



- PRESIDING:** Chairman Robert E. Mulcahy III
- PRESENT:** Vice Chairman Richard Tolson, Debra DiLorenzo, Gary Hill, Edward Gant, Mark Giannantonio, Mayor Frank Gilliam, Michael Hanley, Howard Kyle, David Rebeck for State Attorney General Gurbir S. Grewal, Robert Shaughnessy for State Treasurer Elizabeth M. Muoio, DCA Commissioner Sheila Y. Oliver, James Plousis, William Mullen
- ABSENT:** Modia Butler
- STAFF:** Matthew Doherty, Marshall Spevak, Lisa Britt, Lance Landgraf, Kathy Marshall, Karen Martin, Tom Meehan, Oriana Mondragon, Dawn Hinton, Rick Santoro, Larry Sieg, Sharon Dickerson, Heather Walls,
- OTHER
ATTENDEES:** Edmund Caulfield, Esq., Governor's Authorities Unit

OPENING STATEMENT

The meeting was called to order by the Chair at 2:00pm. 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 JULY 16, 2019 BOARD MEETING

The Chairman requested a motion to approve the minutes of the July 16, 2019 Members' Meetings. Mr. Shaughnessy abstained. A motion was made by Mr. Giannantonio and seconded by Mr. Hill. Resolution 19-103 was approved by unanimous vote of the members.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Matt Doherty updated the members and the public on the following matters involving the Authority:

- The Atlantic City Sports Commission and The Rock 'n' Roll Marathon Series recently announced that Atlantic City, New Jersey would become the newest destination for the series with the inaugural Rock 'n' Roll Atlantic City Half Marathon & 5K event taking place on May 15-16, 2020. This marks the first brand-new Rock 'n' Roll Marathon Series event in the U.S. since 2015. Bringing the Fun to the Run through music, entertainment, and community immersion, the Rock 'n' Roll Atlantic City Half Marathon



will take place during the twilight evening hours, treating an anticipated 10,000 participants to a one-of-a-kind race experience that highlights the beach and Boardwalk atmosphere.

- Jim Whelan Boardwalk Hall hosted Wedding of the Sea on Thursday, August 15 with 3,000 in attendance.
- The Atlantic City Airshow is scheduled for Wednesday, August 21, 2019.

ATLANTIC CITY BOARD OF EDUCATION MATTER

The Chair addressed the removal of the consideration of the project approval for the Atlantic City Board of Education Jim Whelan Boardwalk Hall Office Renovation Project. The Chair explained that after considerable discussion, the item was removed from the agenda because of a lack of a consensus among the members that the specific action, as presented, was appropriate for the Authority. The Chair further stated that he and the Vice Chair had productive conversations with the Lt. Governor regarding the proposal and agreed that an appropriate action may be presented at a later date. Finally, the Chair stated that the members' decision not to move forward with the office renovation project should in no way reflect a lack of desire to assist with the funding of programs for the youth of Atlantic City.

In lieu of the consideration of a project approval for the office renovation project, the members unanimously voted to support a motion put forth by Ms. DiLorenzo to fund afterschool programs, approved by the NJ Department of Education, in an amount of \$650,000 per year for a period to be determined. Mayor Gilliam seconded the motion. The Chair stated that under the previous proposal, it would have been at least 2 years before renovations were complete resulting in funding, in the form of rental savings, being available to be used for the youth programs. Under this new proposal for program funding, programs may be able to receive funding much sooner.

Mr. Tolson stated that any Authority funding approved should be used to supplement and expand the existing programs as presented under the previous proposal. These programs will receive oversight by the State Department of Education. Mr. Gant inquired if the list of programs will be provided to the members. The Chair responded in the affirmative. Mr. Kyle added that there should be reporting metrics required as part of any approval by the Authority. The Chair concurred.

Hearing no further member discussion, the Chair requested public comment on the matter. Mr. Charles Goodman, Atlantic City resident, expressed his support for the proposed funding of afterschool programs. Reverend Miller inquired how the board arrived at the figure of \$650,000. Ms. DiLorenzo responded that \$650,000 is the yearly



rent paid by the Board of Education (BOE) at its current location which would be saved and committed to the youth programs. Mr. Tolson stated that many of the questions being asked of the Authority are more appropriately directed to the Board of Education for its response as they are the entity that are required by the State Department of Education to deliver the programs. He added that the Authority is simply attempting to help support them in that regard. Geoffrey Rosenberger expressed his gratitude for the Authority's consideration in supporting the Board of Education.

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

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING: (I) DESIGNATION OF VILLAGE SUPERMARKETS, LLC AS THE DEVELOPER OF A GROCERY STORE ON BLOCK 396 AND (II) THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF AGREEMENT WITH SUPERMARKETS, LLC FOR THE DEVELOPMENT OF A GROCERY STORE ON BLOCK 396

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Mr. Tolson stated that there will be job training and that 75% of the permanent jobs would be available to unskilled labor who will be able to take advantage of these job training opportunities. In addition, there will be opportunities for Atlantic City residents. He added that all concerns expressed are proactively being addressed. Mr. Mulcahy stated that 89% of the employees would be covered by collective bargaining and be offered living wage and benefits such as paid sick, personal and vacation, health coverage and savings, etc. Mr. Gant inquired of the consultant if there was another response to the RFP. Atif Bostic, Executive Director of Uplift Solutions responded that there was only one response to the RFP for Developer and two responses to the solicitation for Operator. Mr. Doherty commented that both responses received from Village ShopRite were responsive to the solicitation, while the other response was incomplete and therefore deemed non-responsive Mr. Gant inquired if there was any discussion regarding the project receiving funding from the CRDA. Mr. Bostic responded that funding was not discussed specifically, but that respondents were told that the project would receive support from the CRDA. Mr. Bostic responded that the goal as the consultant was to find the best operator for the project. Mr. Bostic added that 100% of their projects do receive some type of subsidy, whether a new market tax credit, a redevelopment grant or a subsidy from a city or state. Mr. Gant inquired if there was a representative from Village Shop Rite in attendance and asked about the 10-year loss shown in the proforma provided. Mr. Dan McCarthy, on behalf of Shop Rite, responded that the proforma was based on a market study that was done by CRDA's consultant. Shop Rite is currently undertaking its own market study and believes that -the revenues will increase thus decreasing the losses. Mr. McCarthy



further stated that there is also interest in discussing the possibility of a job-training center in the area if it is deemed appropriate. Mr. Gant expressed his concerns over the amount of subsidy for the supermarket that may be requested of the CRDA in the future. Mr. Tolson stated that he does not believe that the project has reached the stage where the amount of any subsidy can be clearly identified. Mr. Kyle stated that the request before the members today is to designate the developer of the supermarket only. The Chair added that the members would have the opportunity to approve any final agreement. Mayor Gilliam expressed his support for the project. Mr. Gant expressed concern that there are not enough people in the area to support a 40,000 square foot supermarket. Mr. Kyle expressed concern regarding the need to improve Renaissance Plaza. Mr. Rebeck asked for clarification regarding the costs for construction and operation of the project. Mr. McCarthy responded \$7.5 million capex and \$6 million for fit-out. Mr. Rebeck clarified construction cost, not including the land will be approximately \$7.5 million, with an additional \$6 million for fit-out and an operational cost shortfall of \$1-2 million per year over a 10-year period. Mr. Rebeck further clarified that approximately \$15 million would be needed in year one. Mr. Rebeck inquired if Mr. McCarthy anticipated any hidden costs. Mr. McCarthy responded that the only additional cost would be environmental remediation but he does not expect it. Mr. Rebeck inquired how long construction is expected to take. Mr. McCarthy responded approximately 13 months.

Hearing no further comments from the members, the Chair requested public comment. Mr. William Cheatham inquired about the type of security that will be deployed on the project. Mr. McCarthy responded that Village ShopRite will be investing millions in the project and will have a vested interest in the success of the supermarket. He stated that the market will have state of the art security systems and staff. Mr. Cheatham expressed his support for the project. Mr. Tolson asked that an outline of the supermarket security plan be provided to the Authority so that these concerns could be addressed. Mr. McCarthy responded in the affirmative. Councilman Kaleem Shabazz, Mr. Charles Goodman, Mr. Mike Lopez, Mr. Zack Katzen from the Arts Foundation and Ms. Linda Steele expressed their support for the project. Reverend Miller inquired regarding the number of jobs that are expected to be created. Mr. McCarthy responded an estimated 125 full time/part time employees but the number could change if there is a commissary added, which would increase it by an additional 100 jobs. Mr. Giannantonio stated he supports the project but is concerned with the amount of possible subsidy to be sought from the Authority. Mr. Gant concurred. Mr. Jimmy Whitehead expressed his support for the project and suggested looking to other agencies for grant and other sources of government funding and private investment to fund projects in Atlantic City. Mr. Geoffrey Rosenberger expressed concerns about Renaissance Plaza.

DCA Commissioner Sheila Oliver joined the meeting via-teleconference at 2:51 PM.



Mr. Bostic provided additional clarification of the proforma and possible subsidies for the project including the use of new market tax credits. Mr. Frank Barbera inquired how the location of the super market was determined. Mr. Bostic responded that after considering many locations, both Authority owned and privately owned, the location selected was thought to be the best location in the city for the market. Mr. Barbera stated that he believes the lot on Mississippi and Georgia Avenue in front of Jim Whelan Boardwalk Hall would have been a better location. Mr. Tolson stated that he would like the opportunity for the Authority to meet with representatives from DGC Capital Contracting, Inc who will be acting as the construction manager for the project. Mr. McCarthy responded that he would facilitate a meeting. Hearing no further public comment, the Chair requested a motion. Ms. Oliver expressed her support for the project. A motion was made by Ms. Oliver and seconded by Mayor Gilliam. Resolution 19-104 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING: (I) DESIGNATION OF VILLAGE SUPERMARKETS, LLC AS THE OPERATOR OF A GROCERY STORE ON BLOCK 396 AND (II) THE NEGOTIATION AND EXECUTION OF A MEMORANDUM OF AGREEMENT WITH SUPERMARKETS, LLC FOR THE OPERATION OF A RETAIL GROCERY STORE ON BLOCK 396

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. Hill and seconded by Mayor Gilliam. Resolution 19-105 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY ESTABLISHING A SUPPLEMENTAL FUND RESERVATION IN AN AMOUNT NOT TO EXCEED \$39,310 FROM THE TOURISM DISTRICT AND COMMUNITY DEVELOPMENT FUND AND AMENDING THE TOURISM MARKET EXPANSION PROJECT TO SUPPORT THE 2019 LATINO FESTIVAL

The resolution was read by title. The Chair described the proposed action and then requested member discussion. Mayor Gilliam expressed his support for the project. Hearing no further comments from the members, the Chair requested public comment. Mr. Mike Lopez expressed his support for the project. Hearing no further public comment, the Chair requested a motion. A motion was made by Ms. DiLorenzo and seconded by Mr. Kyle. Resolution 19-106 was approved by unanimous vote of the members.



PUBLIC COMMENT

Mr. William Cheatham thanked the board for its work in Atlantic City and especially the recently unveiled 'Atlantic City Experience' at Jim Whelan Boardwalk Hall.

The Chair thanked Mr. Cheatham for his faithful attendance at Authority board meetings and his commitment to Atlantic City.

Mr. Mike Lopez thanked the Authority for its work and invited everyone to the MCO First Ward BBQ.

Mr. Zack Katzen from the AC Arts Foundation commented about the 48 Blocks murals around the city and the first skate park on Sovereign and Sunset Avenue. Mr. Katzen thanked Mr. Larry Sieg, CRDA Director of Communication & Marketing and Mr. Rick Santoro, CRDA Director of Special Improvement District Division for their support and service.

Mr. Charles Goodman thanked Mr. Tom Meehan, CRDA Director of Project Implementation and Management for the Atlantic City Board of Education Jim Whelan Boardwalk Hall Office Renovation Project Public Hearing.

Mr. Frank Barbera expressed his disagreement with the amount of savings to be realized by the Atlantic City Board of Education if they were to move to Jim Whelan Boardwalk Hall Office.

Mr. Gant requested updates on the following matters at next month's meeting:

- i) status of work completed to date by Mudshare under geospatial marketing contract;
- ii) update on the summer concert series;
- iii) billboard issues;
- iv) CRDA's involvement, if any, with the Marty Small Ball.



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:

August 20, 2019



HOWARD J. KYLE / SECRETARY