

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY GRANTING PRELIMINARY AND FINAL SITE PLAN APPROVAL FOR RENOVATION AND REDEVELOPMENT OF THE FORMER ATLANTIC CLUB HOTEL AND CASINO UNDER APPLICATION 2015-06-1515

WHEREAS, pursuant to P.L. 2011, c. 18, as amended (the "Act"), the Casino Reinvestment Development Authority (the "Authority"): (i) designated the Atlantic City Tourism District by Resolution 11-25 adopted April 19, 2011, (ii) established the Land Use Regulation and Enforcement Division to, among other matter, hear applications for development in the Tourism District by Resolution 11-33 adopted April 19, 2011, and (iii) adopted the master plan, zoning and land use ordinances and regulations, and zoning maps approved by the City by Resolution 11-34 adopted April 19, 2011; and

WHEREAS, pursuant to Resolution 12-14 dated February 1, 2012, the Authority adopted the "New Jersey CRDA Atlantic City Tourism District Master Plan" prepared by Jones Lang LaSalle, LLC and dated February 1, 2012 (the "Master Plan") (as affirmed and readopted pursuant to Resolution 12-23 adopted February 21, 2012), subject to further comment and revision, which master plan shall become effective upon the adoption of design, development and land use regulations consistent therewith, and in accordance with N.J.S.A 5:12-220a, the Atlantic City Master Plan dated September of 2008 (as adopted by the CRDA pursuant to Resolution 11-34 dated April 19, 2011) shall remain effective for development applications received by the CRDA until adoption of such regulations; and

WHEREAS, Endeavor AC, LLC (the "Applicant") seeks preliminary and final site plan approval pursuant to the Municipal Land Use Law P. L. 1975, c. 291 (C.40:55D-1 *et seq.*) for the renovation of the existing hotel, the demolition of the theatre building fronting the Boardwalk, the construction of a waterpark along the Boardwalk, an additional waterpark on the interior of the property and a permanent beach café on the property located at 3400 Pacific Avenue and Boardwalk, Block 185, Lot 9; Block 184, Lots 2-13; Block 183, Lots 9-19; Block 26, Lots 1-3; Block 25, Lot 1; and Block 1, Lot 36, under application 2015-06-1515 (the "Application"); and

WHEREAS, on July 2, 2015, the Authority's Land Use Regulation and Enforcement Division convened a public hearing on the Application in accordance with the requirements of the Open Public Meetings Act, the Municipal Land Use Law and the Act, and subsequently prepared and delivered the Hearing Officer's Report and Recommendation dated July 14, 2015 (the "Report"), incorporated herein by this reference and appended hereto as Exhibit "A"; and

WHEREAS, the Authority intends to adopt the findings, conclusions and recommendations of the Hearing Officer, as detailed in the Report; and

NOW THEREFORE, BE IT RESOLVED by the Casino Reinvestment Development Authority that:

1. The above recitals are incorporated herein, as if set forth in full.
2. Based on the record in this matter, Application 2015-06-1515 is hereby approved in accordance with the Hearing Officer's Report and Recommendation dated July 14, 2015.
3. A copy of this Resolution shall be immediately transmitted to the Governor. This Resolution shall take effect immediately but no action authorized herein shall have force and effect until the earlier of the passage of ten (10) days, Saturdays, Sundays and public holidays excepted, after the delivery of the copy to the Governor, or the Governor's approval.

I hereby certify that this document is a true and correct copy of Resolution 15-90 of the Casino Reinvestment Development Authority.



HOWARD J. KYLE, SECRETARY

MEETING OF JULY 20, 2015

EXHIBIT "A" – HEARING OFFICER REPORT FOR APPLICATION 2015-06-1515



Casino Reinvestment Development Authority Land Use Regulation and Enforcement Division

EXHIBIT "A" TO RESOLUTION 15- , ADOPTED 7/20/2015

TO: Members of the Authority

FROM: Lance B. Landgraf, Jr., Land Use Hearing Officer

COPY: John F. Palmieri, Executive Director

SUBJECT: Hearing Officer's Report and Recommendation
Application 2015-06-1515
Endeavor AC, LLC
3400 Pacific Avenue and Boardwalk
Block 185, Lot 9; Block 184, Lots 2-13; Block 183, Lots 9-19;
Block 26, Lots 1-3; Block 25, Lot 1; and Block 1, Lot 36
Preliminary and Final Site Plan

DATE: July 14, 2015

EXECUTIVE SUMMARY

On July 2, 2015, the Casino Reinvestment Development Authority (the "Authority") heard testimony and public comment on the above-subject application. The Applicant, Endeavor AC, LLC (the "Applicant") seeks preliminary and final site plan approval for the proposed renovation and redevelopment of the former Atlantic Club hotel and casino. The project includes the renovation of the existing hotel, the demolition of the theatre building fronting the Boardwalk, the construction of a waterpark along the Boardwalk, an additional waterpark on the interior of the property and a permanent beach café. Within the existing hotel, the Applicant proposes new restaurants, retail, meeting rooms, ballrooms, a family entertainment center and other amenities.

During the hearing, the Applicant presented adequate evidence and testimony to satisfy the requirements of the Municipal Land Use Law for the grant of the requested relief. Specifically, the evidence and testimony demonstrated that the development proposal generally conforms to the site plan standards and technical requirements of the land use ordinances of the city of Atlantic City and the Atlantic Club Redevelopment Plan. Therefore, as more fully outlined below, the Applicant has met its burden for the relief



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requested under the Municipal Land Use Law and the Hearing Officer recommends that the Application be approved by the Authority.

INTRODUCTION

Application Information

Endeavor AC, LLC
Block 185, Lot 9; Block 184, Lots 2-13; Block 183, Lots 9-19;
Block 26, Lots 1-3; Block 25, Lot 1; and Block 1, Lot 36
Atlantic Club Redevelopment Plan

A hearing on the Application was conducted in accordance with the requirements of the Open Public Meetings Act, the Municipal Land Use Law and P.L. 2011, c. 18.

Applicant seeks preliminary and final site plan approval for the proposed renovation and redevelopment of the former Atlantic Club hotel and casino. The project includes the renovation of the existing hotel, the demolition of the theatre building fronting the Boardwalk, the construction of a waterpark along the Boardwalk, an additional waterpark on the interior of the property and both a permanent beach café and a seasonal beach bar. Within the existing hotel, the Applicant proposes new restaurants, retail, meeting rooms, ballrooms, a family entertainment center and other amenities.

Evidence List

- A-1 Land Use Application and accompanying materials
- A-2 Disk with slides referred to in testimony

- B-1 Letter from Adams, Rehman & Heggan Associates, Inc. dated June 30, 2015

FINDINGS OF FACT

Applicant seeks preliminary and final site plan approval for the proposed renovation and redevelopment of the former Atlantic Club hotel and casino. The project includes the renovation of the existing hotel, the demolition of the theatre building fronting the Boardwalk, the construction of a waterpark along the Boardwalk, an additional waterpark on the interior of the property and both a permanent beach café and a seasonal beach bar. Within the existing hotel, the Applicant proposes new restaurants, retail, meeting rooms, ballrooms, a family entertainment center and other amenities. The attorney for the Applicant, Nicholas F. Talvacchia, Esq., introduced the application generally and provided background regarding the specific relief sought by the Applicant. He noted that



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the application fully conforms to the Atlantic Club Redevelopment Plan and that no variances or waivers are required.

The Applicant presented the testimony of Jason R. Sieminski, who is a principal in Endeavor AC, LLC, and also serves as its General Counsel. Mr. Sieminski provided testimony regarding the Applicant's business model, development experience and development proposal. He noted that market research conducted by the Applicant indicated that the region is underserved by waterpark recreation venues.

The Applicant presented the testimony of Jon Barnhart, P.E., who was qualified as an expert in the field of professional engineering. He noted that the development project represents the first repurposing of a casino in Atlantic City. He further noted that the development proposal generally complies with all requirements of the land use ordinances of the city of Atlantic City and the Atlantic Club Redevelopment Plan and that no variances or waivers are required.

Mr. Barnhart described the location of the site, as well as development proposal, site layout and landscaping. He testified that site circulation, loading, deliveries and trash removal will remain unchanged. He noted that all parking needs are met with the spaces available in the existing parking structure, and that the surface lot will be used for overflow parking. The surface lot may be the subject of a future development application. Finally, Mr. Barnhart testified that Applicant would agree to comply with all of the comments in the report from Adams, Rehman & Heggan Associates, Inc. dated June 30, 2015.

The Applicant presented the testimony of Mark Petrella, a registered architect, who was qualified as an expert in architecture. Mr. Petrella testified as to the architectural features of the development proposal, as well as the building floor plans and layout.

Mr. Petrella testified that the first level of the project consists of a new 26,670 square foot waterpark along the Boardwalk in the place of the existing theater that is to be demolished, a new 81,454 square foot waterpark on Block 184, a permanent beach café with indoor and outdoor dining and a seasonal beach café. He testified that the existing hotel will contain the front desk, a 30,000 square foot ballroom, a 5,000 square foot theater/symposium, breakout meeting rooms, a business center, 5,000 square feet of retail space and related amenities.

Mr. Petrella testified that the existing second floor of the hotel will be refurbished to include an ocean front restaurant and bar, restaurants and a 57,723 square foot family entertainment center. The third floor will include renovations to the pool, spa, break out rooms and a night club pool bar and sundeck.



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Finally, Mr. Petrella testified that there will be a total of 809 guest rooms. Some of the rooms may be converted into condominiums that can be placed into a rental pool.

William M. England, P.E., P.P., C.M.E., C.P.W.M was qualified as an expert in professional engineering and planning and provided testimony on behalf of the Authority. Justin Auciello, P.P., A.I.C.P. was qualified as an expert in professional planning and provided testimony on behalf of the Authority. Both Mr. England and Mr. Auciello supported approval of the application.

Several members of the public offered testimony and public comment regarding noise and parking, but all generally supported the development proposal.

CONCLUSIONS OF LAW

Preliminary and Final Site Plan Approval

A land use agency's authority in reviewing an application for site plan approval is limited to determining whether the development plan conforms to the zoning ordinance and the applicable provisions of the site plan ordinance. See Pizzo Mantin Group v. Township of Randolph, 137 N.J. 216 (1994).

Here, based on the evidence and testimony, the Applicant has demonstrated that development proposal generally conforms to the site plan standards and technical requirements of the land use ordinances of the city of Atlantic City and the Atlantic Club Redevelopment Plan.

RECOMMENDATION

For all of the foregoing reasons, the Hearing Officer recommends that the Application for preliminary and final site plan approval be approved. The grant of approval of this Application shall be expressly conditioned upon the Applicant complying with all conditions of prior approvals, satisfying all representations made by the Applicant or by others on its behalf during the course of the hearing on this matter before the Hearing Officer.

The grant of approval shall be further conditioned upon compliance with all applicable requirements of the city of Atlantic City Land Use Ordinances, or other City Ordinances, and the requirements of any City agency, board or authority. Any approval granted in accordance herewith shall be further expressly conditioned upon the Applicant obtaining all other necessary governmental approvals, and compliance with all Federal, State and local laws.

CRDA BOARD TALLY

July 20, 2015

ENDEAVOR AC, LLC - (3400 Pacific Avenue, block 183, lots 8 - 19; block 184 Lot 2; block 185, lots 1 and 9; block 25, lots 1 - 3; block 26, lot 1; block 1, lot 36) - Preliminary and final site plan approval (LL)

MOTION

EG

SECOND

GH

Tom Ballance

Y

Bob Bartolone for Charles A. Richman

BB

Debra DiLorenzo

Y

Edward Gant

Y

Mark Giannantonio

Y

Mayor Don Guardian

Y

Gary Hill

Y

David Rebeck for John Hoffman

DR

Howard Kyle

Y

Matthew Levinson

Y

Robert Mulcahy

Y

William Mullen

Y

Gary Puma

A

Bob Shaughnessy for Robert A. Romano

A

Frank Spencer

A

Richard Tolson

A