SUMMARY STATEMENT

ITEM NO.   SUBJECT: Revolving Loan Fund for Economic Development Project Loans - Conversion of a Portion of the Fund to a Grant for the Benefit of Pennsauken Township, New Jersey

COMMITTEE:    New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: December 28, 2009

PROPOSAL: That the Board authorizes staff to convert an original $700,000 Revolving Loan Fund created for the benefit of Pennsauken Township into a grant to Pennsauken Township to support Open Space Preservation.

PURPOSE: To authorize the conversion of the existing $700,000 Revolving Loan Fund created under the authority of DRPA resolution 93-131 to a $700,000 grant in favor of Pennsauken Township to be used to create a recreational complex of outdoor activities that cater to the needs of a diverse community.

BACKGROUND: In 1994, by resolution number DRPA-93-131, the Board authorized the creation of a $1,400,000 Revolving Loan Fund divided equally between two of its “host communities”, Pennsauken Township and Gloucester City. Since its inception, the fund has been successfully utilized in many economic development and revitalization projects. Pennsauken Township undertook the improvement of Westfield Avenue at a cost of $351,496.00 in loans to complete the exterior façade improvements. DRPA also responded to a loan request from the Township in support of Alpha Associates by approving a loan of $45,000.00 for the company to purchase a commercial property. Through the RLF DRPA also provided Costa’s Bakery with $100,000.00 to be used to rehabilitate a 3,000 square foot building on Westfield Avenue. All of these loans were promptly repaid.

The estimated cost of this new recreational complex project is $1,100,000.00; the Township will fund the difference. An additional benefit of this project will be the construction of a retention basin at the site to address the periodic flooding issues caused by a nearby stream at the perimeter of the property.

This request has been reviewed and it is recommended that the Board
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Revolving Loan Fund for Economic Development Project Loans – Conversion of a Portion of the Fund to a Grant for the Benefit of Pennsauken Township, New Jersey

authorize the conversion of the original $700,000 Revolving Loan Fund into a grant for the specific purpose of creating a recreational complex as noted above.

SUMMARY: Amount: Conversion of $700,000 Loan to Grant
Source of Funds: General Fund
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: Pennsauken Township ($400,000)
Duration of Contract: N/A
Other Parties Involved: Pennsauken Township
RESOLUTION

RESOLVED: That the Board authorizes staff to convert the existing $700,000 Revolving Loan Fund in favor of Pennsauken Township, New Jersey created pursuant to DRPA resolution number DRPA-93-131, to a $700,000 grant; and be it further

RESOLVED: That the Board authorizes staff to (i) negotiate a grant agreement with the Township of Pennsauken in an amount not to exceed $700,000 to be used in connection with its open-space initiative as described in the above Summary Statement; and (ii) negotiate any other necessary agreements consistent with the terms of this resolution; and be it

RESOLVED: The Vice Chair and the Chief Executive Officer (each acting with the prior approval and consent of the other) are each hereby authorized and directed to approve and execute, with the advice of Counsel, all necessary agreements, contracts, or other documents on behalf of the DRPA for the purpose of described herein. If any such agreements, contracts or other documents have been collectively approved by the Vice Chairman and Chief Executive Officer, the Chief Executive Officer shall execute such agreements, contracts or other documents only where the Vice Chairman is otherwise absent or unavailable

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