



Casino Reinvestment Development Authority

CASINO REINVESTMENT
DEVELOPMENT AUTHORITY
15 SOUTH PENNSYLVANIA AVENUE
ATLANTIC CITY, NJ 08401

MINUTES – PUBLIC MEETING 18-12
November 20, 2018

PRESIDING: Chairman, Robert E. Mulcahy III

PRESENT: Modia Butler, Debra DiLorenzo, Edward Gant, Mayor Frank Gilliam, Michael Hanley, Mark Giannantonio, Howard Kyle, David Rebuck for State Attorney General Gurbir S. Grewal, Maureen Hassett for State Treasurer Elizabeth M. Muoio, Robert Long for DCA Commissioner Sheila Y. Oliver, James Plousis, Frank Spencer (via teleconference), Richard Tolson, William Mullen

ABSENT: Gary Hill, Kevin Ortzman

STAFF: Matthew Doherty, Marshall Spevak, Tiffany Bellini, Laura Berrios, Lisa Britt, Robert Gosser, Lance Landgraf, Kathy Marshall, Thomas Meehan, Oriana Mondragon-Cordero, Donna Pless, Rick Santoro, Heather Walls, Paul G. Weiss, Esq., Annie Wenz

OTHER ATTENDEES: Edmund Caulfield, Esq., Governor's Authorities Unit

OPENING STATEMENT

The meeting was called to order by the Chair at 2:20pm. Ms. Britt read a statement of compliance with the notice requirements of the Senator Byron M. Baer Open Public Meetings Act and called the roll.

RATIFICATION OF THE MINUTES OF THE OCTOBER 16, 2018 BOARD MEETING

The Chairman requested a motion to approve the minutes of the October 16, 2018 Members' Meetings. A motion was made by Mr. Plousis and seconded by Mr. Tolson. Resolution 18-96 was approved by unanimous vote of the members.

TREASURER'S REPORT

The Chair asked the members to review the Treasurer's report. A motion to approve and file the report was made by Mr. Kyle and seconded by Mr. Gilliam. The Treasurer's report was approved and adopted by unanimous vote of the members.

CHAIRMAN'S REPORT

A. As part of the Authority's agreement with Comcast NBC Universal/World Long Drive, a feature segment of Ginella's Journey on the Golf Channel's Morning Drive Show featured Atlantic City. After show host, Matt Ginella's first visit to the city, producers realized they had so much great footage that they decided to produce the feature in two segments. The segments first aired on September 18th and 19th and were viewed by over 9.1 million households. The Golf Channel has



replayed the segments several times since they initially aired.

B. Mr. Mulcahy acknowledges a resolution from the city of Atlantic City – No 502.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY RECOGNIZING ROBERT SHAUGHNESSY

The Chair read the resolution. Mr. Mulcahy thanked Mr. Shaughnessy for his years of service to the Authority. A motion was made by Mr. Tolson and seconded by Ms. DiLorenzo. Resolution 18-97 was approved by unanimous vote of the members.

EXECUTIVE DIRECTOR'S REPORT

Mr. Doherty updated the members and the public on the following:

- A. NJ League of Municipalities
- B. New Jersey Education Association (NJEA)
- C. New Jersey School Boards Association
- D. Mr. Doherty congratulated the Atlantic City Police Department for the drop in crime according to statistics released by the ACPD.

LAND USE REGULATION & ENFORCEMENT

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY GRANTING PRELIMINARY AND FINAL SITE PLAN APPROVAL FOR THE CONVERSION OF THE EXISTING SHOWBOAT PREMIER LITE TOWER FROM ITS CURRENT USE AS HOTEL TO APARTMENTS LOCATED AT 801 BOARDWALK BLOCK 61, LOTS 22 THROUGH 26 UNDER APPLICATION 2018-10-2520

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Mr. Tolson inquired the remaining number of hotel rooms. Ben Kauffman on behalf of Showboat responded 85 hotel rooms remain. Mr. Tolson inquired about parking at the property. Mr. Landgraf responded that Showboat met the requirements for parking. Mr. Rebeck inquired further about how many parking spots will be available for hotel guests. Mr. Kauffman responded that the entire property has 2,500 parking spaces. Mr. Kyle inquired the construction schedule. Mr. Landgraf responded that construction was expected to be complete by spring 2019. Ms. Hassett inquired if these apartments will be marked as time shares or apartments. Mr. Landgraf responded rental apartments. Hearing no further comments from the members, the Chair requested public comment. Mr. Geoffrey Rosenberger commented that he would like a fence on New Jersey Avenue to be fixed and the area cleaned up.

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Councilman Kaleem Shabazz expressed his support for the project and inquired if any of these apartments will be affordable housing. Mr. Kauffman responded no. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Gant and seconded by Mr. Kyle. Resolution 18-98 was approved by unanimous vote of the members.

ITEMS LISTED BELOW HAVE BEEN REVIEWED AND RECOMMENDED BY COMMITTEE FOR BOARD APPROVAL

Chairman Mulcahy opening remarks:

The CRDA 2019 budget contains increased investments in Atlantic City directly in line with Governor's Murphy vision for a new prosperity for the resort as outlined in the Johnson Report.

- Funding the Atlantic City Project Office which will coordinate and execute the new initiatives for and investments in Atlantic City
- Providing Class II police officers for Atlantic and Pacific Avenues,
- Continuing the safe and clean investments through the Special Improvement District
- Investing in a new streetscape for the reviving Tennessee Avenue neighborhood to continue to attract private investment

These are just some of CRDA's investments.

A rise in revenue will also allow for an increase in the MeetAC budget, the CRDA funded organization charged with attracting conventions and business meetings to the resort. The nearly \$8 million dollar investment in marketing and selling Atlantic City to conventions generates a dramatic return on investment for the City. The budget actions we are taking reflect sound business practices and a commitment to fulfilling Governor Murphy's vision for a new prosperity in Atlantic City. The CRDA and State are delivering on quality of life improvements while also encouraging greater private investment

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY ADOPTING AN AMENDMENT TO THE OPERATING AND CONVENTION CENTER DIVISION BUDGETS FOR CALENDAR YEAR 2018

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion.

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A motion was made by Mr. Plousis and seconded by Ms. DiLorenzo. Resolution 18-99 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING THE 2019 ANNUAL OPERATING BUDGET OF MEET AC, INC

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Ms. DiLorenzo and seconded by Mr. Tolson. Resolution 18-100 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING THE CONVENTION CENTER DIVISION 2019 OPERATING BUDGET

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Mr. Rosenberger inquired if these funds are coming from sports betting. Mr. Doherty responded that funds to support the Convention Center Division are derived from luxury tax revenue and monies generated from sports betting. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Kyle and seconded by Mr. Gilliam. Resolution 18-101 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY ADOPTING THE OPERATING BUDGET FOR CALENDAR YEAR 2019

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Mr. Tolson inquired if the Authority could consider hiring someone with an economic development background. Mr. Doherty responded that he is currently working with EDA. Hearing no further comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Kyle and seconded by Mr. Hanley. Resolution 18-102 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY EXTENDING THE AGREEMENT WITH SPECTA VENUE MANAGEMENT FOR FACILITIES MANAGEMENT SERVICES

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The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Plousis and seconded by Mr. Gant Resolution 18-103 was approved by unanimous vote of the members.

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
EXTENDING THE AGREEMENT WITH OVATIONS FOOD SERVICES LP D/B/A
SPECTRA FOR FOOD, BEVERAGE AND MERCHANDISE CONCESSIONS
SERVICES**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Plousis and seconded by Mr. Gant. Resolution 18-104 was approved by unanimous vote of the members.

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
AWARDING A PROFESSIONAL SERVICES AGREEMENT TO J. MCHALE AND
ASSOCIATES, INC FOR REAL ESTATE APPRAISAL SERVICES ON AN AS-
NEEDED BASIS THROUGH DECEMBER 31, 2019, WITH A TOTAL SPENDING
LIMIT NOT TO EXCEED \$200,000**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Plousis. Resolution 18-105 was approved by unanimous vote of the members.

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
AWARDING A CONTRACT TO HUGHES ELECTRIC COMPANY, LLC IN AN
AMOUNT NOT TO EXCEED \$50,000 FOR ELECTRICAL SERVICES ON AN AS-
NEEDED BASIS THROUGH DECEMBER 31, 2020**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Gilliam. Resolution 18-106 was approved by unanimous vote of the members.



**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
AWARDING PROFESSIONAL SERVICES AGREEMENTS TO CRAIG F. DOTHE
ARCHITECT, LLC, LAMMEY AND GIORGIO, PA AND SOSH ARCHITECTS TO
PROVIDE ARCHITECTURAL SERVICES ON AN AS-NEEDED BASIS THROUGH
DECEMBER 31, 2020, WITH A SPENDING AUTHORIZATION NOT TO EXCEED
\$100,000**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Mullen and seconded by Mr. Tolson. Resolution 18-107 was approved by unanimous vote of the members.

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
APPROVING A FUND RESERVATION IN AN AMOUNT NOT TO EXCEED \$1.350
MILLION FROM THE TOURISM DISTRICT AND COMMUNITY DEVELOPMENT
FUND AND THE NEGOTIATION AND EXECUTION OF AN INTERGOVERNMENTAL
AGREEMENT WITH THE NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
FOR A THREE-YEAR TERM ENDING DECEMBER 31, 2021**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Ms. Hassett inquired what positions will be filled in connection with the Atlantic City Project Office. Mr. Long responded that the office will staff project positions in response to the Jim Johnson Report. Mr. Kyle inquired to whom the staff would report to. Mr. Long responded that Project Office staff will report to Lt. Gov. Sheila Oliver. Hearing no further comments from the members, the Chair requested public comment. Mr. Shabazz expressed his support for the project. Mr. Mike Lopez, Atlantic City resident inquired if funds will be for project office staff. The Chairman responded in the affirmative. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Gilliam and seconded by Mr. Butler. Resolution 18-108 was approved by unanimous vote of the members.

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
PERTAINING TO THE MPMI (MARCAL) KAOFIN EXTRACTION FACILITY PROJECT**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Mr. Rosenberger inquired the amount of the loan and the reason for the extension. The Chair responded the outstanding loan is approximately \$6 million and Marcal Paper employs about 500 people and that they have requested a six month extension of the initial term. Hearing no further public comment, the Chair requested a motion.



A motion was made by Mr. Hanley and seconded by Mr. Gant. Resolution 18-109 was approved by unanimous vote of the members.

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
AWARDING A PARKING GARAGE MANAGEMENT AGREEMENT TO SP PLUS
CORPORATION D/B/A SP+ MUNICIPAL SERVICES FOR MANAGEMENT,
OPERATIONS AND MAINTENANCE SERVICES FOR THE CORRIDOR PARKING
GARAGE, ALL IN FURTHERANCE OF THE CORRIDOR PARKING GARAGE
PROJECT**

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Hanley. Resolution 18-110 was approved by unanimous vote of the members.

PUBLIC COMMENT

Councilman Kaleem Shabazz, Robert Preston from the City of Atlantic City, Mike Lopez and Daryl Bulthuis, Atlantic City residents expressed their support for the Tennessee Avenue Streetscape.

Mr. Rosenberger stated concerns over damaged traffic lights.

Perry Arsenis from Howard Johnson, Barbara, John & Terrie from Pic-A-Lilli, Allie Nunzi & Christian Correa from The Leadership Studio, Jamie Hoagland from MADE, Scott Cronick from Tennessee Avenue Beer Hall, Father Jon Thomas from St. Nicholas Church, Maduso from Amina African Hair Braiding and Evan Sanchez from Hayday Coffee and Authentic City Partners expressed their support for the Tennessee Avenue Streetscape.

Evan Sanchez stated "People representing businesses and organizations — old and new — on Tennessee Avenue are here in support of the streetscape funding from CRDA because it will greatly help us on our mission to build a better block for a better city. Over the past year 4 new businesses: The Leadership Studio, MADE, Hayday and Tennessee Ave Beer Hall have opened and there will be many more to come. Organic, private investment paired with a collaborative spirit has spurred the transformation, and the streetscape funding will help to accelerate our collective efforts to transform an area of disinvestment into the go-to area of Atlantic City moving forward."



Hearing no further public comment, the Chair closed the public comment portion of the meeting and requested that the following resolution be read:

EXECUTIVE SESSION

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AN EXECUTIVE SESSION TO DISCUSS CONTRACT NEGOTIATION

The resolution was read by title. The Chair requested a motion to go into the Executive Session portion of the meeting. A motion was made by Mr. Giannantonio and seconded by Mr. Kyle. Resolution 18-111 was approved by unanimous vote of the members.

ACTIONS COMING OUT OF EXECUTIVE SESSION

Upon returning to the open public session portion of the meeting, the Chair requested consideration of the following actions:

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING A COLLECTIVE BARGAINING AGREEMENT WITH THE COMMUNICATIONS WORKERS OF AMERICA LOCAL 1040 FOR THE PERIOD MAY 1, 2018 THROUGH APRIL 30, 2019

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Plousis and seconded by Mr. Tolson. Resolution 18-112 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AN INTERGOVERNMENTAL GRANT IN AN AMOUNT NOT TO EXCEED \$1.0 MILLION FROM THE TOURISM DISTRICT AND THE COMMUNITY DEVELOPMENT FUND TO THE CITY OF ATLANTIC CITY FOR THE TENNESSEE AVENUE STREETScape FUNDING INITIATIVE

The resolution was read by title. Mr. Giannantonio and Mr. Gilliam recused themselves. The Chair described the proposed action and then requested member discussion. Hearing no comments from the members, the Chair requested public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Long and seconded by Mr. Butler. Resolution 18-113 was approved by the eligible vote of the members.

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CERTIFICATION

I, HOWARD KYLE., Secretary of the Casino Reinvestment Development Authority, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Minutes of the Open Session of the Casino Reinvestment Development Authority conducted on:

November 20, 2018

A handwritten signature in black ink that reads "Howard J. Kyle". The signature is written in a cursive style and is positioned above a horizontal line.

HOWARD J. KYLE, SECRETARY