- did your survey-- That's the working population, the organization you oversee or work with? Is that correct?

MR. BEZICH: Yes. The people that are employed in our institutions were the ones that were surveyed -- employees and graduate students -- to determine whether or not they had any interest whatsoever in housing and proximity to their place of employment in the City of Camden. And of those people who responded, 31 percent said, "Yes." There was a higher number that said yes -- it was at forty-something -- but 31 percent,

we thought, was significant because they live outside the city right now, in the suburbs.

SENATOR RICE: Is there -- and maybe someone, maybe the Mayor or someone can answer this -- but has anyone done a survey in reference to the people who are unemployed, need job training, so that we do a transition with employees back into the city? What happened to those who are there that can't get the jobs based on your needs, qualifications, and things of that magnitude? Are those the people we're talking about? Just get them out of the city, under Mt. Laurel, to someplace else, so we can get the others in? Has anyone done that survey? Or-- We talk about coming back, but in the interim making sure that the majority of the population in a city like Newark, Camden, Irvington, wherever it is, that have the ability to learn and do some things, can get that done. Did that happen in your survey, or just what would come in? Because usually when people say they want to come in, they make a phone call and say, "Well, can you get rid of--" you know-- And it's the *get rid of* that bothers me, that no one seems to want to pay attention to, and it's *why* get rid of -- more so than just get rid of -- that bothers me, and no one wants to answer that question.

MR. BEZICH: Our survey was just of our employees. We didn't go beyond that. We have a considerable number of employees as a city, and when you're trying, as a strategy, to attract people back into the city, it's a strategy a number of other areas around the country are using successfully. That's why we did it. And again, we thought the results were significant.

ASSEMBLYMAN GREEN: Assemblywoman Perez.

ASSEMBLYWOMAN CRUZ-PEREZ: Is there a program established within the hospitals and the universities in Camden City to recruit Camden residents to be trained so they can actually obtain some of the jobs that are available within the facilities that you're representing?

MR. BEZICH: I think you'll hear from a number of our institutions that each of us has engaged in all sorts of workforce-creating programs. Camden County College, I know, certainly has, in partnership with -- in one particular program, with both Cooper and Lourdes, to work to train health-care workers in our institutions, things of that nature. So again, those are some samples of programs we've had for a long time, and can be expanded on with the investment that has been made through this bill.

ASSEMBLYWOMAN CRUZ-PEREZ: So you-- How is the process? Do the institutions do job fairs to recruit Camden residents, and then you help them with the necessary training or education they need so they can hold some of the jobs, probably go up the ladder as they move forward in the workforce?

MR. BEZICH: Yes. I believe that all the institutions make an effort with job fairs or recruiters in the neighborhoods, to identify opportunities for jobs and to reach out to Camden residents. And again, you'll hear some of the specific programs from these guys.

ASSEMBLYWOMAN CRUZ-PEREZ: I would like to hear when they talk about those programs.

ASSEMBLYMAN GREEN: Does anyone else want to add to this? I mean, you gentlemen--

MR. BEZICH: Well, I'm going to turn it over to Mr. Sheridan and Dr. Yannuzzi.

ASSEMBLYMAN GREEN: Okay. Thanks very much.

Go right ahead.

J O H N P. S H E R I D A N: Chairman Rice, Chairman Green, and members of the Committee, my name is John Sheridan. I'm the Senior Executive Vice President at Cooper University Hospital.

If I might, I'll just give you a few seconds on Cooper. We have been in Camden for 100 years. The Board made a major decision, back in the '90s, that we would not abandon Camden, and then went on to adopt a major building program for the hospital. The legislation that you have put forth some number of years ago is playing a significant role in that capital campaign that we have at Cooper. We are embarked and are under construction of a \$220 million new hospital pavilion to be added to our existing hospital. It will be a state-of-the-art facility. We have oriented that building toward downtown, on MLK. It is coupled with a project to bring 1,600 new parking spaces and 9,600-square feet of retail on Broadway, adjacent to the hospital.

Cooper is South Jersey's Level I trauma center. Cooper is the major tertiary care hospital in South Jersey. We are the largest employer in Camden County and in Camden city. We have, among our approximately 5,000 employees, 534 residents of the City of Camden work at Cooper Hospital.

And just to comment to the Assemblywoman's question, we are engaged in training programs, both of our own employees, to move up the health-care ladder -- which will free up more entry-level positions; but also

the expansion of the hospital will create several hundred new additional jobs; and we will do our best to recruit Camden residents to a number of those jobs.

Part of what is going on in our little corner of Camden, which is adjacent to downtown, is also the addition of a new medical school facility by the Robert Wood Johnson Medical School. Cooper's doctors are the faculty of the Robert Wood Johnson Medical School in Camden. That project is in site acquisition now, and should go to construction before the end of the year. It's a 165,000-square-foot addition to the Broadway corridor that we've been talking about.

The health-care campus also will enjoy the benefits of the stem cell legislation, which the Legislature recently passed, which will also join the Medical School and our hospital expansion on that health-care campus. And we are looking forward to an opportunity to build a cancer center also in Camden, adjacent to that health-care campus -- a total of approximately \$600 million in new investment.

Cooper is a success story in the health-care field. Over the last five years, it has come from near bankruptcy to probably the fastest-growing hospital in the United States, until we actually tapped out on capacity in the last year. We are not only servicing the residents of Camden, we are servicing many of the surrounding communities and the residents of South Jersey, and even are enticing some patients from Philadelphia to Camden to get the superior health-care that is available at Cooper University Hospital.

We recognize that we have a role not only as a health-care provider-- And I should mention that we did -- approximately the second largest charity care provider in the State of New Jersey, second only to

University Hospital in Newark -- \$75 million worth of charity care in the last -- in FY 2006.

We have not left the neighborhood unattended. We are working with the communities that surround the health-care campus. We have a significant effort to try and revitalize, in particular, the Cooper Plaza and Lanning Square neighborhoods. We have worked closely with the community there. Sheila Roberts, who is head of the Cooper Lanning neighborhood association, asked me to convey her support for the efforts of the Revitalization Act and for the efforts of Cooper and the other players to revitalize the community. We're working in concert with Coriell, Robert Wood Johnson Medical School, and Rutgers on the stem cell building.

I would be remiss-- I've been only in Camden for the last year-and-a-half, working on many of the projects we talked about. I would be remiss if I did not recognize the tremendous contribution toward the effort that we have made in Camden from Randy Primas, from the Mayor, and from Randy's staff -- particularly Arijit De, who is here also today. They were tremendous supporters of everything we were trying to do. They were facilitators, and not what I would call *goalies*. They were people trying to get things done. And Randy has had a tremendous career in public service, and he deserves a lot of thanks. And I hope, for one, that he is not going to move completely away from Camden and Camden issues, because he is a fine resource to the region.

I have a lot of hope for Camden. I know our trustees share that view. We are going to do our part. And we thank you for the legislation, and we urge you to re-up it, maybe with a few tweaks. But it will be a

major help. And things are improving in Camden. You can see it. You will hear more about it today.

Thank you very much.

ASSEMBLYMAN GREEN: Thank you very much for those kind remarks. Maybe I need to ask you to come up to Plainfield, Muhlenberg. (laughter) It seems like every year I meet with John McGee, and we try to figure out how we can get a few more dollars out of Trenton.

MR. SHERIDAN: Right.

ASSEMBLYMAN GREEN: But as the largest employee in Camden, just to hear your remarks is very refreshing, because right now it seems like you are part of the foundation of Camden. And to say the nice things that you're saying about the city, as well as your cooperation with them, it really goes a long way. Especially-- One of the major concerns that we have in Muhlenberg is that we service such a large proportion of the community that just doesn't have insurance. I mean, we don't get reimbursed. And my concern is that-- You've gone, within a five-year period, from near bankruptcy to where you're on solid ground. Is this based upon revenue coming into the hospital, or is this revenue coming in from Trenton? You've got to be doing something right. If I want to steal a few of your ideas, please don't feel that-- (laughter)

MR. SHERIDAN: In terms of where the moneys are coming for the capital improvements that we're talking about--

ASSEMBLYMAN GREEN: That's correct.

MR. SHERIDAN: Well, of course, the medical school building is funded by the State, as part of the University of Medicine and Dentistry and Robert Wood Johnson Medical School. The hospital itself is -- we

received approximately \$12.5-\$13 million under this legislation toward our new hospital building of \$220 million. But the rest of the money is out of the resources of the hospital itself. We have brought in docs from around the country, from Chicago, from Florida, from Philadelphia. We have the top docs in South Jersey. We attract patients. We have a payer mix that's not as good as suburban hospitals, but we've been fortunate enough to make it work. We get some support for our faculty from the Robert Wood Johnson Medical School. So our docs are employed by us, but they're also the faculty for the Medical School, so that helps to support our hospital to some extent. They get great service and return for that.

I should tell you that the Robert Wood Johnson Medical School in Camden, which is the third and fourth years of the clinical years, and the higher-cost years, is a very cost-effective program. And most importantly, the students that come out of there at the end of their tenure are -- rank as high as any of the schools in the system; and last year, in fact, were the highest in terms of their scores on the exit test from medical school.

We also happen to have the most diverse student population. We are training a lot of minority doctors, and we're training them in terms of dealing with urban illnesses. And they will turn out to be a great benefit to the State of New Jersey in addressing the health-care needs of the state over the years ahead. We have hopes of making that third- and fourth-year school into a four-year medical school. And on that issue, we will be back to talk to you some more about how to do that.

ASSEMBLYMAN GREEN: So, for the immediate future, you feel that the hospital is on solid ground?

MR. SHERIDAN: The hospital is on solid ground. We have, as I mentioned -- we have 60 percent growth in patients. We're in good shape. The charity care issue -- if we could get charity care funded at the right level, at something close to what was envisioned by the Greenwald bill, we would be on very firm financial grounds. And I urge the Legislature to take a hard look at that issue and to see if some more resources can't be devoted to filling that gap. For instance, we provide 75 million in charity care, and we get some reimbursement from the State -- 38 million toward that 75. So the rest of it has to be funded out of the other patients of the hospital. Medicaid pays less than the 100 percent; Medicare, now, is paying less than 100 percent of costs; and so the commercial-paying population is supporting the balance; with the funds that we're able to get, for instance, for faculty support.

So if the charity care issue were addressed, I would say the answer is absolutely, yes, we would be on solid ground.

ASSEMBLYMAN GREEN: Any other comments on this issue?
Senator.

SENATOR MADDEN: Thank you, Chairman.

Very briefly, Mr. Sheridan, could you share with the panel the survey that was done by the employees, and who liked to work for Cooper, what your ranking was -- the survey that came out last year? It was the number one, most wanted-to-work-for employer in southern New Jersey?

In addition to the leadership and the finances that you're discussing, as part of that turnaround, I will tell you now, people want to work at the Cooper facility. It's -- just by the way they treat their people

and all that buzz that starts. I think that's also a shot in the arm in the true leadership.

MR. SHERIDAN: Thank you very much.

ASSEMBLYMAN GREEN: Randy, you want to go someplace? Things are going in the right direction, right?

MR. PRIMAS: No, no, good. (laughter)

MAYOR FAISON: Leave that one alone.

ASSEMBLYMAN GREEN: No wonder the Mayor is so happy. Because anytime you can get the number one employee in a city-- When you talk about health -- and that really makes me nervous, because in this day and age we have so many that don't have health coverage. And you can come to Trenton and you can talk about what you guys accomplished. And I take my hat off to you. Because often, in any other urban community, you don't hear this at all. And you get nervous because when a hospital closes up, what happens? And they're closing up all over. The Catholic community hospitals, they're threatening to close up, because they just feel they can't survive. Yet still, for a city that's going through what you're going through and you've accomplished what you've accomplished there-- Please, don't get upset with me -- I have to take my hat off to you.

MR. SHERIDAN: Thank you.

ASSEMBLYMAN GREEN: You have something to be proud of.

Yes, Assemblywoman.

ASSEMBLYWOMAN CRUZ-PEREZ: I just want to say that I appreciate the institutions, especially Cooper, not only for being in

Camden, but to stay in Camden, to expand in Camden, and to include the people of Camden into the process; including the people of Camden into the jobs, and providing the opportunities that you're providing. I just want to say thank you from the bottom of my heart. Because I know you employ a lot of people from the City of Camden, and I want to say thank you -- thank you to Cooper. Thank you for the commitment, and thank you for the involvement with the people in the community. Because you're not only providing the services -- you're taking charge of caring for patients -- but you're involved with the community around Cooper Hospital, working with them to make a better place to live.

Thank you.

MR. SHERIDAN: Thank you, Assemblywoman.

I personally can't take very much credit for it. It really is the vision of our board of trustees and the dedication of our 5,000 employees over a lot of time that have made Cooper what it is. And hopefully, we can do more and more good things.

ASSEMBLYWOMAN CRUZ-PEREZ: Thank you for not leaving.

MR. SHERIDAN: Okay.

ASSEMBLYMAN GREEN: Yes.

R A Y M O N D Y A N N U Z Z I: Thank you, Chairman Green, Chairman Rice, members of the Committees. My name is Raymond Yannuzzi, and I'm the Acting President of Camden County College. I'm here today on behalf of our Board, faculty, staff, and students to thank you for your support in the Camden Recovery Act and the boost that's given us to our mission in the City of Camden.

Camden County College serves about 30,000 students each year throughout the county in credit/noncredit programs, and many more through cultural and art activities on our campuses. We're primarily campuses in Blackwood, but we also have a campus in Cherry Hill. But it's our Camden campus which gives us the greatest opportunity to make an educational impact in the lives of the citizens we serve. And you've helped us to do that through the support in the Camden Recovery Act. We've been in Camden since 1969. In 1991, we put up our first building on the corner of Broadway and Cooper. And in September 2004 we dedicated the new Camden County College Technology Center, right across the street, on the other corner of Broadway and Cooper, with help from the Recovery Act. The building was about a \$20-\$21-million project. We got about \$3 million from the Recovery Act; the rest was funded with Chapter 12 State Community College construction money and matching money from the County.

We're sort of the gateway to the university district, we think, both geographically -- because when people come off the Ben Franklin Bridge, they're right at our building; and also, we think, educationally, because we provide the opportunity for citizens of Camden to come to us, get a basic education, get the first two years of college, and then go on to Rutgers, or Rowan, or, we hope, train for a good job that we hope will soon be more prevalent in the City of Camden.

The Tech Center is a fine building. It's got many new things, we think, to provide for the university district. We've got a very large bookstore, which is not just for our students, and Rowan, and Rutgers students, but also for residents in the city to come in. It's got comfortable

chairs, a little Internet café, and a large selection of general reading books, in addition to textbooks. We also plan to be opening, soon, a small conference center -- 180-seat auditorium for small music and cultural programs in our building, with a little bit of a facility where we can also serve food and bring in small conferences for the community.

The building itself features many technology-rich classrooms to support our programs, that are technology-based, in health care, business, and computer studies. We serve approximately 2,500 students in Camden -- that's up 300 or 400 since the second building has opened, but we could do more. We could probably serve twice that number, and that is our goal in a few years.

(cell phone rings)

We are grateful again for the support from the center-- That wasn't my buzzer, that was another buzzer. We're grateful for the support that the Recovery Act has provided. And it also provides a place for people to come to our programs, who we also began to serve in the neighborhoods. We have approximately 10 sites that we run in conjunction with community groups, with churches, at community centers, at the WIB Centers in Camden, where we bring people in, in an atmosphere that's more comfortable for them if they haven't been in higher education, where they can get instruction in ESL, ABE, GED, and a beginning on job training courses, which then they can come to our campus to continue.

So, in summary, we thank you for your support. You've helped us advance our urban mission. And I'm also proud to say a little story: I just learned that one of the young people who was profiled on *20/20* the other night, right now, is at our Camden Campus getting advice and

counseling. We hope to have him in there in a couple of weeks. The thing is, we should have had him in sooner. And that's our goal -- to work with the school districts and work in the neighborhoods of Camden to get more people to access our programs, right away -- out of high school or right away when they're ready to do it -- now.

Thank you.

ASSEMBLYMAN GREEN: Also, I'd like to thank you for your comments. Anytime that education is moving in the right direction, it also tells a whole lot about the community. I'd just like to, at this time now, tell all three of you -- well, the two of you, the other gentleman just left -- that it's very important, what you bring to the table -- that people around the State of New Jersey have an opportunity to listen to.

I like to feel that initially, or what Randy started off-- I'll be the first one to say I really felt for him and the Mayor, because they have gone through just about what every other urban community has gone through all over this country -- a lack of understanding. Now, when you have education moving in the right direction; you have the health facility moving in the right direction-- And just with the right kind of support, not just money being thrown at you, what has taken 50 years to create, we can in less than five years -- we can move it in the right direction.

So I'm just happy that -- we started off rather rocky early this morning, but it just makes me feel good, because of the fact I'm confident that what we started with here, with support -- working among each other and not being so critical of each other. When people don't have a chance to go outside the box to see what's happening around the country like I do -- when they have a chance to go around the whole state, it's obvious. They

see what happens right there in their community. But when you have people like the Mayor, with a vision, as well as Randy with a vision, with your support, it tells me a whole lot about where Camden is going at this present time.

If we could take this 10-minute break, so we can come back and finish this up, would that be okay with everyone?

SENATOR RICE: Yes, Mr. Chairman.

But before you do that, I just want to acknowledge Jerome Harris, President of the New Jersey Black Issues Convention, here. And that's important, because the Issues Convention drives these issues home, and we're all starting to look at policies now with a lot of civil rights organizations and others.

And also, I just want to say to the speakers, particularly Camden Community College, at some point in time I would like you to get in touch with Assemblyman Craig Stanley, Chairman of the Education Committee, or myself, because with these cutbacks-- If we're going to grow cities, community colleges -- that nobody wanted, that we argued for -- are now premiere in our state and our country. But yet, we're cutting back, which means in some kind of way, it's lessening the opportunity for the same people who we are trying to help. We're talking about transitioning middle-class Americans and working people into a city. In the meanwhile, we're saying: But we don't want to move, we want training. And then government is saying a contradiction -- we're not going to allow you to get training because we're going to cut your funding. There's a big contradiction there; and this is what I'm trying to do -- is open people's eyes

up, whether they get angry with me or not with my public statements. But I'm trying to create awareness.

Thank you, Mr. Chairman.

ASSEMBLYWOMAN CRUZ-PEREZ: Mr. Chairman?

ASSEMBLYMAN GREEN: Yes.

ASSEMBLYWOMAN CRUZ-PEREZ: I just want to say to the Camden County College, thank you for the programs that you are working with the grassroot organizations in, providing the ESL classes and the GED. Those programs have been very successful. I know of a lot of people who have graduated from those programs and are pursuing their education. So thank you so much for the commitment to the community.

Thank you.

ASSEMBLYMAN GREEN: Assemblyman Stanley.

ASSEMBLYMAN STANLEY: Thank you.

I just have a couple questions.

One is, is if -- you mentioned that you have some programs-- What did you say? Is that Workforce Investment Board?

MR. YANNUZZI: Right. We work closely with the Camden County Workforce Investment Board. We have some programs that are at their community sites. We have students that come individually to the campus for WIB supported study. And we also provide some courses in group sessions at the WIB Center in Camden.

ASSEMBLYMAN STANLEY: The other thing I was wondering about is your relationship -- and you maybe even -- the Cooper. I'm not sure. Have you had any relationship with the K-12 community, and have you found it beneficial, and is it possible to expand?

MR. YANNUZZI: Not as much as we'd like, Assemblyman. And we worked very hard to develop the link with the Camden Public Schools. We've met many times with Dr. Fitts and his staff, in his short tenure. We're looking forward to the new permanent superintendent. But yes, we can do a lot with the schools. We do a lot, currently, with many of our other school districts that we haven't been able to replicate in Camden, for one reason or the other, but we will. Because that's the true solution -- to get the students young and get them ready to come to us at the right age.

MR. SHERIDAN: We have a program that -- we work with the Camden School system, with high school kids, to get them interested in health-care careers. It's called the Health Academy. And it's a modest effort that we're growing, and it was very successful in its first two years, and we're hoping to expand it considerably.

The other thing that we do with the school system, that you might be interested in, is that we have actually produced health-care programs, TV programs that air on the cable station that the school system runs. So we work in consultation with them.

ASSEMBLYMAN STANLEY: All right. Thank you very much. I think one of the things that we're going to be working on in the future is trying to -- and this is not just for Camden, but throughout the state -- is trying to connect K-12 with higher education so there can be more exchange in terms of helping prepare teachers. It would be an ideal situation, also, in helping them prepare students for higher education. It would be good. Just so many possibilities there, and we're working toward making that a little more doable.

But thank you. I appreciate the efforts that you're making. We'll try to expand them.

Thank you.

ASSEMBLYMAN GREEN: Thank you, Assemblyman.

At this time now, we're going to take a 10-minute break.

And again, gentlemen, thanks very much for sharing some of your success stories there in Camden County.

Thank you.

RECESS

AFTER RECESS:

ASSEMBLYMAN GREEN: Can we get started, please, if you don't mind?

Thank you.

At this time now, I'd like to bring up Professor Howard Gillette, Liza Nolan, and Anthony Perno. Did I say that-- Perno? (indicating pronunciation)

Good afternoon.

ANTHONY PERNO: Good afternoon.

ASSEMBLYMAN GREEN: All right. As everyone was aware, we had a rather long, lengthy session yesterday; and before I lose anymore members, I'm going to really stay close to the three minutes, if that's possible, so that we can move ahead and make sure that everyone who signed up this afternoon -- that we can listen to their concerns.

Ms. Nolan, would you like to start off, if you don't mind, please?

L I Z A N O L A N: Sure.

I just push the button, that's the idea? (referring to PA microphone)

Hi. Good morning -- or good afternoon. I'm sorry. It's already that time.

I'm Liza Nolan. I'm the Executive Director of the Camden Community Development Association. We're a nonprofit organization in Camden. We have 17 community development corporations and faith-based organizations as our members. They develop affordable housing, mixed -- some market or emerging market housing, undertake economic and community development activities throughout the City of Camden and in the neighborhoods. We convene the CDCs and we promote positive community development.

I did provide written testimony, so I won't go through the whole thing, but I do want to touch on a number of points here. We're pleased to be able to speak at this event. We do hope this is the first of, perhaps, more than one. We also hope that there might be one within the City of Camden. It was very difficult for many of our members to attend today, so I am speaking on behalf of many of them.

I think there were a lot of positive comments made about the funding in the Act -- the progress that has been made, but also about some of the limitations of the Act. And I do want to touch upon some of those.

First, COO Randy Primas did mention the limitations, in his report, about the lack of focus, I guess, on economic development, or job

creation and workforce development. And that is one of the areas which our members, although a lot of them undertake affordable housing, certainly see the need for; and the increase in strengthening in workforce, economic job development, economic opportunities, bringing in businesses, and perhaps bringing other industry development into the City of Camden.

Another key issue that many of our members are involved in is citizen participation and planning. As we look forward to the next phase in the continued recovery of Camden, we see a lot of opportunities for improvement in that area. What we really feel is needed now involves citizen involvement into the community planning, the neighborhood development planning, and the redevelopment plans that are being undertaken in the city. We need a lot of transparency and coordination. There are a number of levels of planning that is happening throughout the City of Camden, and many of those plans will develop into fruitful endeavors that will benefit the city.

One example would be coordinating in, more so, and hopefully connecting in, the schools' construction. Other people have talked about the fact that the funding did not come from that. That can be an integral part of neighborhood planning and community revitalization. And that should be connected. And again, that's one of perhaps the limitations of the Act. And I think as you look forward to the extension of the recovery period and changes, how to include the commitments of the funding and the other levels of State involvement or State funding into the city, into all of the planning and neighborhood improvements.

A lot of developers -- both the for-profit, but I mostly speak for the nonprofits, as our members are nonprofit developers -- found it's, too

often, difficult to undertake many of the needed redevelopment projects in Camden. Sometimes there have been duplicative levels of review between the CRA and the city. And I think as we move forward, we need to see a little bit more of a framework of clear procedures, steps that are involved, and a delineation of roles and responsibilities, so we know -- between the CRA, between the city, between the various departments -- how to make these needed projects move forward.

I do support some of the comments that were made earlier. I think Provost Dennis talked about the need for capacity building, especially in economic and redevelopment, and to be able to move those forward. There are a lot of projects on the table right now, a lot of possibilities in Camden. We see that; we want to be part of that. Our members are involved in trying to make a number of these things happen.

Another area -- my last main point -- that I'd like to talk about, and is of most interest to many of our members, is the Tax Lien Financing Corporation; and COO Primas did mention that. And he recommended that that entity meet, since that has delayed acquisition of property. CCDA is very interested in having that happen. We have reached agreement working with DCA, Commissioner Susan Bass Levin, working with Randy Primas, and CRA to have basically 163 units, or properties, made available to the nonprofits, out of the 5,500 that are under the Tax Lien corporation, to be rehabbed. Most of our members rehab them and sell them to homeowners who live in Camden, who pay taxes in Camden. We'd like to see the number of 163 increased, but we're ready and anxious to move that forward, and working in cooperation with the city and the other partners involved.

We also support the Regional Impact Council, and other members have talked about the importance of this being a regional effort focusing on both housing and jobs throughout the whole region.

In closing, although we do recognize-- And many of our members work closely with residents who are our tenants, who receive a number of our services. Unfortunately, many residents have felt disenfranchised. We do see the opportunity and benefits for extending the recovery period for another five years. And certainly, with some of the suggestions that have been made today -- and as you look at this, and the Governor looks at that with perhaps some changes -- this really can move Camden forward and be a benefit to all of the citizens, and bring some of the redevelopment from the waterfront and downtown, which is needed; but also making sure that those in the neighborhoods have some of the benefits as well.

Thank you.

ASSEMBLYMAN GREEN: You answered my question before I had an opportunity to ask you, in terms of do you feel that we need to move ahead. You feel that currently the city is moving in the right direction. And I listened to all the comments that you had to say in reference to what we need to do as a partnership. But would you go on record saying, right now, that you feel that we're moving in the right direction in Camden, and we need to submit, statewide, to moving ahead another five years for Camden?

MS. NOLAN: I think we do feel that there are benefits, and it would be a good idea to move ahead with another five years of the recovery. That's the direct question, right?

ASSEMBLYMAN GREEN: That's correct.

MS. NOLAN: Thank you.

ASSEMBLYMAN GREEN: Thanks very much.

The next individual?

Are there any questions? (no response)

You know this is not moving now, so I don't want anybody to think I forgot about you.

Mr. Howard or Mr. Perno, who would like to go first?

H O W A R D G I L L E T T E, Ph.D.: Thank you. I appreciate the opportunity to be here. And you've made a big challenge for an academic to speak to nine years of research in three minutes. I'll do the best I can, and if you can't absorb everything I saw, I recommend the book.

I'm the author of the book called *Camden after the Fall: Decline and Renewal in a Post-Industrial City*, which came out in 2005. I teach history at Rutgers University, Camden Campus. And I can say with no reservation that I have a great deal of respect for the COO and the Mayor. Both of them have put tremendous energy into their effort to bring Camden back against tremendous odds. And I also will say at the start that this legislation, as my Provost said this morning, is brilliant. It offers much more than cities have brought to situations in similar distress -- Pittsburgh and Buffalo have been two cities that have sought to come back financially. They haven't had nearly the same kind of imaginative resources that have been put before us. As a consequence, this is a good starting point.

I will say, however, that there is some deep concerns about the way in which this Act has been administrated -- administered over the last four years, and a course change is necessary, in my belief, before this should

be reauthorized. And the three areas of concern are -- lie in governance, in redevelopment, and in the regional issues that have already been stated by a number of people here already.

The theory behind a chief operating officer is to concentrate power and authority, so that the chief operating officer has the powers to facilitate development in particular, and then at the end of the day, he's responsible for his actions. I would have liked to have seen in the report more hard analysis of the number of rateables that we're brought to the city and the kind of projection that might be expected in the next five years.

But the most important thing that we do have evidence for is that the redevelopment authority was streamlined and given greater authority under the COO; and a particular approach -- which was reaffirmed this morning by the COO -- to do, as he put it, *development to scale*, was embraced. That is a style of development that was popular in the 1960s in urban renewal programs, in places including Camden, which often involved large numbers of displacements. Those programs in the 1960s were brought to a halt. They've also been brought to a halt in Camden, in litigation which was, I think, properly brought -- not just on technical grounds, but on the way in which the justification, particularly in Cramer Hill, for wholesale redevelopment was put forward: large numbers of displacement and in violation of the spirit and some of the letter of existing neighborhood plans; particularly tearing down public housing, which had specifically been taken out of the original plan.

So we've had a slowdown in the process to go forward, and redevelopment has come under a good deal of assault and antagonism. And it seems to me unnecessary to do that, if good planning practices followed:

like building from assets, working with community development groups -- like the ones that are represented to my right -- and to build according to plans that have already been in place.

Secondly, on the question of redevelopment as a whole, I think that we can expect a better partnership if, in fact, in the long term, the community is more engaged in the process, something that's already been asserted. And I believe that Mr. Primas and others agree that adjustments had to be made in the approach to getting community buy in.

Finally, on the question of regional development, one of the reasons Camden has so much poverty and so much crime is that it has a huge percentage -- 49 percent -- of the affordable housing in the county and only 14 percent of the population. Until that population is more widely distributed, there will be continued poverty. So the affordable housing opportunity that was represented by the Regional Impact Council, which was never really put into effect, has to be addressed in specific and concrete terms. Either that organization which was created under this legislation should be replaced with something else, or some other alternative should go forward.

I'd like to conclude my comments by reading you the last paragraph of my submitted testimony. The book itself said that Camden is -- and I believe it still is -- the most important revitalization program in the country. But I remember very well Mayor Faison's testimony before this body in 2004. She pointed to her father and how he fought for Civil Rights, and was not about to give up her freedom to have a fully Democratic system unless the new system was responsive to the needs of people in Camden. Until this system is adjusted to fully incorporate

workforce development, social services, and a new proposal that has been alluded to earlier today -- moving people to opportunity by helping them with counseling and opening up affordable housing, something that has been referred to in the COO's report and has been initiated by the Ford, Annie E. Casey, and the Wachovia foundations -- we will not have a long-term solution. What we will have is bricks and mortar, and not a complete and comprehensive use of this legislation.

I would say that if this Committee and if this Legislature is going to extend the powers of the COO, in essence removing for another five years representative democracy in the City of Camden, that the people who live in that city ought to be assured that their interests are primary, that they're linked to the improved economy that everybody seeks in the city, and that the leverage and the kind of program that the \$175 million represents is used effectively, both to improve the downtown -- which has clearly happened -- and the neighborhoods, to the effect that people will have a better chance to live in those neighborhoods in peace and quality of life; and at the same time those who wish to move to other locations where jobs are now located, where the opportunity structure shifted after World War II, have that opportunity as well. In that sense, I fully endorse what Peter O'Connor said earlier: it is important that we have some teeth to a regional approach to this recovery effort -- something that has not yet happened.

ASSEMBLYMAN GREEN: Thank you very much.

Any questions?

Assemblywoman.

ASSEMBLYWOMAN LITTELL McHOSE: Mr. Chairman, I'd just like to make a request that if we get to the point where we are visiting the reauthorization of this particular bill, if we could bring Professor Gillette back, because I think he has a lot more that maybe we could, with more time, flush out. And I would like to speak to him further at some future point. So I just want to put that on the record.

ASSEMBLYMAN GREEN: No problem whatsoever.

ASSEMBLYWOMAN LITTELL McHOSE: Thank you.

ASSEMBLYMAN GREEN: If there is any need to revisit this before this is finalized, then I would be very happy to yield that request of yours.

Any other questions? (no response)

You have the floor.

MR. PERNO: Thank you, Chairman Green, Chairman Rice, members of the Committee, Mayor, Randy. I appreciate the opportunity to speak before this Committee today. I would like to just introduce myself. I'm Anthony Perno. I am with Cooper's Ferry Development Association. The Cooper's Ferry Development Association is a nonprofit development corporation, that was created in partnership with the City of Camden and several private sector corporations, dedicated to the redevelopment of the central waterfront in downtown Camden.

Since 1984 we've worked with six administrations and have coordinated over \$500 million worth of public and private investment on the waterfront, and there's still much to do. Within the last five years, though, our organization began working in several neighborhoods throughout the City of Camden, and it is those neighborhoods that I would

like to address, and talk with you today. Many of the projects immediately implemented by this legislation were projects that many people, including Cooper's Ferry, already spent several years developing. But these projects could not be realized without the additional financial support of the legislation that you adopted and passed.

Instead, I would like to talk about some of the important projects that are now underway in these neighborhoods, particularly these four neighborhoods -- Waterfront South, Fairview, Cramer Hill, and Cooper Grant. Unlike some of the projects that were immediately funded by the legislation, these neighborhood projects did not have an immediate champion or a plan that was already developed. Instead, these projects could not have happened but for the support of this legislation.

First, the projects in Waterfront South were a buffering zone and a reforestation or replanting of that area. Waterfront South is an environmentally sensitive neighborhood in the southern section of Camden. It's nestled between 676 and the Port Corporation, surrounded by a lot of industrial use, including car-crushing operations; and also subject to the double handling of the Port Corporation, where thousands of trucks drive up and down to that neighborhood each day.

As part of the environmental addressment for that area, this legislation provides money to replant that area with new trees and provide some landscaping buffer zones between that neighborhood and the associated industrial zones. Without this legislation, that project would not have been able to happen, and the residents of that neighborhood would not have seen some of the relief that they're now receiving today.

In the Fairview section of the neighborhood, which is immediately a little bit further south than that-- As Roger Dennis earlier testified, the housing market in there, in 2004, finally hit rock bottom, with the average house selling for about \$45,000. Cooper's Ferry, in partnership with RPM -- which is a private housing development corporation -- Fairview Main Street, and Rutgers University, and the City of Camden coordinated a joint effort to redevelop the center square, the commercial corridors, and all the other associated retail in that area. As a result of that joint effort, housing values today have now risen to \$90,000-\$100,000. More important, the vacancy rate, which was continuing to decline through this entire time frame, finally has stabilized, and they're now starting to see a decrease in the vacancy rate in the Fairview neighborhood. There is a direct example of where the investment of this legislation provided a positive impact to a community within the City of Camden. And without it, we'd be talking about Fairview much like we talk about some of the other neighborhoods that were featured in the *20/20* episode the other night.

In addition to Fairview, we have also done investments out in Cramer Hill. While the Cherokee project was talking about going forward, there was still some other revitalization efforts we were working on in River Road, specifically sitting down and working with the businesses and the residents of that section of that community to help alleviate some flooding, and also to do some traffic calming measures, and to do improved lighting to secure that area from the security standpoint. It's one of the more dangerous sections of the city, that area, and so by putting in new lighting and new streetscaping, we had to lay that out and work with the community on how that plan would be implemented.

I'm happy to report that as of this Spring, that project will finally be moving forward. But again, these are projects that started because of this legislation -- was implemented. And it takes some time for them to happen.

The other neighborhood that we'd also like to talk about is Cooper Grant. Again, working with the city, Cooper's Ferry, another private housing developer -- Pennrose Properties -- and Rutgers University-- We were able to do reinvestment in a park, as well as several surrounding neighborhood areas for infrastructure. As a result of that investment, Pennrose Properties is developing 18 new homes. All of those homes sold -- reservations were placed on them in one day. Each home is valued between \$180,000 to \$200,000. Again, the investment can happen if it's done in a coordinated effort and you work together as a partnership to do it. And that's what we have been doing as part of this legislation, and this legislation provided the resource to do it.

Finally, the last project which is being rolled out citywide very shortly is called CHIP, the Camden Home Improvement Program. And again, Cooper's Ferry is working with the City of Camden, and the Churches Organized for the People, as well as the Concerned Black Clergy to provide \$20,000 grants to distressed homeowners who are below the median-income level for Camden city, to provide them with some money to rehab and improve their properties before they fall into the disrepair that we're talking about that exists throughout the rest of the city.

So I submit to you that there has been a lot of positive improvements as a result of this legislation. I encourage the reauthorization of this legislation, because I think the type of direction you have been

seeing only comes from the groundwork that was laid by Randy and the Mayor's office working together, and it's that type of direction you will need if we're going to get the city back on track. But like they reported before, this is not something that can happen in a two-year time frame. It took 50 years for the city to decline; it will take several more years for it to improve.

Thank you.

ASSEMBLYMAN GREEN: Thank you very much for those kind remarks.

Any questions of the--

SENATOR RICE: Yes.

ASSEMBLYMAN GREEN: Senator.

SENATOR RICE: Yes. Thank you, Mr. Chairman.

I have a question. And I know I probably continue to raise this throughout the course of the year at different hearings, because I want the media and others to try to pick up on what I'm saying. I try to be objective and I try to make people think, in government and outside.

Dr. Gillette, you mentioned, and others have mentioned and elected this little sexy word called *choice*. And I believe in choice, depending on how it's being used. It's so broad, you know. But it's this talk about people moving in versus people moving out. And I just want to say, and you mentioned jobs-- Well, the whole notion under the McGreevey administration was Smart Growth in sprawl -- was really to get the jobs back to the urban centers and what we call the *rim district*, borderline suburban communities, where the infrastructure is. And so when people say, "We want choice, where people could be closer to jobs out there," the

distortion is, in reality, is that jobs out there may wind up back here. So people are going to be out there trying to get back here. But when we say that we -- and I believe in mixed communities by the way -- I don't believe that a community needs to have upper-middle class and middle-class housing here, and poor people housing here. That's why when we did a Mt. Laurel project in Newark, we made sure that when the vendors built those properties -- and did a bad job -- there were people of different income mix, because people can live together, as they did pre-'60s and '70s.

But the question is -- to everybody that speaks -- when we talk about giving people an opportunity to move out, and then we talk about people coming in, it's the out that bothers me. Who are we talking about moving out? Because we're talking about, from my perspective, those who can afford to move out, not those who just want to move out. And I think people should live where they want to live. But does your book talk about the scenario -- when we talk about moving out -- giving people a choice to move out? Do we define that as everyone, including those who don't have a job, but still live someplace within our cities and need to live someplace, that may want to get away from the polluted environment and the crime as well? Does the book speak towards that? Because if it does not, maybe with your staff and research people, you can write the next chapter of the book and give us some ideas.

DR. GILLETTE: Senator, you've asked a good question. The implication is obviously clear that if everybody who could move out moved out, you would leave even a greater concentration of poverty. I think that's why Mr. Primas and others have made such a major emphasis on trying to attract the middle class back to the city. I don't think these things have to

be exclusive. And what I mentioned, in terms of making it possible for people who seek opportunity to link up with that opportunity again, is that the whole trend of job movement over the last 30 years has been outward, away from the cities. And most recently, in the '90s, there were 10,000 new jobs created in Mt. Laurel alone, and 6,000 loss of jobs in Camden. This Recovery Act is intended to change that, in terms of Camden's part of the situation. But those 10,000 jobs still exist in Mt. Laurel. And as far as I know, efforts to get back-office work to come to Camden -- such as Commerce Bank, work that's done out in the suburbs -- has not been successful. If we could get those back-office jobs in Camden, we would be creating jobs near where people want to stay for a number of reasons. But there are also people in the same city who would just assume or prefer to take their chances in the suburbs.

And I'm like you, I'm a city guy. I tend to prefer to be in the city. But there are very logical reasons to want to be out where there's better employment opportunity, a greater range of opportunity, where there are better schools, where the amenities are greater. And those jobs are not in Pennsauken, which would be right nearby. Those areas are also losing jobs. So it's the far-out suburbs.

And you're absolutely right, we've got to encourage policies that encourage reinvestment in the older towns and cities that are in our core areas. And they could include places like Pennsauken, but right now, the movement is the other way. And I don't think this Recovery bill is going to change that overnight. It's going to provide magnet possibilities. And I think we've heard that, with the growth of Cooper and other downtown

institutions, and the fact that there's a bank coming from the suburbs to the city. We'd like to see more of that happen.

I think in the long term -- what Peter O'Connor was saying this morning, what I fully endorse -- is that if the opportunity structure has shifted radically over a generation, which it has, we ought not to create and continue to sustain barriers to realizing those opportunities. That means, for some people, moving. For some people it means buying a car and being able to take advantage, at least temporarily, of something that's outside of the city. I wouldn't, myself, argue for social engineering in the sense of trying to mix everybody up in a way that we would all feel each community was totally balanced. That will never happen. Free choice will always go, much more than government programs. But we can provide some capabilities, and I think that's underutilized in the current legislation as it's been executed.

SENATOR RICE: Well, the reason I raised that, and I'm still a little confused and think somebody is going to answer it -- Smart Growth and sprawl, unless we scrap it, is indicating that the businesses out are no longer going to be out. They're going to have opportunities to come back this way. But we keep saying, in the cities, let's send people out. Regardless of how we define that -- even through Mt. Laurel scenarios, RCA sent them out. And the people who are really identifying are urban dwellers, in most cases, who don't have much. Which means that, over the next 10 years, we start to shift people out, or at least make them think that they're getting something better -- when in fact, once they've settled, they won't be able to come back as the jobs come this way.

On the outside, if you look at the statistics of New Jersey, jobs in industries are not going out anymore either, in terms of New Jersey suburban or rural communities. They're going out of state. And the only way we're going to get them back in state under the sprawl and Smart Growth -- they're coming back to the same borders where we're shifting people. So we need to think about how we manage that. Hopefully, we can keep the jobs where they are and get new jobs in. But then you don't need the growth there.

The other question is, when we talk about shifting people -- if we talk-- Traditionally, Republicans talk about the wealthy and the middle class. And then the politics became middle-class talk. Democrats always talk about poor people; they always emphasize poor people and middle class. All of a sudden, politically over these last few years, Democrats only talk about middle class -- not cautious Democrats. We'd better start talking about poor again. Poor and middle class should be our language. And so, when we talk middle class going one way or the other, let's talk about poor.

And my question is, as we come in, what happens to those folks? And that's what I'm trying to find out with your book, or other people's research, or other people's statements. Where is the concern and where are the recommendations, for those of us who don't have a monopoly on brains, for the people who are presently staying in \$1,500-a-month motels; people who sleep on the streets because when they go into a shelter, they're put out the next day to make space for someone else? They would like to have choices, too. I think some of those people would love, if they're going to be homeless -- and that's what they want to be in some cases, because people say, "Well, I'd rather be homeless than to stay in a shelter."

Some of them may say, "I'd like to be homeless, (indiscernible) to stay in a shelter, but I'd like to be in Mt. Laurel, or I'd like to be in Cherry Hill, or I'd like to be up in Milford." We never have those discussions of choice. Are we saying there is no choice there?

And then what happens is, that when we move other people back and we don't address that "population," then discriminatory practices and bias set in. Because "our poor population," regardless of what ethnic group it is -- it could be from Mercer Township, anyplace else -- we're never good enough as human beings for other people's kids and families to be raised around. Have we ever addressed that? Because we need to address that. That's a pretty significant population out there that's really, to some degree, more concentrated than anything else. And we'll also know what that mix looks like, in terms of gender as well as ethnicity.

So can we address that issue, or does anyone have any thought about it? Because all of this legislation we're talking about, I thought when we did it, was intended to address all those concerns.

DR. GILLETTE: I'll just say very briefly that I don't go into any great depth about that. But I think that the understanding is that there are major social service efforts that are in our cities that are directed at moving people to the next level of capacity. That is, capacity to be self-sufficient, at least close to self-sufficient, economically. As that happens, and as they gain education, there are more choices. And so, we're not talking about moving from one very, very far spot on the spectrum to a very other far spot, from homelessness to Voorhees, or some premiere suburb. We're talking about helping people gain ahold of their situation and maximizing their choices within the framework of what's possible. And I

think the Recovery legislation, if it works properly, will enhance opportunity across the board. Not that people will leap from rags to riches, but they'll move up the ladder, as I think people at Cooper are doing right now, in terms of these entry-level jobs, some of whom we're teaching in a humanities course that starts next Wednesday night.

ASSEMBLYMAN GREEN: Thank you very much for your comments. Thank you.

DR. GILLETTE: Thank you.

ASSEMBLYMAN GREEN: The next group: Sean Brown, Morris Smith--

ASSEMBLYWOMAN CRUZ-PEREZ: I don't think Mr. Davis is here.

ASSEMBLYMAN GREEN: How about Davis?

ASSEMBLYWOMAN CRUZ-PEREZ: Mr. Davis is not here.

ASSEMBLYMAN GREEN: Okay.

Mueller?

ASSEMBLYWOMAN CRUZ-PEREZ: Mueller. (Indiscernible)
Mueller. I don't see--

MORRIS G. SMITH, ESQ.: This is Mr. Brown.

I'm Morris Smith.

ASSEMBLYMAN GREEN: Okay.

ASSEMBLYWOMAN CRUZ-PEREZ: She's not here either.

Frank Fulbrook is here. Frank Fulbrook.

ASSEMBLYMAN GREEN: Frank Fulbrook, would you like to come up, please?

Reverend Jones.

I'm sorry. I was told that the mike in the back doesn't work; I was going by the amount of mikes that I had. (referring to PA microphone) So I'll bring you in with the other group, if you don't mind, Reverend. Thank you.

We'll start off with Mr. Brown.

S E A N B R O W N: Good afternoon.

ASSEMBLYMAN GREEN: Good afternoon.

Go ahead. You all right now? You're good.

MR. BROWN: Okay. Good afternoon.

My name is Sean Brown. Before I go to my comments, and if you want to follow along, then I'll give a brief version of what I had turned in already. It starts with the incorrect date of January 29. I believe all of you already have it.

Before I start, I just wanted to say how thankful and honored I am to be in the presence of my former Chief Operating Officer, Mr. Primas, who has truly been a mentor and great assistance to me, and our current and honorable Mayor Faison. It's good to be in your presence.

I sit here today with a unique perspective as a resident of the City of Camden. I believe I'm the first resident to speak today. I'm a student of the streets. I'm a student that's currently enrolled in school. I am an observer of municipal, State, and Federal Government, and a staffer of two nonprofit organizations in the City of Camden.

The residents of the City of Camden can be placed in two groups, in my perspective: One group survives with the hope that government will provide justice, protect freedom, and preserve rights. The

other group realizes that the same government that persecutes, punishes, and profits from the poor cannot be the group that saves the city.

In Franklin Roosevelt's first inaugural address, given in 1933, he eloquently stated that "Better the occasional faults of a government that lives in a spirit of charity than in the consistent missions of a government frozen in the ice of its own indifference." Today I ask the Legislature to act in charity, not indifference.

The residents of Camden have been victims for longer than the 24 years that I've been alive. For too long, Camden has been an extreme example of municipal stratification, as the region's central location. And as you'll see in the written testimony, I get into the great juxtaposition of having the eds and the meds, the hospitals, and the education facilities on one hand -- which are great institutions -- and on the other hand, having a center of prostitutes and drug dealing and drug dealers, and all the other negative images that we know too well that goes on in our city. All these issues are well publicized and known. There are no secret problems and there are no secret solutions.

As I prepared my statement for today, I tried to think as a realist and pragmatist, in thinking what could I possibly say to the Legislature that could actually go from a seed to an idea that bears fruit. So I'll let you indulge me just for a few moments as I speak and offer some suggestions. I know earlier -- I believe Assemblywoman Nilsa Cruz-Perez asked about specific suggestions of how the legislation could be amended. And some of the statements that I have go straight to that point of how the legislation itself can be amended to make it more effective in the lives of the residents of the City of Camden.

My priority as a resident is with the 28,000 children that live in the City of Camden, making up 37 percent of the population. We must think of those children and their families first. And I have a few points about those children: Currently, our Board of Education is consumed by personnel issues and, unfortunately, does not have the time or energy in order to get into the classroom, making sure that the curriculum that's taught in the classroom gets to the minds and the hearts of those students; and engaging their parents so that their students become educated -- young people that will return to Camden after they get their education. The increase of charter or vocational schools in Camden has left the two regular public high schools -- Camden High School and Woodrow Wilson -- as schools of last resort. Those two schools are filled with students that couldn't get into any other school.

Surveys, public opinion, truancy, and curfew violation statistics all point to one central theme: The children of Camden have nothing to do after school. So what does that have to do with the legislation? I would suggest that there be an amendment that has the Legislature provide funding for community-based organizations to provide these programs that government does not have the infrastructure or money to provide. There are 212 nonprofit organizations in the City of Camden -- 212 have their 501C3 stat, which is a great number. Strangely, it's actually one of our greatest assets. Out of those 212 organizations, some of them already serve youth. But out of 20,000 youth, there are not enough organizations to serve them after school, and that needs to be a priority.

Next, any additional financial aid that goes to the city has to include grants for starting and growing businesses that want to employ

Camden residents. Unfortunately, currently, there is no economic development plan for the City of Camden. There is nothing to connect new construction that's occurring with jobs for the residents that are there. Out of the \$175 million, I believe it's \$2 million went to training, which is, by far, not enough for what's needed. When you have an adult population over 25 that only have their diploma -- just because they don't have their diploma doesn't mean that they don't have a need for employment. Of course, they want to work, they want to earn their living. They don't want to be out on the street selling drugs. That's not a lifestyle that anybody wants. But it's one that too many feel that they have to face.

The State should review the city's management structure and give the chief operating officer's position more influence in making the city government modern, with technology, and customer oriented. The State Legislature needs to study New Jersey Civil Service and change the rules that keep unqualified or stagnant people in administrative positions. There should be an amendment that funds the management study which was done by Joshua Kim, and that-- There should be an amendment to it which gives money for the management study to be implemented. The legislation said that a management study had to be done viewing city government. And according to city council and administration, there isn't enough money to make those recommendations come to fruition in the city.

All mandates that remain in the legislation after review, reauthorization, and amendments should be enforced by the Chief Operating Officer. And I have listed three things that should be enforced, and some of these things have already been discussed today. And I'll add them, because I think that they are important.

The Regional Impact Council should meet. It's only met once, I believe, in the last four years. Obviously, the issues of Camden, as have all been discussed today, are regional issues, and this council should meet in order to address those regional issues.

The Community Advisory Committee should meet as mandated. Historically, the Committee only met twice, and they didn't meet its legislative role. The Community Advisory Council is in the legislation in order to get the community to be involved in the processes of what's happening in the Office of the Chief Operating Officer.

And Affirmative Action rules should be followed, and contractors should be paid the prevailing wage.

I know that I have limited time, so I'll conclude my suggestions with that, and I'll feel free to entertain your questions. Earlier I quoted FDR's inaugural speech. The speech was given at the time that the economic future of the country was uncertain. Franklin Roosevelt followed his eloquent speech with executive prowess that lead to prosperity for the nation. His success was embedded in his own admittance and acceptance that mistakes may be made. But he realized, as I'm sure that this Committee does, that it's better to err on the side of aiding the poor than to make--

ASSEMBLYMAN GREEN: Excuse me? If you don't mind, because we had the timer.

MR. BROWN: That's fine.

ASSEMBLYMAN GREEN: Okay, no. What I'm trying to say is that -- can you wrap this up rather quickly, or is this going to be something that you're going to have to take another five minutes?

MR. BROWN: (indiscernible)

MR. MORRIS: No. He's giving you an opportunity to wrap it up.

ASSEMBLYMAN GREEN: I'm sorry. Is this something that you can kind of finish up in your closing statement, or is this going to be something that--

MR. BROWN: That was my last sentence.

ASSEMBLYMAN GREEN: That was it?

MR. BROWN: You can read it.

ASSEMBLYMAN GREEN: Okay. I didn't want to be disrespectful, but you started to go on and on, and the bell had already gone off.

Anyone have any questions of this individual here? We have his testimony.

ASSEMBLYWOMAN CRUZ-PEREZ: And he goes to every single office; that I can tell you.

ASSEMBLYMAN GREEN: Mr. Smith, do you have a written statement or any comments?

MR. SMITH: Thank you, Mr. Chairmen -- Chairman Rice, Chairman Green. I do have a set of written testimony, which I believe I submitted earlier. I believe the members do have it. I will do my very best to stay within time. I know that the hour is late, Mr. Chairmen. We appreciate your patience.

My name is Morris Smith. I'm a practicing attorney in Camden County. I've been practicing in and around the City of Camden for over 20 years. Mr. Chairmen, I've had the opportunity to serve as the

City Attorney of Camden in no less contentious times, but, I would argue slightly happier times -- approximately a decade ago -- and I have over 18 years experience in municipal law. I've had the privilege and the opportunity to work with Mayor Faison when she was a Council Member. I sat next to her at the City Council meetings, as the City Solicitor. Former Mayor Primas and COO, I've had the privilege and opportunity to work with; as well as Assemblywoman Cruz-Perez.

There are a couple of things, Mr. Chairmen, that I want to address outside of the testimony, to address factual questions that have come up today. I'm sorry that Assemblyman Stanley was unable to remain. He had several questions concerning the South Jersey Port Corporation. The South Jersey Port Corporation does consist of approximately 200 acres in two locations in Camden, on what I call the *working waterfront*. There's the entertainment waterfront that so many are familiar with, and then there's the working waterfront. The Port Corporation, according to the State Economic Recovery Board statistics, as well as statistics from studies done by the South Jersey Port Corporation itself, generates approximately 2,400 direct jobs. Those are jobs of people that either are employed by the State through the Port Corporation -- relatively few -- or jobs of individuals that are employed by private sector businesses that do business in and around the port. They may be warehouse operations, light industrial operations. They may be trucking operations. They may be stevedores or longshoremen, as we like to call them.

Of those 2,400 jobs -- these statistics are approximately 18- to 24-months old -- approximately 475 of those jobs were Camden residents. There are countless others who were formerly Camden residents, who --

through the benefit of employment and increases in salary and benefits -- may have elected to move from the city. Out of that 2,400 direct jobs, that represents a payroll of well over \$90 million a year.

There is an indirect economic impact that creates a linkage to approximately 20,000 jobs in the region, Mr. Chairmen. That's no small number. And despite all the misfortune that's been testified to and that we read about in the papers with regard to the city, when looked at in conjunction with the educational and university system, as well as the hospital system, still marks Camden as the primary economic driver for southern New Jersey. There should be no mistake about that.

When people talk about the loss of manufacturing in the city and a loss of manufacturing in the United States, what they leave out is that the United States has become an import economy. We bring things in from other countries. New Jersey is blessed to have three ports -- Newark, Elizabeth, Camden. There's a smaller port in southern New Jersey, Salem, that is not really a deepwater port. Camden has a unique asset that hires people between 18 and 45 who don't have degrees in urban economics, they don't have master's degrees. We are all fortunate and blessed enough to be able to get a higher education. But that port can pay people \$30,000, \$40,000, \$50,000, \$60,000 a year. And I'm a practicing attorney, I have clients who have businesses there who do this -- so there are specific examples that we can supplement the record with later -- that hire the very people that Senator Rice, and all of you on this Committee, are really expressing concern about. Folks who are going to be able to get their degree are going to make it. The folks who are the single parent heads of household, and the folks who are parents of those kids that we're concerned

about, that don't have an education -- those individuals have an opportunity at the port -- with not just the public sector, but with the businesses that work in the port -- to survive, to have a family-sustaining job.

Mr. Chairmen, a couple of additional points. To close with the port, this Committee should be aware that there are statistics that show that the river traffic on the Delaware is increasing. The business at the port is growing, contrary to arguments that you will hear from others who suggest that the port is either not viable or shrinking. The opposite is, actually, factually true. There's more business. The question is: can, through this legislation -- and my friend Mr. Brown talked about job training and job placement through this legislation -- can we connect the people who need employment to the meaningful employment at the port, where the average wages are \$30,000 to \$40,000 a year? City parents can't survive being housekeepers, janitors, clerks, secretaries. Those are good jobs, those are important jobs, but that can't support families, and everyone here knows it. So that issue must be studied. This question of ensuring that there is a logical economic vision in the legislation that the next COO and the Mayor can implement -- so that the COO and the Mayor aren't left to guess at what the resources are and the direction of the State are -- that must be addressed.

Mr. Chairmen, I'm a member of the Regional Impact Council, and I'm also an adjunct professor of Political Science at Rowan University. I agree with my friend, Professor Gillette: the regional analysis has to be improved. The group needs to meet more often so that it can be a resource to Mr. Primas' successor and the Mayor.

Finally, I would leave the group with this; and my testimony speaks to other issues. Any of you who represent urban areas, all have had the experience of getting gift economic development projects -- "Oh, look what we have for you. We're going to bring a project that is going to create jobs." The question that must be asked in this legislation, if there is going to be a more complete economic development component, is what is meaningful economic development? And I submit to you that it is a project that creates permanent, family-sustaining jobs.

And Assemblywoman Cruz-Perez and Mayor have both been on tours with me where they've seen those jobs. The project must create family-sustaining jobs that are permanent, not temporary jobs. Or at least, that project must generate municipal revenue that helps the city towards financial self-sufficiency. If it can't meet one of those two tests, then it's not economic development. It might be something else. It might be a project that has special favor. It might be a monument. It might be public works, but it's not economic development. And that is something that the Legislature, I think, has to examine for all of its cities, going forward.

Thank you, Mr. Chairmen. I have other comments that, again, are part of my testimony.

ASSEMBLYMAN GREEN: Mr. Smith, I'm very much pleased with your comments. In life, we all don't agree all the time. But I think what you're experiencing here today is that -- just the mere fact this is the first time I've met you, you have met me. And the bottom line is the bigger picture.

And I guess my first question would be, do you feel that the City of Camden is moving in the right direction? Let's put our personal

differences on the side. We all realize that temporary situations do not fix the problem. We all recognize the fact that in order for generations to generations to build what we consider a foundation, family-wise, that we have to start someplace. Based upon your comments, as well as Mr. Brown's comments -- which basically are moving in the same direction -- do you feel the City of Camden is moving in the right direction, or is it just a question of being able to communicate, being able to build a foundation that we all -- who have represented an urban community -- realize was a learning process all of us had to go through? Now it's a question of being able to network, being able to talk to each other, look at the bigger picture in terms of what's good for us five years from now, not what's good for us for the next six months. Would you feel, at this point now, that we need to move ahead another five years with some adjustment in the agreement? Do you feel that, based upon some of the things that have been said today by all the different people who have spoken, with an input from everyone in the community, do you think we could turn Camden around, or do you think it's in the wrong hands and it's going in the wrong direction?

MR. SMITH: Well, I appreciate your question, Mr. Chairman.

I absolutely believe that Camden is better off than it was 10 years ago, and then when I first began practice 20 years ago. Progress has been made. And if any of my comments suggest to you that I didn't feel that way, I apologize to the Committee, and certainly to the Mayor and Mr. Primas. The legislation should allow for the COO to have additional resources to help manage these complex issues that we're talking about here. That's in my comments. But municipal finance, municipal operations, and economic development -- those are entire careers for any one individual.

And the COO is being asked to support the Mayor and the Council in Camden with a limited operation. And when that legislation is looked at -- and I believe that it should be renewed with changes -- that's one of the changes that I would respectfully recommend. Give the succeeding COOs additional tools so they can have their hands on all the complexities. And I think they really break out into those three areas -- operations, finance, and economic development.

But I heard the voice of experience in your question, Assemblyman and, again, I would agree that the city is on the right track. It's a long game. While we are in the throes of attempting to make changes, we must account for those who may not be as fortunate as we are and still need to support their families. And that was really a thrust of my comments and my passion.

ASSEMBLYMAN GREEN: I really appreciate the sincerity and I really appreciate the input that you have given us this afternoon.

Anyone else have any questions of these two speakers before I go on to the other ones?

SENATOR RICE: Yes, Mr. Chairman.

ASSEMBLYMAN GREEN: Are you on now? (referring to PA microphone)

SENATOR RICE: Yes, I'm on. I'm okay.

Thank you for your comments.

I initially raised the questions about the port. And the reason I raised it is because I don't know a lot about the particular port here, but I do know -- after spending 16 years in the City Council in Newark -- when I was working on the council in '82, we had a 100-year lease that was coming

to an end. I said that would never happen again. And then we were getting a million dollars a year, over those years; and litigation started with me on council and others. And before we could even get into court, the port offers 18 mil, and we thought we had a windfall and were doing great. But then we watched the port quietly grow, lease opportunities go up, and all of a sudden we decide, wait a minute, either there are two sets of books or we're not looking at this correctly. So we spent a lot of money, but we fought litigation. And today, we're looking at \$60-plus million with some increments, at least that we can go back in two- year periods of time. And I know that the COO had indicated that he doesn't believe that we're getting enough in terms of dollars from the port.

So I have two questions. Number one, is there room for expansion at that port? Do they operate with lease agreements and stuff like that, because their dollars go back to the city? And number two, is there a relationship with the city and labor at the port? I know that we have a very good relationship up in my area with all of them, but particularly Local 1233, which happens to be the "black trade union of (indiscernible)," who also come from the City of Newark. Many of them moved out. But the point is, they understand the need, as they had an opportunity to grow within that environment and community.

Are those things taking place? Is there a way to compare the port, not in terms of its growth, but in terms of what it represents, with what Port Newark represents in terms of opportunities? Because you either have to negotiate or litigate. Litigation can be expensive, but I think Newark shows that if we litigate and we open up books, that Camden may

wind up winning. And so we may have set the stage for negotiation in the southern region.

MR. SMITH: Senator, it's an excellent pair of questions.

I believe that the financial and employment relationship between the city and the port -- this is my opinion based on having served as City Attorney, and also now in the private practice working with people inside the port -- is not developed far enough. I think that Mr. Primas is accurate. There are not enough pilot payments or tax payments or lease payments, or however we want to characterize them, coming from the port to the city, to represent the acreage that has been taken over. I believe, in Camden, that the port actually owns the real estate, and so the opportunity for lease payments is there. And they use another mechanism which is not sufficient.

That being said, I think you've already opened a door. I think that there may be an opportunity to revisit that discussion, particularly as business increases at the port. That's something that should be taking place. The city should participate in the increase in growth and business and traffic at the port. I do not believe that relationship has developed as it has in Newark over time. And having said that, I believe that the current executive director, understanding the climate and understanding the need for a partnership between a community and the port, if it's going to grow and thrive, I think the opportunity for that discussion is there. But the answer would be: not good enough, in my opinion, on the financial side.

With respect to opportunities for employment, there's a growing recognition, Senator, amongst the private businesses that, again, for their relationship to be satisfactory, for them to continue to grow and thrive

in the city, they've got to look to local residents. And I'm personally working with a number of businesses to address that specific issue. There needs to be an economic connection between the neighborhoods next to the port -- and they've been referred to earlier today, Bergen and Lanning Square and Waterfront South -- there must be an economic connection between the folks who live there and the port -- jobs for family members and things of that nature.

With respect to the ILA, the port businesses have recently formed a coalition -- have invited the ILA to join it. The Philadelphia area district council has expressed interest. And we had an opportunity, with Speaker Roberts, to meet with those individuals last week to talk to them about becoming more active. Unfortunately, in Camden, the ILA -- the International Longshoremen Association -- seems to be a Philadelphia-dominated organization, and we are trying to expose them to the labor opportunities on the New Jersey side of the river. There is a substantial New Jersey component to that membership, and we want to see that grow with Camden residents.

Senator Rice -- and you're familiar with this -- I'll say this for the record. The Longshoremen's Association, the union, is a tremendous opportunity for people who may not have a college degree, may have a GED or may have a high school diploma, and perhaps not even that. There's an opportunity in the East Coast port market for longshoremen to earn upwards of \$60,000, and even more. Once they become card-carrying members of the union, learn their trade, and then begin to get active -- with the increase in port traffic coming through Camden, it's only logical that we undergo an effort to plug Camden residents into that process. And again,

with the assistance of the port and the private businesses there, they're looking to move in that direction.

I think that we're going to use Newark as a model, because from your question, my assessment is that Newark is ahead of where Camden is in that area right now.

SENATOR RICE: Another question for you. I think you may have answered it. Is the southern port bi-state? Is that a bi-state agency?

MR. SMITH: No, it is not. There was talk of that approximately 10, 12 years ago -- that talk began during the Florio administration, continued for part of the Whitman administration. The South Jersey Port Corporation is a municipal entity created under the laws of the State of New Jersey. There were negotiations that folded into a bi-state entity with the Delaware River Port Authority, which is what you may be thinking about, Senator. That did not happen.

SENATOR RICE: Well, who appoints the board members to the South Jersey Port?

MR. SMITH: The Governor. This current board, I believe, has members from the Whitman, McGreevey, and Corzine administrations on it.

SENATOR RICE: To your knowledge, and maybe the Mayor or someone can answer this, have we ever audited those books to see just what's coming in and going out, or given a report in terms of their growth?

MR. SMITH: Senator, I don't know the answer to that. I know that during my time with the city that did not take place. But that's been since the late '90s.

MR. PRIMAS: Senator, I could probably shed a little light. The Treasury Department, I think, does audit the South Jersey Port Corporation; and in fact, subsidizes the South Jersey Port Corporation. So there are actual-- The payment of the \$2 million to the city actually comes from Treasury. And so the State does subsidize the South Jersey Port Corporation's operations.

And an interesting part is that when I had the pleasure of serving as mayor, we had gotten the payment up to over \$3.5 million. And so it's clearly been going the wrong way, as they have reduced the amount of money. And I can recall vividly when Newark went from a million a year to \$18 million a year. It was with a great deal of envy that we looked at that transaction during the Kean administration.

SENATOR RICE: I was on Council then, and Florio was Governor, during your time.

Let me, through the Chair, through myself, ask staff to request a report from Treasury as to the growth of that southern port, economically, over the last 10 years; what they've been receiving, what's going out. And also to tell us why the -- in lieu of, has diminished rather than grown. And also, what do we do with the dollars that came in? Did we give them all to Camden, did we share them, exactly what happened? And also, give me a list of all the appointed board members in terms of their basic appointments and expiration.

I believe that I have asked my questions. Thank you.

ASSEMBLYMAN GREEN: I want to thank the two of you.

At this time, now, I'm going to ask Mr. Fulbrook, would you speak into the mike, if you don't mind?

FRANK J. FULBROOK: Yes.

Yes, good afternoon, Assembly members, Senators, Randy, Mayor.

Frank Fulbrook. I grew up in Camden and still live there now. I live in the Cooper Grant neighborhood, next to Rutgers, for the last 39 years. And Randy and I are high school classmates. In fact, both grew up in East Camden. I'm currently a grad student and research assistance at Rutgers-Camden, and hope to be teaching urban studies starting next January. I really love it. I was recruited to be a teaching assistant about two years ago in the Urban Studies department.

SENATOR RICE: The Mayor couldn't get you to go to Howard with her?

MR. SMITH: Did you go to Howard with him?

MR. FULBROOK: Well, I only picked one college. Rutgers-Camden was the only school I even applied to. So that's how loyal -- I'm very brand loyal, and glad to see that we got a statewide football team. It's great for the brain.

I want to talk about revitalization and the other word that nobody except me even uses -- *devitalization*. That's the opposite of revitalization. Now, first the good news: revitalization was touched on by some prior speakers. Let me maybe correct a couple of the facts here. I call your attention to Randy's report, Page 63, and the project right at the top -- Cooper Grant Developers, L.L.C. I co-founded Cooper Grant Neighborhood Association 25 years ago this month. This is our 25th anniversary. But we've been working, since '81, really 26 years. Let me put in very direct terms the progress that we've made in Cooper Grant. In 1981

-- I've been there since '68 -- in 1981, Cooper Grant and North Camden had the lowest property values in all of the City of Camden. We had the lowest property values. Today, Cooper Grant has by far the highest property values in Camden. Twenty-six years, we went from the bottom to the top. How often does that happen in urban America -- to go literally from the bottom of your city neighborhoods to the very top?

Houses sell now for about \$225,000 on three-story buildings; and about 180,000 is the going price for a two-story, very plain brick row-house. We're at 180. The new houses that we're building -- and we go to closing this Thursday -- 18 homes that I've worked for and fought for, and worked with Randy and the Mayor for the last nine years, and with our partners, Pennrose Properties. The 18 units actually didn't all sell in one day -- 12 of them sold the first day, but it took one month, from December 2 to January 2, to sell all 18 homes. The sales price is actually 189,000 to 240,000 base price. That's before buyer's options are added on to that price. And we have now a waiting line of people that are backup buyers. So if any of those 18 fall through, we've got other people lined up to jump right in, so that we'll sell all. And we're going to build another 10. Hopefully, when we clear an environmental problem, we'll build 10 more units.

So that's the good news. And also, we had the highest vacancy rate of residential buildings in 1981 -- 40 percent vacancy rate; and by vacant, I mean bombed-out shells, not just temporarily vacant apartment -- bombed-out shells -- 40 percent. Today, we're down to our last three buildings that are being renovated. Within six months, we'll be the first neighborhood in Camden to go all the way down, hit bottom, which was

1981, and come all the way back up to 100 percent occupied residential buildings. There's no other neighborhood in Camden that is remotely close to that statistic, not even remotely close. All right? So our success is unique.

We have some advantages. We're the smallest neighborhood in Camden that's recognized as being a neighborhood. We're a little three-block-by-three-block pocket surrounded by the Ben Franklin Bridge and Rutgers and the Waterfront. So that's a big advantage to be in such a little pocket. So that's, maybe, unique.

But what we've done with that advantage-- You know, you can have advantages, but if you don't exploit them, then you're not doing your job. But we've taken full advantage of being next to Rutgers. And working with Provost Roger Dennis is excellent by the way. The relationship between the neighborhood and Rutgers has never been better than what it is right now. And it was very rocky in the '70s, with a lawsuit, actually, to fight Rutgers land banking. So things have changed. Now, that's the good news.

Now, I'm only speaking for myself, not on behalf of organizations that I'm an officer in. I want to talk about the other side. Randy touched on it. That's urban devitalization. The number one force that is driving down the neighborhoods of Camden -- outside of the successful and increasingly successful downtown, and Waterfront, and Cooper Grant area -- is one thing: open-air drug markets. When people say, "Well, Camden, we have a drug problem," I would say, "No, we do not have a drug problem per se. We have a drug dealer problem." Chemicals can't destroy neighborhoods. Think about it. A white powder cannot destroy a

neighborhood. But the people standing on the street corners selling the white powder can destroy a neighborhood. And it's been happening for 20 years, since crack/cocaine arrived in '85, '86. We only had two drug markets in Camden in 1981, when Randy was sworn in as Mayor. Fifth and York, and Fourth and Royden -- and everybody knew it -- the whole world knew those were the corners.

And when I did this study in 1996, and repeated it in 2001, we had, in 2001, 181 open-air drug markets. We went from two to 181 open-air drug markets, but it all proliferated in 1985-'86. So for 20 years, we've had 150 to 180 open-air drug markets that are dragging our residential neighborhoods down as fast, or faster, than anybody can bring them up. So you have the downward devitalization forces that are at least equal to the upward forces of revitalization.

So what happens? No progress. We have neighborhoods that are struggling just to stay even. They're not getting better. And the result of this study, what I showed -- working with the Camden Police. All my locations are correct, because I worked with the Camden Police to do this study in '96 and 2001.

We talk about rateable base. Let's talk about rateable base. Of the city property tax foreclosures, where people abandon their property and say to the city, "That's it, I'm out of here; take my property, I'm not paying my taxes," and the city forecloses for non-payment of taxes -- you know, routine matter. So of the 1,167 city property tax foreclosures from 1987 to the year 2000, 78.3 of those foreclosures occurred within one block of a long-term, open-air drug market, and 55.4 percent of those foreclosures

occurred within half a block of a long-term, open-air drug market. The most destructive force in Camden is the open-air drug markets.

MRERA didn't touch on that. It's a whole different body of law, to deal with it. The approach that must change is that we must start doing like the Europeans, approach addiction as a health problem first and foremost, not a crime. The irony is, when you treat consumption of chemicals and addiction as a crime, you get more crime -- you don't get less crime. It's ironic -- nobody's intention. It's like the law of unintended consequences. Nobody intended for it to be this bad in America's cities. But Camden is a prime example, and Newark also. I believe you find in Newark -- and I watch NJN every night -- in Newark and in Camden, the majority of homicides are a direct result of the failed government policy of drug prohibition. However well-intended that law was in 1914 and all the amendments since, it is catastrophic for our cities. And Camden is a perfect example of how catastrophic the policy of drug prohibition is. Because you can never get rid of the desire for the chemicals, because millions of people like to do it. But what we can get rid of is the drug dealers, by changing the law.

ASSEMBLYMAN GREEN: Okay. Can we kind of like wrap this up, because you are going in so many different directions that I was hoping--

MR. FULBROOK: But no, your mike is not on, Assemblyman.
(referring to PA microphone)

ASSEMBLYMAN GREEN: I'm sorry.

I was trying to be polite as possible, but drugs, legalized drugs, that's a whole different entity that some day, somehow, we've got to figure

out what we can do for this problem. And it's not only in Camden, it's all over the world. The reality right now is that I don't think that this would be an immediate fix for things we've spoken about today. But out of courtesy and out of respect, I just wanted to hear you out. So if you have anything else to add--

If not, anybody have a question of this -- any questions?

SENATOR RICE: I just need to -- and I don't need a response, you're at the conclusion -- but it's all relevant to me as related to revitalization of communities. You and I don't disagree on 90 percent of what you say. We disagree on one point. And I don't care how much research you did, I'll give you my reality, which is yours. When you start talking deval versus reval, drugs play a tremendous part. The way to deal with that is not to legalize it. It's not to give out free needles and keep people junkies. It's to provide the kinds of resources that you indicated -- detox, things -- and make people an asset. And that was the question I was raising: What happened to that population?

Let me also assure you, if you did the research you'll probably find that there are more suburbanites and wealthy folks using all types of drugs within their communities, more so than urban dwellers. The difference is, they purchase in our communities. And so it's not the prohibition that's harming us, it's the enforcement and getting it out, off the streets. And I think that's intentional. I always say, if someone is doing a corner seven days a week, 24-hours a day, as a former cop I can handle that problem, because it's consistent. When you tell me it takes 10 years, that means somebody ignored the problem. But years ago, the way you devalue communities, and break up families, and cause people to go out

where you can get property cheap, all you had to do was take an all-white community and say, "They're coming," and people started to sell and give away properties. The law says you can't discriminate, so you can't do that anymore. I've always argued the new game in town is to keep crime flowing at a certain point, keep drugs flowing so that people will move out. And in the meanwhile, we take government moneys to build infrastructures, so by the time we get the infrastructure we need in place, then we shift the population. We come in, our infrastructures there, and we can clean it up from there.

So think about that notion of what we're talking about. It is a correlation, and the correlation is directly related to this legislation, too. That needs to be addressed.

ASSEMBLYMAN GREEN: I would like to thank the three of you gentlemen. Your testimony meant a lot to us this afternoon.

At this time, now, Joe Fleming, Reverend Jones, and Mark Lonetto, and Scot McCray.

Good afternoon.

Who would like to go first? Speak into the mike, if you don't mind, please?

MARK LONETTO: My name is Mark Lonetto. I'm the Executive Director of the CCMUA, and I'm going to try to stay within your three- to five-minute rule that you've been trying for.

When the Act was passed, the county was asked to contribute to bring the city up to the EPA regulations for the combined sewer overflow program. And basically, all the combined sewer overflows are -- there are 28 locations where, when there's a storm, instead of the stormwater going

down to the sewer plant, there are overflow systems that the water should go directly out to the streams or the river. The EPA regulated that netting systems or some type of system should be attached to these systems so that the solids not go out to the river.

We've worked, as Mr. Primas mentioned -- we work very closely with the city engineer, we work with NJDEP, we work with the county. We prepare plant specifications to bring these systems in compliance, and we actually have secure financing, Wastewater Trust financing, that's approximately a \$19.5 million project. The next phase is, the city is in the process of acquiring some easements. And we hope, within 18 months, once those easements are acquired, that all the CSOs will be in compliance with the EPA regulations, and the environmental benefits will accrue as part of that. And that's basically a summary of the county's approximately 19.5 contribution to this Act.

ASSEMBLYMAN GREEN: Thank you very much.

Any questions of the speaker?

MR. LONETTO: I think I did make the three minutes then, right? (laughter)

ASSEMBLYMAN GREEN: You did a good job. All right.

The gentleman who wants to go next?

S C O T N. M c C R A Y: Good afternoon.

ASSEMBLYMAN GREEN: Good afternoon.

MR. McCRAY: My name is Scot McCray, and I'd just like to thank the legislative body, both chairs. I'd like to say hello to my Assemblywoman, Nilsa Cruz-Perez, as well as the honorable Mayor Gwen Faison; and friend, former COO, Mr. Randy Primas.

Like I stated, my name is Scot McCray. I'm a resident of Camden city. Probably somewhere in the papers that you do have, you see other affiliations, and I just want the record to note that I am representing myself as a resident and homeowner today, and not those other entities.

A little over five years ago, nearly three months after I graduated college and returned to New Jersey to begin my first job, I remember reading an article that detailed the State government's intentions to provide economic relief to distressed municipalities. As I completed the article, a sense of optimism filled me, because my city was to receive a substantial amount of financial assistance aimed at municipal rehabilitation and economic recovery. My initial interpretation of the MRER Act was that the legislation would focus on physical development in Camden city that would enhance and/or stimulant economic growth. And at the same time, the MRER Act would serve as governess over the policy and process that brings any proposed rehab, redevelopment, or new development efforts to fruition.

At that moment, I began to believe again. I began to believe in my elected public servants. I began to believe that New Jersey had not forgotten about the poverty-stricken cities that lie within its boundaries. And most of all, I began to believe that Camden would and could move beyond the nostalgia of what it used to be -- an industrial powerhouse rich in both culture and innovation -- and beyond the shadows of what it had become: one of the most financially depressed cities in the nation, plagued with violence, political corruption, and overall sense of underachievement.

I believed that Camden, along with the vision of this legislation, would elevate itself economically, and that any potential financial growth

would permeate through the fiber of the city's sense of community, as well as its spirituality.

So here we are today, four years and three months into the State's \$175 million investment, and the one overarching question, with at least 175 million answers, is: Has there been any progress? If I may, I would like to share my answer, and that is an affirmative, "Yes." Over the past four years, the MRER Act has advanced the physical landscape of Camden city. These advancements will provide the city the leveraging power it needs to attract businesses that will not merely benefit the city's economic status, but will benefit the quality of life for Camden residents in the form of good-paying jobs and high-quality commerce.

Yet there's still room for improvement. Too often, during the past four years, the true vision and purposes of the Camden Recovery Act were eclipsed by avoidable pitfalls. In my opinion, the city missed ideal opportunities to secure victories for its residents and the State of New Jersey because of basic municipal inadequacies, such as lack of communication, lack of accountability, insufficient regulation of code enforcement, and ambiguous goals and objectives. However, our leadership, both elected and appointed, has adjusted to the changing political climate. And I have a newfound confidence in their ability to produce sound policy that will positively utilize the remainder of the MRER Act funding to the complete benefit of Camden residents, organizations, as well as businesses.

The current status of my city reminds me of a passage found in the Bible, in the book of Hebrews, Chapter 11, Verse 1, and it reads: "Now faith is the substance of things hoped for, the evidence of things not seen." It is the faith that things will continue to get better that keeps me going

everyday. I used to hope, and now I have faith -- faith that our city will look beyond the hope of its potential and realize its power. I have faith that, four years into this piece of legislation, that Camden is beyond the rhetoric and is prepared to take action.

Earlier in my comments, I believe (*sic*) that my initial feelings about the Camden Recovery Act -- about the Camden Recovery Act-- Well, I believed in 2003, and I believe today. I believe today because my family believed in Camden almost 40 years ago when they relocated here from the Eastern Shore of the state of Virginia. They moved to Cedar Street in North Camden. I believe in the organizations that still call Camden City home, like Cooper, like Rutgers, and other health systems and educational entities -- because they need us just as much as we need them. But I believe because my grandmother believed, when she walked into One Cooper Plaza in 1970 and began a 25-year career at Cooper Hospital. And in that same year, my mother walked into Bell Telephone, which is now Verizon -- located between Federal and Market Streets -- and began a 31-year career that kept food on our table and clothes on my back, and instilled me with intangible qualities that I can only attribute to a city that valued community, family, and hard work.

You presented Camden an opportunity to regain those intangibles, with the Camden Recovery Act. And even though it has not been perfect, I implore you to continue your support of our elected officials, our appointed leadership, the dedicated organizations that provide service for us, and most of all, the nearly 80,000 residents that make up the biggest little city in the United States. I encourage you to have faith in the policy that you have fashioned for our city. And in addition to the bricks and

mortar, I encourage you to examine the amount of investment dedicated to human capital as a true measure of success.

Ladies and gentlemen of this Committee, amid the hustle and bustle of Camden life, buried under the social ills, but ingrained on every Camden soul, is a little determination. And that is the characteristic that is giving life to this policy, and it is this characteristic that will make the Camden Recovery Act, if you decide to put more effort and more support behind it to keep it going, a success. We just have to believe.

Thank you for your time.

ASSEMBLYMAN GREEN: Anytime you want to move along, I'll try to find you someplace in Union County.

MR. McCRAY: Excuse me, sir?

ASSEMBLYMAN GREEN: Anytime you want to move north, I will try to find you someplace in Union County.

MR. McCRAY: I don't think the Mayor would like that.

ASSEMBLYMAN GREEN: Your presentation is one that I could be very proud of.

MR. McCRAY: Thank you.

ASSEMBLYMAN GREEN: You have the floor.

RAY JONES: Good afternoon.

I just want to clarify something. I'm absolutely not a minister, so I don't know where that came from, but--

ASSEMBLYMAN GREEN: Well, I apologize. I don't--

MR. JONES: Yes, sir. No, no problem.

And I just want to greet everybody this afternoon. And I'm actually glad I'm kind of going last or later in the day, because I have a

different opinion about the impact of this legislation. And I want to share that with you and say, in short, a number of people that I work with and groups that I work with do not agree that this legislation is working. And I'm going to go through why we feel it's not working.

So -- but I want to make some recommendations first. And the first thing I want to say is that because this legislation was flawed, it cannot produce economic community, economic development. We're going to suggest that you create new legislation, and that in this new legislation funds should be dedicated to many groups that were completely left out of this bonanza -- and that's the young people of Camden, small and minority businesses in Camden. And environmental justice was not dealt with adequately in this legislation. And therefore, we feel there should be new legislation.

But, Chair, one of the reasons that I wished Senator Rice was here, he asked the question -- what happens to people who are left behind, and what are we going to do about these people if we engage in regional equity and these sort of things? And the one thing that is absolutely not incorporated in this legislation -- is why we're asking for new -- is because unless you-- The approach is wrong. And many people in this country, beginning with Nixon and other Republican presidents, believed that the way you revitalize a city is from the top down. And this legislation is essentially the same thing. It's the legislation that says, "Well, you know, if you revitalize the Waterfront in the downtown and the central business district, it's going to automatically have a real effect in the neighborhoods." And I'm here to tell you, trickle down has never worked. The only people that get benefits under trickle down are the people who are at the top.

And under a concept called *community economic development*, to all the Committee people, this means building local capacity, creating new entrepreneurships. And after all these developers spend and make millions of dollars off of the building of Camden, they walk away with billions and millions in their pockets, and people in Camden may walk away with a security job, or maybe a new home. But at the end of the day, they're not empowered. So community economic development says that you must build local capacity. And throughout this exercise, that issue of building local capacity has not worked and it cannot work, because this legislation does not address it. And so you could (a) amend the legislation; or create new legislation that really impacts real people -- small businesspeople, minority people, the youth of our city -- and then you will see a real impact. But trickle down works for the Waterfront, it works for the downtown (indiscernible) and developers. It does not work in the neighborhoods. And this legislation does not really speak to that.

So the other thing is, I want to invite you to hold this hearing in the City of Camden, because I'm making a point about, it has not worked. You really need to hear from people in the city whether this legislation has not worked. You really do. One time only, maybe three hours, come and listen to the people, as we've been trying to get the Governor to do. Come and see for yourself, firsthand, from open testimony from people whether this legislation is working.

Just a couple other ideas. And that is, everybody that received money from this bill, they should document through audits -- both the financial audit and a management audit -- whether or not local people were hired, whether local contractors participated and got benefits from this bill.

And I think an audit, a financial audit and a management audit, would get to that issue. Right now, we simply have a report that says some things are going on.

But I want to say that the characterization about how many have been created -- we don't know how many jobs have been created under this bill. Now, in one instance, under our Lady of Lourdes Hospital's \$4 million deal, they say 1,500 construction jobs were created. You follow me? That cannot be true. And then in another case, it says -- in the New Jersey Aquarium, they said they created 1,425 construction jobs, from a \$25 million construction project. That is a misstatement. So we have to audit every institution that receives funds, and let's get to the bottom of whether or not the bill has worked for people in the City of Camden.

And so I just wanted to bring those things -- there's a lot of things I want to talk about, but-- I just want to deal with this issue of whether or not this approach has worked. And I'm saying to you, good people can make mistakes about legislation. And I'm suggesting to you, community economic development is an approach that's being used in foreign countries, it's being used in other cities in America, and we need to try this in Camden. Because until we invest in local contractors, local entrepreneurs, the young people who are standing on the street-- And by the way, this bill had \$1.5 million allocated to training. And yet when you look at the list of who got the training money, Rutgers University, (indiscernible), and some other institutions got this little bit of money for training, when they had gotten \$11 million on this side of the equation, another couple of million dollars on that side of the equation; and then they dipped a hand right into the pocket of this \$1.5 million that was specifically

set aside for job training. So at the end of the day, \$100,000 was actually given to a construction trades company in Camden to do training -- \$100,000, ladies and gentlemen, out of \$175 million for job training.

It's this serious. Are we actually serious about empowering local people? And at the end of the day, this is the deal. The reason why Camden is poor--

ASSEMBLYMAN GREEN: Are you going to wrap it?

MR. JONES: Yes, I'm going to wrap it up right now.

ASSEMBLYMAN GREEN: I appreciate it.

MR. JONES: The reason Camden is poor, after billions of dollars have been poured into this city, is because we have not invested in local people. The developers that came from North Carolina, Cherokee; the developers that came from Philadelphia; the developers that came-- These guys -- when you ask the question, "How many local contractors did you employ?" -- they get crazy with you.

So I'm saying the legislation should demand that local participation becomes a part of the concept of community economic empowerment.

Thank you.

MAYOR FAISON: Mr. Chair, may I have a remark.

ASSEMBLYMAN GREEN: Yes, Ma'am.

Before you have a remark, I'd just like to-- I'm pretty sure you were here just about all day?

MR. JONES: Yes.

ASSEMBLYMAN GREEN: This is an issue that kind of like hits home, in terms of-- I listened to the Mayor; I listened to Mr. Primas; I

listened to you. And not one time did I ever hear the Mayor or Mr. Primas ever say that they were happy--

MR. JONES: Right.

ASSEMBLYMAN GREEN: --about just what's going on, period.

Before we go out and we invent a new wheel, we have to begin to look at each other -- and I'm going to use the word, *as men* -- in terms of -- it's obvious you understand the process, but you're talking about changing the process. But for one, I've been very blessed to have spent my whole life being self-employed. I have had a decent political career. And rather than have the Governor come to Camden, I would like to come to Camden with you, because I would like to see these developers of color.

MR. JONES: Right.

ASSEMBLYMAN GREEN: These individuals of color that have the expertise, once the money is given to them; the ability to make this happen. Well, you have to start at home first. Because right now, I would love to be able to support any program that is going to show people that rap is not the only career you can have, the ability to do things with your life that can really sustain.

I started off as a butcher, because going to school to be a teacher wasn't enough money for me. (laughter) But I moved through the process, became a manager, self-employed. But along the way, I saw a whole lot. Before I become critical of something, I want to do everything I possibly can. We all, today, talked about the fact that for the first five years there was a lot of mistakes involved. And I just can't sit here and

have Camden criticized, because every other city in New Jersey that had black leadership has fallen to the same crisis.

We have a golden opportunity now with Randy, with the Mayor, with the Assemblywoman -- her and I are very good friends -- to sit down and talk about how we can get minorities involved in the process, how we can begin to get some of our young people. Everyone cannot be a basketball player, football player. Just like I have skills in my hands and my head. Some don't have both. So before we trash each other or say this can't work, this can't work-- For the first time now, as individuals who went through the whole process, I'd be willing to sit down, if there's black developers--

Here's a prime example: I had a developer come into the city of Plainfield just two weeks ago, and I asked the people in town -- who he said, "I want to hire these individuals." We had a few individuals that had labor jobs. But as you move through the process, engineers and all the other things, you'd be amazed -- the window closes very fast. And then you had a lot of them that basically weren't even as fair to the black community as he was.

So we need to get our act together. But we have a golden opportunity right now to do that, because we have the right people in place. We have a Mayor -- and I know you, Mayor, for a long time. This young man -- presentation was one that made me feel that he understands that, given opportunity, the doors open up. He can make a difference. So I'm not here to be critical of you, but I'm hoping that you will work with us. Because this is just a start of putting this together for the next five years. But I'm hoping that the mistakes we made five years ago we don't make

again for the next five years; where we make sure that all the loopholes that you're talking about, we correct it. But we can't do that being critical to each other. But we need to find these people that you want to get out there and promote. Bring them to the table. Make sure they're qualified. Make sure they're making their commitment.

It's embarrassing for the kind of money that you see some of us making today -- how much money is going back into the community? Very few dollars. So we've got to start at home first.

Any other comment on this issue? (no response)

If not, could I bring this meeting to a close?

ASSEMBLYWOMAN CRUZ-PEREZ: The Mayor wanted to say something.

ASSEMBLYMAN GREEN: Mayor, do you want to have something to say, please?

MAYOR FAISON: Yes. I wanted to make a statement.

ASSEMBLYMAN GREEN: I apologize. I didn't mean to be long-winded.

MAYOR FAISON: No, no, no.

To Mr. Jones, to be encouraged -- you know, it's the sacrifice that you make. Randy, who is sitting next to me, and all the legislators know, from this bill, I am the only Mayor, I guess in the country, that does not have governance. And a lot of you know that I fought the bill. I didn't like it -- taking my governance away from me. But then you had to think: Is it about me or is it about my people? I could go into Camden and be a poor Mayor with no money -- you wouldn't have had anything, and no one

else. So the sacrifice was, I'm going to give in -- and I still don't like it, Randy knows that -- but I have to get the job done.

And I'm going to tell you this, a mayor cannot do it alone. Even if I did not have a COO, I would hire someone to do economic development. A mayor cannot do day-to-day operations with all the overgrown lots, demolition, personnel, constituency, what have you, and then try to go out of town and recruit investors and developers. You cannot do that alone.

But I want -- Mr. Jones, he's been a friend of mine. And I'm going to continue to sit with you, because under the other administration, you got a big break. You built a whole big development -- you know that -- and I helped you. So be encouraged and everything will be all right. It's the sacrifice we make for love. Take your lemons and make lemonade. I'm taking the seeds, grinding them up for spices now. (laughter)

ASSEMBLYMAN GREEN: Assemblywoman Perez, do you have any comments?

ASSEMBLYWOMAN CRUZ-PEREZ: Yes. I just--

Mr. Jones, if you'd bear with me just one second. I just want to say thank you to you and all of the people who made it possible to have this hearing today, who came all the way from the different places -- Camden and their places of work -- to testify on the bill. I take your comments very seriously. Thank you for your input.

Obviously, there's room for improvement. This has not been a perfect legislation, but it has been something that has helped the people in Camden. And when this legislation was drafted, it was from the bottom of our heart that we drafted this legislation, knowing that we were doing it not

for investors or people who were to come into the city, but for the people in Camden city. Obviously, we have to work on more communication, and we've got to work together. If we don't work together, we can make this legislation, another piece of legislation, and we can draft a legislation, but if we don't work together as a community, like the Mayor has stated-- Randy Primas, who did an extraordinary job -- and I'm sorry to see him leaving -- we made an effort to improve the life of the people of Camden. Our commitment will continue to be the same. We need you, though. We need you to get involved.

Thank you for coming and telling us that you feel that it should start from the bottom up and not from the top, and it's well-taken, your point. But I can assure you, we did this legislation for the people of Camden city, no one else. And redevelopment should be about the people in the city, not people from outside the city. We need to start at home, and not trying to bring people from outside. And that's exactly what we're going to try to do.

God bless you, and thank you so much for coming.

ASSEMBLYMAN GREEN: Mr. Primas, do you have more you want to add? It's been a long day.

MR. PRIMAS: Mr. Chairman, it has been a long day, but I think it--

ASSEMBLYMAN GREEN: I hope it's been an encouraging day, sir.

MR. PRIMAS: I think it's been a productive day.

I think, in essence, clearly the bill was intended to help improve the quality of life. I think we've made some progress. We've got a long way

to go. The words of the Assemblywoman and yourself about folks working together to make it happen is the only way it is going to happen. And we need to look at the last several years and improve upon it. I am confident that the next COO, working in conjunction with the Mayor -- should the Legislature agree to extend it, and I hope that they do -- will continue to bring good things to the residents of Camden. And I am just encouraged by what I heard today, the thought that this legislation would go forward.

It was ground-breaking legislation. It was radical. But again, I think that we are seeing the benefits of it. It wasn't perfect. We didn't do a perfect job. We did the very best that we could every day, and tried to learn from mistakes. And certainly, by working with the community, we believe that we, in fact, can make Camden the place that we can all be proud of.

And with that, I want to thank all the members for your continued support of the City of Camden.

Thank you very much.

ASSEMBLYMAN GREEN: Was anyone else -- for any reason that we did not get your testimony slip? We want to make sure that we gave everybody enough opportunity to come before the Committee. Has anyone else signed up -- for some reason or other, didn't get a chance to speak?

MR. SMITH: Just quickly, I want to tell you-- I'm a board member of an organization that submitted some testimony to the record, specifically about the City of Camden budget, and the relationship between the City of Camden's budget and the appropriations that it receives from the State. CAMConnect is a nonprofit organization in the city that

prepared that document, and it was presented today on the record. I would ask that you review it, and it will bring some attention to some of the financial issues facing the city.

ASSEMBLYMAN GREEN: Also, staff has notified me that the City of Camden Council has also sent in testimony. Am I correct? And we're going to accept that for the record.

Is there anyone else now? Because I don't want anyone else to feel they got omitted today. (no response)

If not, I would like to call it, as Chairman of this meeting.

And again, thanks very much.

And we're going to be sharing this meeting with the Senate President, as well as Speaker Joe Roberts, and they'll make a decision of where we go from here with this particular issue.

Again, thanks for participating. It's been a great pleasure working with you today.

(HEARING CONCLUDED)