



**CASINO REINVESTMENT DEVELOPMENT AUTHORITY
1014 ATLANTIC AVENUE
ATLANTIC CITY, NJ 08401**

**MINUTES – PUBLIC MEETING 12-04
March 20, 2012**

PRESIDING: Chair, James Kehoe

PRESENT: Richard Dressel, Edward Gant, Robert Garrison, Robert Griffin, Linda Kassekert, Howard Kyle, Robert Mulcahy, Dave Rebeck for Attorney General Jeffrey Chiesa, Chuck Richman for Commissioner Richard Constable, Robert Shaughnessy for State Treasurer Andrew Sidamon-Eristoff, Frank Spencer

ABSENT: Debra DiLorenzo, Mayor Lorenzo Langford, Gerald Owens, Nicholas Ribis

STAFF: John F. Palmieri, Susan Ney Thompson, Val Berzins, Paul G. Weiss, Esq., Don Guardian, Thomas Meehan, Bunny Rixey, Ali Reynolds, Kim Butler, Lisa Risteski, Heather Walls

OTHER ATTENDEES: Regina Egea, Brett Tanzman, David Reiner, Esq., Governor's Authorities Unit

OPENING STATEMENT

The meeting was called to order by the Chair at 2:00pm. Ms. Risteski 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 FEBRUARY 21, 2012

The Chair requested a motion to approve the minutes of the February 21, 2012 Members' Meeting. A motion to approve the minutes was made by Mr. Mulcahy and seconded by Mr. Griffin. Resolution 12-41 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. Spencer and seconded by Mr. Mulcahy. The Treasurer's report was approved and adopted by unanimous vote of the members.

EXECUTIVE DIRECTOR'S REPORT

Mr. John Palmieri, Executive Director, updated the members on several projects that advance master plan initiatives, and are creating infrastructure that will support private sector investment in the City.

The Chair then introduced Dr. Israel Posner of the Lloyd D. Levenson Institute of Gaming Hospitality and Tourism, who provided a summary report on the Institute's 2012 Tourism Promotion Survey.

CONSENT AGENDA: The Chair introduced the following consent agenda items.

LAND USE REGULATION AND ENFORCEMENT

The Chair explained that these matters were the subject of public hearings before the Authority's Land Use Regulation and Enforcement Division, and that the Hearing Officer's report and recommendation has been provided to the members.

- 1. RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY GRANTING AMENDED PRELIMINARY SITE PLAN APPROVAL AND OTHER RELIEF FOR LAZOCEAN, LP, THE METROPOLITAN DEVELOPMENT UNDER APPLICATION 2011-10-182**
- 2. RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING A CERTIFICATE OF NONCONFORMITY FOR HOI K CHENG UNDER APPLICATION 2011-05-54**

The Chair opened the consent agenda items to the public for comment. Upon hearing no public comment, the Chair requested a motion to approve the consent agenda. A motion was made by Mr. Dressel and seconded by Mr. Garrison. Resolutions 12-42 and 12-43 were approved by unanimous vote of the members.

SPECIAL IMPROVEMENT DISTRICT DIVISION

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING THE AWARD OF A PURCHASE CONTRACT IN AN AMOUNT NOT TO EXCEED \$69,500 TO BORTEK INDUSTRIES, INC TO PROVIDE ONE STREET SWEEPER FOR THE CRDA SPECIAL IMPROVEMENT DISTRICT

The resolution was read by title. Mr. Palmieri provided a brief summary of the proposed action. The Chair opened the matter to member discussion. Mr. Robert Mulcahy inquired why there was only one bid. Mr. Don Guardian, Director of the Division, stated

that the other potential bidders were aware that they could not compete with Bortek Industries' bid. The Chair then opened the proposed action to public comment. Upon hearing no public comment, the Chair requested a motion to adopt the Resolution. A motion was made by Mr. Howard Kyle and seconded by Ms. Linda Kassekert. Resolution 12-44 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH ATLANTIC COUNTY FOR THE PROVISION OF MAINTENANCE SERVICES FOR THE OSCAR MCCLINTON WATERFRONT PARK THROUGH DECEMBER 31, 2012 WITH A TOTAL CONTRACT VALUE NOT TO EXCEED \$26,819

The resolution was read by title. Mr. Howard Kyle recused himself from the vote. Mr. Palmieri provided a description of the proposed action. The Chair opened the matter to member discussion. Mr. Richard Dressel questioned the cost. Mr. Guardian stated it was based on actual cost of supplies plus labor. Mr. Bob Griffin inquired who has been cleaning the park in the past. Mr. Guardian stated that the County had done cleaning in the past, but that the Division had the resources to assist the County. The Chair then opened the proposed action to public comment. Upon hearing no public comment, the Chair requested a motion to adopt the Resolution. A motion was made by Ms. Linda Kassekert and seconded by Mr. Robert Mulcahy. Resolution 12-45 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF ATLANTIC CITY FOR THE PROVISION OF PROPERTY MAINTENANCE SERVICES ON CERTAIN CITY-OWNED LAND WITHIN THE TOURISM DISTRICT THROUGH APRIL 30, 2013 WITH A TOTAL CONTRACT VALUE NOT TO EXCEED \$12,000

The resolution was read by title. Mr. Palmieri provided a description of the proposed action: Upon hearing no member discussion, the Chair opened the proposed action to public comment. Mr. William Cheatham of Atlantic City questioned why the Shade Tree Committee has not been included on any meetings regarding the city parks, and stated that the Committee should be involved in such matters. Mr. Guardian indicated that the parks in question do not have trees, and that the Division was working with the city to bring back the Texas Avenue Park as part of the planned Arbor Day program.

Upon hearing no further public comment, the Chair requested a motion to adopt the Resolution. A motion was made by Mr. Frank Spencer and seconded by Mr. Robert

Mulcahy. Resolution 12-46 was approved by unanimous vote of the members.

ADMINISTRATION AND PERSONNEL

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY CONCERNING THE PROVISION OF AS-NEEDED WEBSITE DESIGN, HOSTING AND MAINTENANCE SERVICES

The resolution was read by title. Mr. Palmieri described the action and stated the contract extension with Interactive Design and Solutions would be for 6 months until the Authority completes its integration with ACCVA web services. The Chair opened the proposed action to member discussion. Mr. Robert Shaughnessy inquired whether 6 months would be enough time to handle the transfer to which Ms. Susan Thompson, Deputy Executive Director, replied in the affirmative. Mr. Bob Griffin inquired whether we were purchasing a server. Ms. Thompson responded that a new server was not going to be necessary.

The Chair then opened the matter to the public for comment. Upon hearing no public comment, the Chair requested a motion to adopt the Resolution. A motion was made by Mr. Richard Dressel and seconded by Mr. Frank Spencer. Resolution 12-47 was approved by unanimous vote of the members.

RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY REJECTING ALL PROPOSALS FOR COMMERCIAL INSURANCE SERVICES

The resolution was read by title. Mr. Palmieri stated that the Authority was rebidding the contract in an effort to increase participation from potential service providers. The Chair then opened the proposed action to member discussion, and upon hearing none, sought public comment. Upon hearing no public comment, the Chair requested a motion to adopt the Resolution. A motion was made by Mr. Richard Dressel and seconded by Mr. Robert Mulcahy. Resolution 12-48 was approved by unanimous vote of the members.

Prior to public comment, Mr. Palmieri introduced the members to the Governor's Authorities Unit staff, Director Regina Egea and Mr. Brett Tanzman, who will be replacing Mr. David Reiner as the Authority's liaison to the Governor's Office. Mr. Palmieri thanked Mr. Reiner for his service to the Authority.

PUBLIC COMMENT

The Chair opened the meeting to general public comment.

Mr. George Thomas, Atlantic City resident, encouraged the members to allow bidding of projects by Atlantic City-based contractors.

Mr. William Cheatham, Atlantic City resident, congratulated the Authority for the opening of the corridor parking garage, stated that city residents needed to be more involved in the city and its challenges, and admonished the casinos to take better care of their properties.

Freeholder Frank Formica of Atlantic City, inquired why it will take two years for the ACCVA to merge with the CRDA. Mr. Palmieri responded that the merger will not take any more than two years. While acknowledging that the Authority has implemented its land use responsibilities effectively, Mr. Formica stated that it was imperative the CRDA also take control of code enforcement in the city.

Mr. Tom Forkin, Atlantic City resident, expressed concern regarding the current parking arrangement for the Grande Fromage, a business located across from the Authority's new office space on Pennsylvania Avenue. Mr. Forkin stated that the owners were informed by CRDA senior staff that they would not be able to use the lot for their patrons, and asked that the matter be revisited, so that the restaurant's patrons can maintain their existing parking arrangement.

Mr. Marty King, Atlantic City resident, spoke of the need to support programs that engage the city's youth in productive activities and away from crime. The Chair suggested that Mr. King meet with Ms. Ali Reynolds, the Authority's Director of Community Development Partnerships.

Upon hearing no further public comment, the Chair closed the public comment portion of the meeting, and stated for the record that he would be recusing from the next proposed matter, whereupon Mr. Kehoe left the dais and the meeting room. Mr. Griffin also stated his recusal for the record and left the dais and the meeting room.

NORTH JERSEY/SOUTH JERSEY PROJECT REVIEW COMMITTEE

Mr. Robert Mulcahy, Vice-Chair, asked Mr. Palmieri to review the proposed action. Mr. Palmieri described the current status of the project, and introduced Mr. Jim Blanda, Executive Director of the Camden County Improvement Authority, Mr. Sean Scarborough of Renaissance Partners, LLC, and Mr. David Patterson, General Counsel to the Improvement Authority. Mr. Blanda and Mr. Scarborough reviewed the current status of the proposed development project, known as the "Pennsauken Project," indicating that the project includes 612 residential units in 37 3-story buildings on



approximately 30 acres that will be built in 3 phases, with the first phase including a clubhouse and pool facility. Mr. Blanda stated that the average rental would be approximately \$1400 per month.

In response to Mr. Chuck Richman's question about unit size, Mr. Scarborough replied that the units would be 900 to 1740 square feet, with a majority being one- and two-bedroom units.

Mr. Spencer inquired the number of units per building. Mr. Scarborough stated 17 per building.

In response to Mr. David Rebeck's inquiries as to the construction time table, and competitive forces, Mr. Scarborough stated that: (i) a 90-day due diligence period was permitted, with construction commencing shortly thereafter and completing within approximately 6 years, and (ii) the Bishop's Gate and Meadowbrook projects could be considered competing projects, with the Philadelphia, Trenton, Cherry Hill, and New Brunswick serving as the primary market for the proposed development.

In response to Mr. Howard Kyle's question about whether this project was supported by current market analysis, Mr. Scarborough replied that while prior project efforts may have focused on a for sale demand, which rapidly decreased as a result of the economy, the proposed project is seeking to appeal to the increasing demand for quality rental units. Mr. Mulcahy added that the Scarborough family has been active in developing South Jersey for many years and knows what they are doing.

In response to Mr. Richman's inquiry about project financing, Mr. Scarborough replied that they are working with a partner-lender to finance the development.

In response to Mr. Kyle's question concerning the implications if the CRDA does not approve an amendment to the project agreement and calls the bond, Mr. Blanda responded that the matter would have to be addressed by the County Freeholder Board.

Mr. Mulcahy discussed with Mr. Blanda the present shortfall between the amount the County invested in the project and the current reduced sale price for the property, with the CRDA's net investment of \$16.5 million applied to pay down a portion of the County's bond anticipation notes balance.

In response to Mr. Rebeck's question about other possible offers for the site, past or present, and whether the present offer was the best deal for the County and the Township, Mr. Blanda responded that the current offer is supported by the County, and Township council, and that no other parties have expressed interest in the property since the request for proposals. Mr. David Patterson, Esq., Counsel for the CCIA stated that at one time other parties expressed interest in the property, but once they were asked to provide market studies on how they would develop the site, they did not follow

through.

Hearing no further questions from the members, Mr. Mulcahy thanked Mr. Blanda and Mr. Scarborough for their presentation of the project, and stated that the members would adjourn to an executive session to discuss the contract negotiations pertaining to the project and the proposed amendment thereto. Whereupon the following Resolution was read:

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
APPROVING AN EXECUTIVE SESSION TO DISCUSS CONTRACT NEGOTIATIONS
PERTAINING TO THE INTERGOVERNMENTAL AGREEMENT WITH THE CAMDEN
COUNTY IMPROVEMENT AUTHORITY IN FURTHERANCE OF THE PENNSAUKEN
PROJECT**

Mr. Mulcahy opened the resolution to member discussion and public comment. Upon hearing none, the Mr. Mulcahy requested a motion to adopt the Resolution. A motion was made by Mr. Richard Dressel and seconded by Mr. Frank Spencer. Upon unanimous vote, the members adjourned to the closed session portion of the meeting.

Upon returning to the open, public session portion of the meeting, the following Resolution was read:

**RESOLUTION OF THE CASINO REINVESTMENT DEVELOPMENT AUTHORITY
APPROVING A THIRD AMENDMENT TO THE PENNSAUKEN PROJECT AND
AUTHORIZING THE NEGOTIATION AND EXECUTION OF AN AMENDED AND
RESTATED INTERGOVERNMENTAL AGREEMENT WITH THE CAMDEN COUNTY
IMPROVEMENT AUTHORITY**

Upon opening the matter to member discussion, Mr. Mulcahy stated that the proposed amendment to the intergovernmental agreement with the CCIA is fair, and accomplishes several goals, including: (i) preventing an increase in taxes to fund the bond that the Authority could legally present to the CCIA as a result of the Improvement Authority's inability to complete the milestones under the existing agreement, (ii) creating much needed temporary construction and permanent jobs, approximately 250 based on the developer's representations, (iii) placing the property back on the tax rolls for the Township, and (iv) returning funds to the CRDA in accordance with the Governor's and Senate President's stated goal of directing all available funds of the CRDA to its mission in Atlantic City.

Hearing no member discussion, Mr. Mulcahy opened the matter to the public. Mr. William Cheatham expressed his approval of the project and reminded the developer

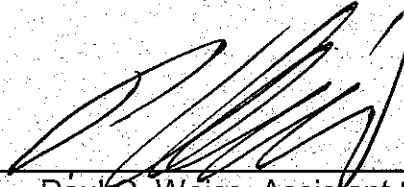
that Atlantic City was instrumental in making the project possible. Hearing no further public comment, Mr. Mulcahy requested a motion. A motion to adopt the proposed action was made by Mr. Dressel and seconded by Mr. Spencer. Resolution 12-50 was approved by unanimous vote of the eligible members.

With no further business, Mr. Mulcahy requested a motion for adjournment. A motion to adjourn the meeting was made by Mr. Frank Spencer, seconded by Mr. Ed Gant. The meeting was adjourned by unanimous vote of the members.

CERTIFICATION

I, PAUL G. WEISS, Assistant 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:

March 20, 2012



Paul G. Weiss, Assistant Secretary