

CRDA

Casino Reinvestment Development Authority



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

**MINUTES – PUBLIC MEETING 14-12
December 2, 2014**

PRESIDING: Vice-Chair, Robert Mulcahy

PRESENT: Tom Ballance, Robert Bartolone for DCA Commissioner Richard Constable, Debra DiLorenzo, Mark Giannantonio, Mayor Don Guardian, Gary Hill, James Kehoe (via telephone), David Rebeck for Acting Attorney General John Hoffman, Howard Kyle, Matthew Levinson, Robert Shaughnessy for State Treasurer Andrew Sidamon-Eristoff, Frank Spencer, Richard Tolson

ABSENT: Edward Gant, William Mullen, Gary T. Puma

STAFF: John F. Palmieri, Val Berzins, Rosalind Kincaid, Thomas Meehan, Oriana Mondragon, Ali Reynolds, Bunny Rixey, Rick Santoro, Heather Walls, Paul G. Weiss, Esq.

OTHER: Christopher Howard Esq., Governor's Authorities Unit

ATTENDEES:

OPENING STATEMENT

The meeting was called to order by the Vice-Chair at 3:00 pm. Mrs. Walls 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 November 18, 2014

The Chair requested a motion to approve the minutes of the November 18, 2014 Members' Meeting. A motion was made by Mr. Kyle and seconded by Mr. Shaughnessy. Resolution 14-166 was approved by the unanimous vote of the members.

TREASURER'S REPORT

The Vice-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. Rebeck. The Treasurer's report was approved and adopted by the unanimous vote of the members.

EXECUTIVE DIRECTOR'S REPORT

Mr. Palmieri updated the Members on the status of the following projects and initiatives:

- A. 1st Responders Memorial – The Atlantic City First Responders memorial will be at noon on December 5, 2014, with service at Saint Nicholas Church and



the dedication following on the Boardwalk on Saint James Place. CRDA provided financial assistance toward the cost of the monument. Mr. Palmieri encouraged the members to attend the dedication.

- B. 1600 Block –This phase of the Atlantic City Façade Project will be completed by the end of the year.
- C. LEAD Act – The Lead Act class of 2014 will have a graduation ceremony at 5:30 pm on December 10, 2014 at Dante Hall. Ms. Susan Ney Thompson will be honored.

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

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY PERTAINING TO THE RESORTS MEETING SPACE EXPANSION PROJECT

The resolution was read by title. Mr. Giannantonio recused himself. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. In response to Mr. Ballance's inquiry about pending legislation that proposes to divert future investment alternative tax obligations to the city of Atlantic City from the CRDA, Mr. Palmieri responded that Resorts would be accepting that risk under the terms and conditions of the Authority's standard project grant agreement. Hearing no further member discussion, the Vice Chair opened the matter to public comment, and asked Mr. Nicholas Talvacchia, Esq., counsel for Resorts, whether Resorts had any comment to the proposed action, to which Mr. Talvacchia stated that Resorts did not have any comment. Hearing no further public comment, the Vice Chair requested a motion. A motion was made by Mr. Hill and seconded by Mr. Spencer. Resolution 14-167 was approved by unanimous vote of the eligible members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY ADOPTING THE OPERATING BUDGET FOR THE CRDA SPECIAL IMPROVEMENT DISTRICT FOR THE PERIOD JANUARY 1 THROUGH DECEMBER 31, 2015

The resolution was read by title. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. Mr. Mulcahy stated that the SID Committee understood the concerns about the budget, and that while the CRDA's significant contribution to the budget remained unchanged from last year, the overall budget was down due to the reduced net assessed property values in the District, principally resulting from casino properties successfully appealing over-assessments by the City. Mr. Mulcahy added that the SID Committee intended to review the budget quarterly to address any concerns during the coming year. Mr. Tolson suggested that any personnel affected by the reduced budget be given the opportunity to apply for other jobs, if those positions become available in the future.



Mayor Don Guardian expressed his concern that the SID would not be able to realize its clean and safe mission, and asked that the budget be tabled. Mr. Kyle, Chairman of the SID Committee, commented that clean and safe initiatives would be preserved based on the proposed budget and reiterated that the Committee would meet quarterly to assess performance under the budget. Mr. Spencer also commented that since the Committee is going to examine the budget quarterly, the Committee could recommend changes in the event that clean and safe goals were not being realized in the field.

In response to Mr. Ballance's inquiry about affected personnel, Mr. Santoro stated that since approximately eighty percent of the budget was labor, it was reasonable to expect that the Authority's contract service provider would have to cut personnel that service the CRDA contract in the SID, but that some of the labor would be made up through the Authority directly assuming certain tasks and realigning and leveraging existing CRDA personnel across multiple job responsibilities, thereby allowing more work to be done with a reduced staff. In response to Mr. Ballance's question about closed casino properties and their impact on the budget, Mr. Berzins clarified that the budget presumes that those properties remain closed.

Mr. Giannantonio reiterated his concern that safety in the District should be paramount, and noted that the dedication of SID resources in the coming year must remain fluid and dynamic, so as to maximize the budgeted resources.

Hearing further no member discussion, the Vice Chair opened the matter to public comment. Hearing no public comment, the Vice Chair requested a motion. A motion was made by Mr. Spencer and seconded by Mr. Levinson. Resolution 14-168 was approved by a vote of 14-1, with the Mayor voting against the action.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING THE CONVENTION CENTER DIVISION 2015 OPERATING AND CAPITAL BUDGETS

The resolution was read by title. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. Hearing no member discussion, the Vice Chair opened the matter to public comment. Hearing no public comment, the Vice Chair requested a motion. A motion was made by Mr. Shaughnessy and seconded by Mr. Kyle. Resolution 14-169 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY ADOPTING THE OPERATING BUDGET FOR CALENDAR YEAR 2015

The resolution was read by title. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. In response to Mayor Guardian's question about whether the proposed operating budget also did not include closed casino license revenues, Mr. Berzins responded that revenues associated with those closed facilities



was not included in the proposed budget. Hearing no further member discussion, the Vice Chair opened the matter to public comment. Hearing no public comment, the Vice Chair requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Kyle. Resolution 14-170 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING A SOLE SOURCE TECHNOLOGY SERVICES AGREEMENT BETWEEN GLOBAL SPECTRUM AND SMART CITY NETWORKS, LP FOR THE ATLANTIC CITY CONVENTION CENTER AND BOARDWALK HALL

The resolution was read by title. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. Richard Tolson questioned whether the services would be for the Convention Center and Boardwalk Hall. Mr. Palmieri stated that the proposed sole source agreement would cover both facilities. Hearing no further member discussion, the Vice Chair opened the matter to public comment. Jim Woods of MeetAC, Inc expressed his support for the contract and the need to bring the facilities into the 21st century. Hearing no further public comment, the Vice Chair requested a motion. A motion was made by Mr. Levinson and seconded by Mr. Spencer. Resolution 14-171 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY PERTAINING TO THE FUNDING AGREEMENT WITH MAIN STREET ATLANTIC CITY, INC

The resolution was read by title. Mr. Levinson entered his recusal for the record. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. Hearing no member discussion, the Vice Chair opened the matter to public comment. Ms. Pamela Fields, the executive director for Main Street expressed her appreciation for the CRDA's on-going support of her organization. Hearing no further public comment, the Vice Chair requested a motion. A motion was made by Mayor Guardian and seconded by Mr. Kyle. Resolution 14-172 was approved by unanimous vote of the eligible members.

PUBLIC COMMENT

The Vice Chair opened the meeting to public comment, and hearing none, requested the following resolution be read.

EXECUTIVE SESSION

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AN EXECUTIVE SESSION TO DISCUSS CONTRACT NEGOTIATION AND POTENTIAL LITIGATION MATTERS



The resolution was read by title. The Vice Chair requested a motion to go into executive session. A motion was made by Mr. Kyle and seconded by Mr. Hill. Resolution 14-173 was approved by unanimous vote of the members.

Upon returning to the open public session portion of the meeting, the members considered the following action:

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING THE NEGOTIATION AND EXECUTION OF A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT WITH BASS PRO OUTDOOR WORLD, LLC OR ITS AFFILIATE FOR DEVELOPMENT OF A BOAT SHOWROOM ON BLOCK 389 IN THE CITY OF ATLANTIC CITY

The resolution was read by title. Mr. Palmieri described the proposed action. The Vice Chair requested member discussion. Hearing no member discussion, the Vice Chair opened the proposed action for public comment, and upon hearing none, requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Levinson. Resolution 14-174 was approved by unanimous vote of the members.

With no further business before the Authority, the Vice Chair requested a motion to adjourn the meeting. A motion was made by Mr. Shaughnessy and seconded by Mr. Levinson. Motion to adjourn the meeting was approved by unanimous vote of the members.

CERTIFICATION

I, HOWARD J. 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:

December 2, 2014

HOWARD J. KYLE, SECRETARY