



Casino Reinvestment Development Authority



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

**MINUTES – PUBLIC MEETING 15-1
January 20, 2015**

- PRESIDING:** James Kehoe, Chair
- PRESENT:** Tom Ballance, Robert Bartolone for DCA Commissioner Richard Constable, Edward Gant, Mark Giannantonio, Mayor Don Guardian, Gary Hill, Robert Mulcahy, William Mullen David Rebeck for Acting Attorney General John Hoffman, Howard Kyle, Matthew Levinson, Robert Shaughnessy for State Treasurer Andrew Sidamon-Eristoff, Gary T. Puma, Richard Tolson
- ABSENT:** Debra DiLorenzo, Frank Spencer
- STAFF:** John F. Palmieri, Val Berzins, Lisa Britt, Rosalind Kincaid, Lance Landgraf, Thomas Meehan, Oriana Mondragon, Donna Pless, Ali Reynolds, Bunny Rixey, Rick Santoro, Heather Walls, Paul G. Weiss, Esq.
- OTHER ATTENDEES:** John F. Spinello, Jr., Esq., Governor's Authorities Unit
Christopher Howard, Esq., Governor's Authority Unit

OPENING STATEMENT

The meeting was called to order by the Chair at 2:00 pm. 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 December 2, 2014

The Chair requested a motion to approve the minutes of the December 2, 2014 Members' Meeting. A motion was made by Mr. Tolson and seconded by Mr. Mullen. Resolution 15-01 was approved by the 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. Mulcahy and seconded by Mr. Tolson. 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. ATLANTIC CITY SPORTS COMMISSION
- i. The formation of the Atlantic City Sports Commission was officially announced on Tuesday, January 13, 2015
 - ii. The Atlantic City Sports Commission will be managed by Meet AC and, in concert with the resources of Global Spectrum, the



Authority's Facilities Manager, will seek to attract additional sporting events to Atlantic City on a year round basis.

B. 2015 LEAD ACT CLASS

- i. 31 fellows selected, two of which are CRDA employees (Oriana Mondragon, Board Assistant & Christina Fuentes, Project Development Officer)
- ii. January 28th is the introduction and first class session

C. ULI/CRDA PRESENTATION – HELD JANUARY 14, 2015 STRATEGIES FOR A WORLD-CLASS RESORT CITY

- i. CRDA conducted the joint presentation of the March 2014 ULI Advisory Panel Study of the South East Inlet. The keynote speaker was former Pittsburgh Mayor Tom Murphy, with panelists including: John Palmieri, Herman Saatkamp, Honorable Mayor Don Guardian, Wasseem Boraie, Victor Nappen (AC Chamber), and Nick Talvacchia, Esq.
- ii. The conference report focused on development opportunities for the South East Inlet, and reviewed the potential impacts of Stockton's purchase of Showboat, revitalization of Lighthouse Park, Seawall and Boardwalk construction along inlet, and rezoning of the area to support new development.
- iii. Attendance by approximately 200 local and regional developers, planners, investors and interested residents.

D. ATLANTIC CITY RESTAURANT WEEK, MARCH 1-7

- i. Over 70 restaurants participating and "A Taste of Restaurant Week" charity fundraiser will be held at the Claridge on February 24th.
- ii. Restaurant Week gift cards are available at www.acrestaurantweek.com or at either of the Visitor Centers.

LAND USE REGULATION & ENFORCEMENT

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY GRANTING PRELIMINARY AND FINAL SITE PLAN APPROVAL WITH VARIANCES FOR CONSTRUCTION OF IMPROVEMENTS BY TRI-COUNTY COMMUNITY ACTION AGENCY, INC UNDER APPLICATION 2014-8-1176

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Mr. Mulcahy inquired if this project replaces the Head Start Program that ceased operation. Mr. Palmieri responded in the affirmative. Mr. Rebeck inquired about the location of the property. Mr. Palmieri responded 1433



Bacharach Blvd. Mr. Mulcahy inquired how many students will attend. Mr. Landgraf responded that the program hopes to serve 400 students when fully operational. Hearing no further member discussion, the Chair opened the matter to public comment. Mr. William Cheatham commented that the loitering has been a problem at this location and stated that the Authority should address this issue. Mr. Kehoe commented that he is confident that Mayor Don Guardian will look into it. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Mulcahy and seconded by Mr. Levinson. Resolution 15-02 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY GRANTING PRELIMINARY AND FINAL SITE PLAN APPROVAL WITH VARIANCES FOR CONSTRUCTION OF IMPROVEMENTS BY TROPICANA ATLANTIC CITY CORPORATION UNDER APPLICATION 2014-10-1247

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Mr. Tolson inquired about previous issues with non-casino signage whether signage in this project will pose any problems. Mayor Don Guardian clarified that the non-casino signage was on the beach side of the Boardwalk whereas the signage described in this action is on the actual Tropicana building. Hearing no further member discussion, the Chair opened the matter to public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Hill. Resolution 15-03 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING A CERTIFICATE OF NONCONFORMITY FOR ZAKIR HOSSAIN UNDER APPLICATION 2014-09-1212

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Mr. Mulcahy inquired if this is a straightforward certificate of nonconformity. Mr. Palmieri responded in the affirmative. Hearing no further member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired if the owner of the property resides in the property. Mr. Lance Landgraf responded that he believes it is a rental property. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Kyle and seconded by Mr. Ballance. Resolution 15-04 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY INTERPRETING THE ATLANTIC CITY ZONING ORDINANCE AND GRANTING VARIANCE AND OTHER RELIEF FOR A MEDICAL OFFICE LOCATED AT 10 SOUTH MICHIGAN AVENUE, ATLANTIC CITY OPERATED BY SHORE HEALTH ENTERPRISES, INC UNDER APPLICATION 2013-09-812



The resolution was read by title. Mr. Hill and Mr. Levinson recused themselves. Mr. Palmieri described the proposed action, and introduced Mr. Scott Collins, Esq of Riker Danzig, the Authority's Special Counsel for land use matters. Mr. Collins summarized the relief that the applicant was seeking and the objections raised by Atlanticare. In response to Mr. Rebeck's question about Atlanticare's right to appeal the Authority's decision, Mr. Collins responded Atlanticare may file its appeal with the Appellate Division. Hearing no further member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired if this is the facility located in part of the Caesars garage area. Mr. Collins responded in the affirmative. Mr. Cheatham inquired if the facility is open 24 hours. Mr. Collins responded that he believes the facility does not operate on a 24 hours/day basis. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Kyle and seconded by Mr. Mulcahy. Resolution 15-05 was approved by unanimous vote of the members.

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

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING CONTRACTS FOR ROOF REPLACEMENT SERVICES AND RELATED PROFESSIONAL SERVICES FOR THE EAST HALL OF BOARDWALK HALL

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Hearing no member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired if funds approved were for the repair or replacement of the roof. Mr. Kehoe responded that funds approved will be used to replace the roof. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Shaughnessy and seconded by Mr. Mullen. Resolution 15-06 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY GRANTING A PRELIMINARY DETERMINATION OF PROJECT ELIGIBILITY FOR THE GARDEN STATE DISCOVERY MUSEUM PROJECT AND APPROVING A FEASIBILITY STUDY TO DETERMINE VIABILITY OF THE PROPOSED PROJECT

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Hearing no member discussion, the Chair opened the matter to public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Kyle and seconded by Mr. Levinson. Resolution 15-07 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY AMENDING RESOLUTION 14-160 ADOPTED NOVEMBER 18, 2014 PERTAINING TO THE ATLANTIC CITY COMMUNITY DEVELOPMENT PROGRAM



The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Hearing no member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired about the term of the approval. Mr. Kehoe responded that funds for the program are approved each year and that this approval is for 2015. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Levinson and seconded by Mr. Bartolone. Resolution 15-08 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 \$17,365 FROM THE TOURISM DISTRICT AND THE COMMUNITY DEVELOPMENT FUND TO THE CITY OF ATLANTIC CITY FOR THE 2014 WINTER WONDERLAND FESTIVAL, IN FURTHERANCE OF THE ATLANTIC CITY COMMUNITY DEVELOPMENT PROGRAM

The resolution was read by title. Mayor Don Guardian recused himself. Mr. Palmieri described the proposed action. The Chair requested member discussion. Mr. Mulcahy inquired if funds for events are released upon the Board's approval or only after the event has taken place. Mr. Palmieri responded that funds for an event are released upon submission of required documentation to the Authority following the Board's approval and once the event occurs. Hearing no further member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired about the date and location of the event. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Mulcahy and seconded by Mr. Kyle. Resolution 15-09 was approved by unanimous vote of the eligible members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY PERTAINING TO THE DISPOSITION OF REAL PROPERTY AT ONE NORTH BOSTON AVENUE, ATLANTIC CITY, NEW JERSEY

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Mr. Tolson inquired about the timetable for a signed purchase and sale agreement verses the decision to demolish the property and expressed concern for the possibility that if started, the renovation of the property may not be completed by the buyer. Ms. Bunny Rixey commented that the buyer is a reputable architect and has provided a commitment for funding. She added that the buyer has significant experience doing renovations to a building that it is now operating as a restaurant in the city. Mr. Gant inquired the name of the buyer. Ms. Rixey responded that the buyer's name is Mark Callazzo and added that Mr. Callazzo is the owner of Alpha Funding, a private mortgage company. Ms. Rixey added that Mr. Callazzo will be working with Sheldon Grace of Grace Properties. Mr. Tolson commented that he is concerned that the cost to rehabilitate the building seems prohibitive and there are questions as to the structural soundness of the building, yet Mr. Callazzo assures Ms. Rixey that his architectural and engineers have looked at it



and are comfortable that they can renovate it properly. Mr. Mulcahy inquired about the cost to renovate the building. Ms. Rixey responded that the total cost to renovate the building and repair the structure is estimated at \$2.6 million. Ms. Rixey continued to comment that the plans for renovation were presented to Czar Engineering and Craig Dothe, a local architect, and they agree that the estimated cost was an acceptable amount. Mr. Gant asked how many units are in the building. Ms. Rixey responded that there are 31 residential units and three commercial units on the first floor. Mr. Hill commented that he believes renovating the property is desirable as it will then go back on the city's tax rolls. Mr. Rebeck recommended that the city be part of the negotiation of this agreement. Mr. Kehoe responded that the city's role will be to assess the proper taxes once the renovation is complete. Mr. Tolson inquired about the differences in the renovation estimates of \$2.6 million and \$1.3 million. Ms. Rixey responded that \$2.6 million included the renovation of the building and the \$1.3 million included renovation of the building structure. Mr. Mulcahy asked Mayor Guardian if the buyer had contacted the city regarding the purchase. Mayor Guardian responded that the city has not yet been contacted by the buyer. Mr. Mulcahy suggested that the resolution be amended to require that the Authority will move forward with demolition of the building if a deal is not reached with the buyer within 30 days.

Hearing no further member discussion, the Chair opened the matter to public comment. Mr. William Cheatham expressed his support for demolishing the building and then constructing a new one. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Mulcahy and seconded by Mr. Gant. Resolution 15-10 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY REJECTING ALL BIDS RECEIVED FOR GENERAL CONSTRUCTION SERVICES FOR THE ATLANTIC AVENUE FAÇADE REVITALIZATION PROJECT

The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Hearing no member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired if all property owners in this block had signed agreements for façade improvements. Mr. Kehoe informed Mr. Cheatham that this action was to reject all bids received. Mr. Palmieri stated that all bids received were over the project budget and that the Authority will consider whether a new solicitation will be released. Mr. Cheatham commented that he is favor of the façade improvement project and hopes that all property owners will participate. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Shaughnessy and seconded by Mr. Bartolone. Resolution 15-11 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY PERTAINING TO THE TRI-PARTY AGREEMENT WITH THE CITY OF ATLANTIC CITY AND ATLANTIC CITY ELECTRIC COMPANY TO FUND REPLACEMENT

**AND/OR REPAIR AND INSTALLATION OF LIGHTING FIXTURES, POLES AND ANCILLARY EQUIPMENT TO IMPROVE STREET LIGHTING WITHIN IN THE ATLANTIC CITY TOURISM DISTRICT**

The resolution was read by title. Mayor Don Guardian, Howard Kyle and Matthew Levinson recused themselves. Mr. Palmieri described the proposed action. The Chair requested member discussion. Hearing no member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired about the location of the lights. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Tolson and seconded by Mr. Hill. Resolution 15-12 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AN AIR SERVICE RISK ABATEMENT GRANT TO AIR CANADA UNDER THE AIR SERVICE RISK ABATEMENT PROGRAM COMPONENT OF THE TOURISM MARKET EXPANSION PROJECT

The resolution was read by title. Mr. Palmieri described the proposed action, and introduced Mr. E.J. Mullins of the Port Authority of New York and New Jersey, who is advising the Authority on this matter. The Chair requested member discussion. Mr. Kehoe inquired if Air Canada is going to have an introductory price point that is significantly lower than flights out of Philadelphia. Mr. E.J. Mullins commented that the ticket prices can be kept low by using fuel efficient, aircrafts. The ticket prices represent the most value and lowest price point that Air Canada could offer. In response to Mr. Mullens question about the Authority's right to terminate its subsidy, the Chair responded that the success of the service will be evaluated annually, and the Authority would reserve the right to terminate the agreement. Mr. Ballance stated that he views this as a pilot program and voiced his concerns that once the Authority enters into a pilot program, there should be pre-determined objectives that measure the success of the program, especially in an environment where similar air service has failed. Mr. Mulcahy indicated that the Authority would be in a position to measure success at the conclusion of the first year of the program.

Hearing no further member discussion, the Chair opened the matter to public comment. Mr. William Cheatham inquired if there is going to be advertisement for these flights. Mr. E.J. Mullins responded in the affirmative. Hearing no further public comment, the Chair requested a motion. A motion was made by Mr. Mulcahy and seconded by Mr. Tolson. Resolution 15-13 was approved by a vote of 14-1, with Mr. Ballance voting against the measure.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AND AUTHORIZING THE CERTIFICATION OF THE SPECIAL IMPROVEMENT DISTRICT ASSESSMENT ROLL FOR THE PERIOD JANUARY 1, 2015 THROUGH DECEMBER 31, 2015



The resolution was read by title. Mr. Palmieri described the proposed action. The Chair requested member discussion. Mr. Rebeck asked for confirmation that the total assessment amount has decreased from last year. Mr. Palmieri confirmed that the assessment amount coming in to the Authority is less than in 2014. Mr. Rebeck inquired if any property owners have contested the amount of their assessment. Mr. Berzins responded that the Authority has not received any appeals of the 2015 assessment from property owners. Mr. Mulcahy commented that the Authority intends to monitor performance of the SID operations on a quarterly basis during 2015. Hearing no further member discussion, the Chair opened the matter to public comment. Hearing no public comment, the Chair requested a motion. A motion was made by Mr. Mulcahy and seconded by Mr. Ballance. Resolution 15-14 was approved by unanimous vote of the members.

PUBLIC COMMENT

Mr. William Cheatham wished everyone a Happy New Year and added that he believes the Authority is doing good work in the city. Mr. Palmieri acknowledged that Mr. John Spinello, the new Director of the Governor's Authority Unit, was in attendance at today's meeting.

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:

January 20, 2015

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

HOWARD J. KYLE, SECRETARY