

CHAPTER 65
CASINO REINVESTMENT DEVELOPMENT
AUTHORITY

Authority

N.J.S.A. 5:12-144.1j and 5:12-161(f).

Source and Effective Date

R.1997 d.452, effective September 26, 1997.
See: 29 N.J.R. 3708(a), 29 N.J.R. 4562(b).

Executive Order No. 66(1978) Expiration Date

Chapter 65, Casino Reinvestment Development Authority, expires on September 26, 2002.

Chapter Historical Note

Chapter 65, Casino Reinvestment Development Authority, was filed and became effective as an Emergency New Rule on April 3, 1986 (expired June 2, 1986). See: 18 N.J.R. 852(a).

Chapter 65, Casino Reinvestment Development Authority, was adopted as R.1986 d.256, effective July 7, 1986. See: 18 N.J.R. 852(a), 18 N.J.R. 1405(a). Pursuant to Executive Order No. 66(1978), Chapter 65 expired on July 7, 1991.

Chapter 65, Casino Reinvestment Development Authority, was adopted as R.1992 d.383, effective October 5, 1992. See: 24 N.J.R. 1692(b), 24 N.J.R. 3535(a).

Pursuant to Executive Order No. 66(1978), Chapter 65, Casino Reinvestment Development Authority, was readopted as R.1997 d. 452, effective September 26, 1997. See: Source and Effective Date. As part of R.1997 d.452, effective October 20, 1997, Subchapter 4, Female and Minority Targets in Authority Financed Construction Projects and Licensee's Direct Investment Construction Projects, was renamed Female and Minority Percentage Goals in Authority Financed Construction Projects and Licensee's Direct Investment Construction Projects; and Subchapter 9, Miscellaneous, was adopted as new rules. See, also, section annotations.

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SUBCHAPTER 1. GENERAL PROVISIONS

19:65-1.1 Purpose and objectives

(a) The rules contained in this chapter are established to effectuate, and shall be applied so as to accomplish the general purposes of the Act, including, without limitation:

1. To assist in the development or redevelopment of political subdivisions within the State in the manner and priority set forth in the Act; and

2. To increase opportunities for gainful employment and to improve living conditions in such political subdivisions; and

3. To foster and promote the economy of the State generally.

19:65-1.2 Definitions

As used in this chapter, the following words and terms shall have the following meanings unless a different meaning clearly appears from the context.

“Acquisition value” means the value at a time within a reasonable period of time prior to the approval of the project in accordance with N.J.A.C. 19:65-2.4(b) as determined by an appraisal of such property in form and substance acceptable to the Authority undertaken on a fair market value basis by an appraiser appointed by the Authority.

“Act” means P.L. 1984, c.218, as amended and supplemented, and as the same may be further amended or supplemented from time to time.

“Applicant” means any person, entity, licensee, prospective licensee, government, governmental agency, authority, or instrumentality, municipality or political subdivision of the State permitted under the provisions of the Act or these rules to apply for review and approval and/or a determination of eligibility of or with respect to a project by the Authority under the Act and these rules.

“Application” means a fully completed and signed application submitted pursuant to the provisions of N.J.A.C. 19:65-2.3 in such form or forms as may be prescribed from time to time by the Authority.

“Approved project” means a project which satisfies the provisions of the Act and these rules and is approved by the Authority.

“Appurtenant facilities” shall mean facilities which are necessary or convenient to facilities with units for overnight visitors, including, but not limited to, parking facilities and recreational and park facilities to the extent reasonably commensurate in size for use by the overnight visitors of such units. In no event shall appurtenant facilities include casino space or facilities related thereto.

“Authority” means the Casino Reinvestment Development Authority.

“Bonds” means bonds, notes or evidences of Authority debt issued to licensees pursuant to N.J.S.A. 5:12-162 (section 14 of P.L. 1984, c.218).

“Contract” means a written contract between the Authority and a Licensee to purchase Bonds pursuant to N.J.A.C. 19:65-3.

“Corridor Region” shall mean and include:

1. The area bounded as follows:

i. Having as its southern boundary the Boardwalk between Texas Avenue and the point of intersection between the Boardwalk and an imaginary line extending southerly from the Southeasternmost point of Mt. Vernon Avenue (hereinafter “Mt. Vernon/Boardwalk Intersection”);

ii. Having as its eastern boundary a line running north from the Mt. Vernon/Boardwalk Intersection to the Southeasternmost point of Mt. Vernon Avenue and continuing along Mt. Vernon Avenue north to Arctic Avenue and thence easterly to the point of intersection of Arctic Avenue with Bacharach Boulevard;

iii. Having as its northeastern border Bacharach Boulevard from Arctic Avenue and extended to Beach Thorofare;

iv. Having as its northwestern border the southern side of Beach Thorofare from the intersection of the southern side of Beach Thorofare with Bacharach Boulevard, so extended, to Texas Avenue;

v. Having as its western border Texas Avenue from Beach Thorofare to the Boardwalk; and

2. The following additional areas:

i. Albany Avenue (U.S. Route 40) from Beach Thorofare to the Boardwalk;

ii. The Atlantic City Expressway from the Pleasantville Toll Plaza to Arkansas and Missouri Avenues;

iii. Absecon Boulevard (U.S. Route 30) from Beach Thorofare to Delaware Avenue;

iv. Delaware Avenue to Pacific Avenue;

v. Arctic Avenue from Delaware Avenue westerly to Bacharach Boulevard;

vi. Boardwalk from Albany Avenue (U.S. Route 40) easterly to Caspian Avenue; and

vii. Brigantine Boulevard (State Route 87) to the Brigantine Bridge including the inlet shoreline between Clam Thorofare and Huron Avenue.

References to the Boardwalk and to the various streets named in this definition are to be interpreted so as to include the entirety of the Boardwalk and the streets, together with rights-of-way associated therewith and any real estate parcels in proximity thereto as may be necessary and reasonable to include in order to accomplish projects within the general area. The geographic boundaries of the Corridor Region as defined herein are set forth on a map on file with the Authority and the Office of Administrative Law, incorporated herein by reference.

"Cost" or "costs" means, with respect to an approved project, the reasonable costs, as determined by the sole discretion of the Authority, incurred in the development, construction, improvement or rehabilitation of such project, which costs shall include, but are not necessarily limited to, the following:

1. Costs of land (except in connection with those hotel development projects approved after September 16, 1996), costs of site preparation, development and demolition;
2. Costs of appurtenant facilities, provided, however, notwithstanding that appurtenant facilities are part of an eligible hotel development project, with respect to hotel development projects approved following September 16, 1996, eligible costs for such appurtenant facilities shall be limited to costs of those facilities which are necessary to a hotel development project and parking facilities to the extent reasonably commensurate in size for use by overnight visitors utilizing the units in the hotel development project and shall exclude costs for recreation and park facilities.
3. Costs of development, construction, improvement and rehabilitation of facilities, including equipment, and of the acquisition of equipment related thereto;
4. Cost of necessary studies, surveys, plans and permits, including the fees payable in connection with architectural, engineering, legal, accounting and other services incurred in connection therewith;
5. Costs of interest incurred during construction and for a reasonable period thereafter prior to the receipt of a certificate of occupancy of the project; and
6. Cost of working capital and operating deficits.

"Determination of eligibility" means a determination by the Authority that the applicant's project is an approved project.

"Equivalent investment" means an investment by a licensee in the form of an input of sufficient amounts from any source to provide for the payment of the costs and, if applicable, acquisition value of an approved project.

"Executive Director" means the Executive Director of the Authority.

"Hotel development project" shall mean the construction of a facility in the City of Atlantic City to provide at least 200 units for overnight visitors or the reconstruction or rehabilitation of at least 200 units for overnight visitors (together with ancillary reconstruction or rehabilitation) of an existing facility in the City of Atlantic City, which are operated as part of a licensed facility of the licensee or in a facility otherwise approved by the Authority, and the construction, reconstruction or rehabilitation of appurtenant facilities.

"Initial contract" means the first contract entered into between the Authority and any licensee.

"Licensee" means the holder of a current and valid casino license issued by the New Jersey Casino Control Commission.

"Neighborhood Strategy Areas" means areas within a municipality designated from time to time by the Authority by resolution.

"Parking proceeds" shall mean proceeds from fees collected pursuant to N.J.S.A. 5:12-173.3 (section 3 of P.L. 1993, c.159) which are paid by the State Treasurer, pursuant to N.J.S.A. 5:12-173.4 (section 4 of P.L. 1993, c.159), into a special fund established and held by the State Treasurer and made available for the exclusive use of the Authority and any other income credited exclusively to the special fund.

"Parking proceeds bonds" shall mean bonds, notes or other evidence of indebtedness issued pursuant to N.J.S.A. 5:12-173.6 (section 6 of P.L. 1993, c.159) and shall not include, or be included as, bonds issued to licensees pursuant to N.J.S.A. 5:12-162 (section 14 of P.L. 1984, c.218).

"Participant" means any person, entity, government, governmental agency, authority, or instrumentality, municipality, political subdivision of the State, licensee, or prospective licensee participating or involved in any aspect of a project.

"Project" means any undertaking made to meet the purposes set forth in the Act, which include the following:

1. To provide, further and promote tourist industries in New Jersey and especially Atlantic County, by providing financial assistance for the planning, acquisition, construction, improvement, maintenance and operation of facilities for the recreation and entertainment of the public which may include an arts center, cultural center, historic site or landmark, or sports center;
2. To provide loans and other financial assistance for the planning, acquisition, construction, reconstruction, demolition, rehabilitation, conversion, repair or alteration of buildings or facilities to provide decent, safe and sanitary dwelling units for persons of low, moderate, median range, and middle income in need of housing, and to provide mortgage financing for such units;
3. To assist in the financing of structures, franchises, equipment and facilities for operation of, expansion of and the development of public transportation or for terminal purposes, including but not limited to development and improvement of port terminal structures, facilities and equipment for public use;
4. To provide loans and other financial assistance for the construction, reconstruction, demolition, conversion, repair or alteration of convention halls in Atlantic County and the State of New Jersey, including but not limited to office facilities, commercial facilities, community service

facilities, parking facilities, hotel facilities and other facilities for the accommodation and entertainment of tourists and visitors;

5. To make loans and assist in the financing of the construction, reconstruction, rehabilitation, repair or acquisition of infrastructure projects, including but not limited to sewage disposal facilities, water facilities, solid waste disposal facilities, roads, highways and bridges;

6. To assist in financing buildings, structures and other property to increase opportunities in manufacturing, industrial, commercial, recreational, retail and service enterprises in the State so as to induce and to accelerate opportunity for employment in these enterprises, particularly of unemployed and underemployed residents of the jurisdiction in which the investment is to be made;

7. To provide loans and other financial assistance for the planning, developing or preservation of new and existing small businesses as well as the planning, acquisition, construction, reconstruction, rehabilitation, conversion or alteration of the facilities that house these enterprises, particularly those which provide services or employment to unemployed or underemployed residents of the State;

8. To provide loans and other financial assistance to provide employment training and retraining, particularly for unemployed and underemployed residents of the State; and

9. To encourage investment in, or financing of, any plan, project, facility, or program which directly serves pressing social and economic needs of the residents of the jurisdiction or region in which the investment is to be made, including but not limited to schools, supermarkets, commercial establishments, day care centers, parks and community service centers, and any other plan, project, facility or program which best serves the interest of the public as determined by the Authority.

“Prospective licensee” means a person who has applied for a license issued by the New Jersey Casino Control Commission to operate a casino.

“State” means the State of New Jersey.

“SBMWE Development Authority” means the New Jersey Development Authority for Small Business, Minorities and Women’s Enterprises.

Amended by R.1987 d.213, effective May 4, 1987.

See: 19 N.J.R. 404(b), 19 N.J.R. 775(a).

Substantially amended.

Emergency amendment, R.1993 d.478, effective August 30, 1993 (expires October 29, 1993).

See: 25 N.J.R. 4514(a).

Adopted Concurrent Proposal, R.1993 d.605, effective October 29, 1993.

See: 25 N.J.R. 4514(a), 25 N.J.R. 5523(a).

Amended by R.1997 d.136, effective March 17, 1997.

See: 29 N.J.R. 115(a), 29 N.J.R. 934(a).

Added “Corridor Region”; and amended “Cost” and “Project”.

Amended by R.1997 d.452, effective October 20, 1997.

See: 29 N.J.R. 3708(a), 29 N.J.R. 4562(b).

Amended “Act”; Applicant”, “Bonds”, “Corridor Region”, “Executive Director” and “Participant”; added “Parking proceeds” and “Parking proceeds bonds”; and deleted “Good cause”.

Amended by R.2000 d.203, effective May 15, 2000.

See: 32 N.J.R. 646(a), 32 N.J.R. 1785(a).

Rewrote “Corridor Region”.

SUBCHAPTER 2. APPLICATION, ELIGIBILITY, PRIORITY AND HEARING

19:65-2.1 Applications generally

(a) The Authority will act upon applications which involve projects that meet the requirements of the Act, these rules and the specific goals of the Authority as determined from time to time by the Authority.

(b) From time to time the Authority may issue guidelines outlining, among other things, the nature of the projects it intends to fund or approve and the approximate amounts available to fund such projects.

Amended by R.1987 d.213, effective May 4, 1987.

See: 19 N.J.R. 404(b), 19 N.J.R. 775(a).

Repealed (c).

Amended by R.1997 d.136, effective March 17 1997.

See: 29 N.J.R. 115(a), 29 N.J.R. 934(a).

In (b), substituted “approximate” for “approximately”.

19:65-2.2 Time for application

(a) Except as otherwise provided in these rules or in the Act, an applicant shall apply to the Authority in accordance with the procedures set forth in these rules for a determination of eligibility of its proposed project at any time before the commencement of the project and shall not commence the project until the Authority makes a determination of eligibility.

(b) For purposes of this section, commencement of a project shall not be deemed to have occurred by mere acquisition of land or real property or by engagement of an architect, engineer or other consultant to draw plans or to determine feasibility, legality, costs or other such factors, or by negotiations with prospective sellers, contractors and investors, or by execution of agreements or contracts which are expressly conditioned upon a determination of eligibility by the Authority.

(c) Failure of an applicant to apply timely for a determination of eligibility as provided in this section shall render the project ineligible unless the applicant establishes to the satisfaction of the Authority that good cause existed for such failure in which case the Authority may waive the time provisions provided for herein.

Amended by R.1997 d.452, effective October 20, 1997.

See: 29 N.J.R. 3708(a), 29 N.J.R. 4562(b).

In (a), inserted reference to application procedures and requirement that no project commence prior to Authority's determination of eligibility; deleted existing (b) and (c); and recodified former (d) and (e) as (b) and (c).

19:65-2.3 Application

(a) An applicant shall file with the Authority an application, together with:

1. Such other information as the Executive Director and/or the Authority may require including, without limitation, the appraisal required by N.J.A.C. 19:65-2.9(b) if a donation of property is involved; and

2. The application fee(s) provided in N.J.A.C. 19:65-6.1.

Amended by R.1997 d.136, effective March 17, 1997.

See: 29 N.J.R. 115(a), 29 N.J.R. 934(a).

In (a)1, amended N.J.A.C. reference.