



2009 Annual Report

Mission Statement

The Casino Reinvestment Development Authority shall provide capital investment funds for economic development and community projects that respond to the changing economic and social needs of Atlantic City and the State of New Jersey. It shall encourage business development and permanent job creation, promote opportunities for business expansion, and commit to facilitating a vibrant economic investment and employment environment for New Jersey.

About the CRDA

The only agency of its kind nationwide – the CRDA has used casino investment obligations as a catalyst for meaningful, positive improvement in the lives of New Jersey residents statewide. In doing so, the CRDA has dramatically changed Atlantic City’s residential, commercial, cultural, and social landscape, while financially supporting quality-of-life improvements throughout New Jersey.

In 1976, New Jersey voters approved a constitutional amendment allowing the Legislature to authorize casino gambling, located in Atlantic City. The legislative intent was to use gambling as a unique tool for urban redevelopment of Atlantic City, and to generate revenue to establish new or expanded programs to benefit senior citizens and disabled residents.

By the beginning of 1984, no casino licensee had yet made any of its required reinvestments, as there was no unbiased decision making entity in place. In 1984, the State Legislature established the Casino Reinvestment Development Authority, which developed guidelines describing more precisely a casino licensee's investment obligations consistent with the intent of the original statute. The CRDA Board is composed of 17 members.



James G. Kehoe, Chairman



Thomas D. Carver, Esq., Executive Director

Investment Partners

In addition to other gaming-related taxes, State law gives each casino a choice: pay 2.5% of its gaming revenue to the State, or reinvest 1.25% of its gaming revenues through the CRDA in community and economic development projects. Without exception, the casinos have chosen reinvestment.

Under the terms of the reinvestment agreement, each casino is required to pay to the CRDA 1.25% of its annual gaming revenues for 50 years, and the CRDA invests this money in eligible projects in Atlantic City, South Jersey or North Jersey, according to the formula set by law. The casinos are entitled to a return on their investments through the CRDA.

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ATLANTIC CITY

SHOWBOAT
THE MARDI GRAS CASINO

CAESARS
ATLANTIC CITY

Borgata
HOTEL CASINO & SPA

PREMIER
TAJ MAHAL
CASINO + RESORT

Harrah's[®]

ATLANTIC CITY
TROPICANA
CASINO AND RESORT

RESORT
ATLANTIC CITY

HILTON
CASINO

TRUMP
MARINA
HOTEL + CASINO

RESORTS
ATLANTIC CITY

TRUMP PLAZA

Board Members

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Corridor Garage

The Casino Reinvestment Development Authority is preparing for the construction of the Christopher Columbus Corridor Parking Garage. The garage will be located at the foot of the Atlantic City Expressway on the corner of Fairmount Avenue and Mississippi Avenue near the Atlantic City Outlets at the "The Walk."

The garage is located within easy walking distance of "The Walk" - a dynamic urban retail and entertainment project, featuring nationally recognized factory outlet retailers, entertainment and restaurants. Phase III of "The Walk" will be built next to the garage and is scheduled to start construction in 2010. Phase IV, known as Atlantic City Live! will ultimately be built in the adjacent block which fronts Atlantic Avenue. It will add a vibrant mix of restaurants, live entertainment, bars and nightclubs to the existing shopping opportunities.

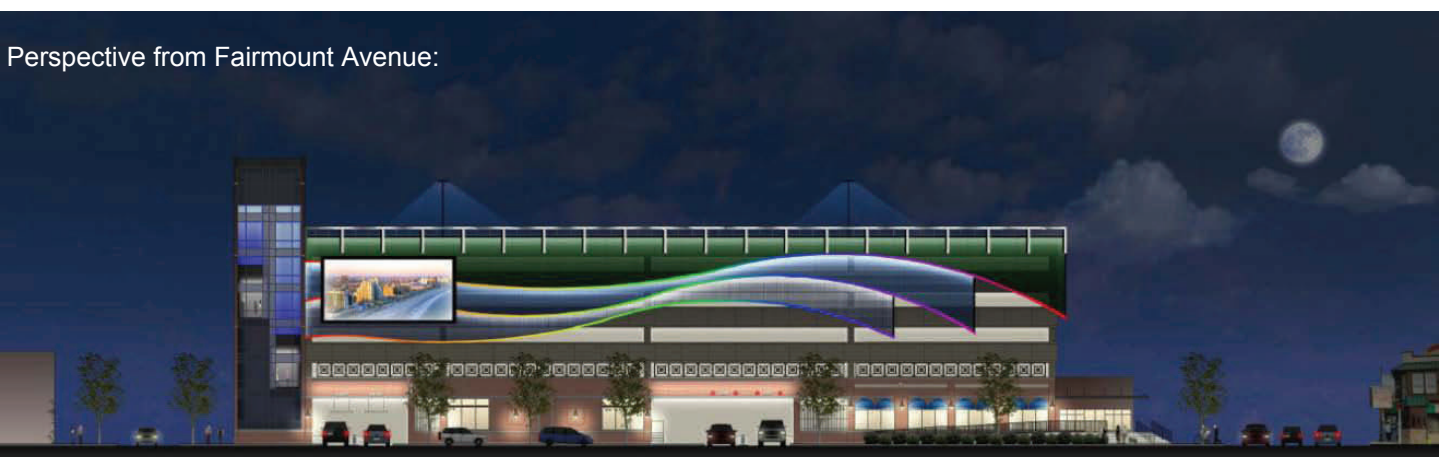
"The Walk" creates a major retail/entertainment district that strongly links Atlantic City Convention Center, Boardwalk Hall with the Boardwalk-casino-hotel district.

The CRDA Board awarded the \$29.5 million general construction contract to L. Feriozzi Concrete Company of Ventnor, NJ. CRDA benefitted from the competitive construction environment, reducing the overall cost of the Corridor Parking Garage while adding new features such as the energy-producing solar array roof and restrooms for patrons of the surrounding retail shopping area.

By creating nearly 1200 parking spots in this key corridor location, CRDA is a catalyst in integrating and supporting Atlantic City's convention, casino, transportation, retail and restaurant activities. It enhances the critical mass of retail with 16,000 square feet on Mississippi Avenue.



Perspective from Atlantic City Expressway



Perspective from Fairmount Avenue:

This parking structure is designed to be the first and last impression that visitors experience as they travel to and from Atlantic City through this corridor. It is intended to be a positive experience for those using the facility on a regular or occasional basis. The Authority has considered the individual and collective parking needs of the Corridor, the community and the various users to create a functional, aesthetically pleasing and safe parking experience.

The Walk

The Casino Reinvestment Development Authority continues its partnership with the Cordish Company with plans for the next two phases of "The Walk."

The CRDA and The Cordish Company have undertaken the successful development of The Walk shopping district in the entry corridor at the foot of the Atlantic City Expressway since April 2000. Phase III will be comprised of 45,078 square feet of factory outlet retail on Block 336 (Christopher Columbus Boulevard and Fairmount, Mississippi and Arctic Avenues). It will front Christopher Columbus Boulevard and will be adjacent to the CRDA's new parking garage. CRDA will provide financing for development costs for the construction of Phase III.

Cordish also intends to move forward with the development of plans for Phase IV of The Walk, on Block 281 (Christopher Columbus Boulevard and Fairmount, Mississippi and Atlantic Avenues). Cordish proposes the development of Atlantic City Live! for Phase IV of "The Walk". Live! is a patented, copyrighted brand. The Cordish Company has taken to each of their developments transforming cities across the country.

The Cordish LIVE! brand has transformed cities like Baltimore, MD, Power Plant Live!; Louisville, KY, Fourth Street Live!; and Kansas City, MO, KC Live! Block; by creating a unique and unmatched destination featuring dining and entertainment, second to none. LIVE! Districts are a mix of restaurants, live entertainment, bars and nightclubs in a first-class setting. The unique-

ness of the LIVE! District will make it a destination for local residents, conventioners and visitors.



South Jersey Economic Development Forum

The Urban Land Institute and the Casino Reinvestment Development Authority teamed up to host the South Jersey Economic Development Forum in May 2009. Over 200 people attended to listen to presentations and to participate in discussion around the roll-out of three key CRDA initiatives:

- Atlantic City Regional Transportation and Land Use Plan
- Workforce Housing Investment/Development Program
- Aviation Research and Technology Park

Atlantic City Regional Transportation and Land Use Plan (ACRTP)

The ACRTP is the culmination of over two years of work analyzing the Atlantic City region's transportation infrastructure and how existing and planned development will impact the transportation system. The purpose of this effort is to develop a strategic transportation plan that will facilitate the continued growth and economic prosperity of the Atlantic City region over the next decade. The ACRTP Project was undertaken with the philosophy that if we do not plan transportation and land use together, then we will fail at both. Based upon this rigorous analysis, a program of transportation improvements is suggested that is linked to the progress of anticipated economic development.

The Casino Reinvestment Development Authority (CRDA) formed a partnership with the New Jersey Department of Transportation to undertake the development of a comprehensive transportation master plan that builds on existing data, plans and scheduled projects, and new analysis and evaluation to arrive at a series of improvements (including land use changes where necessary) that will facilitate economic growth in Atlantic City and the broader South Jersey region. The planning process examined transportation needs in the immediate, mid-term, and long-range time frames and developed an implementation plan for a set of transportation improvements to meet these needs.

This phased approach to transportation planning in the ACRTP is critical in that it:

- Ties transportation and land use together;
- Ensures that improvements will only be implemented if they are needed and will be in place before demand causes the transportation system to fail; and,
- Facilitates a flexible "pay as you grow" financing approach that invites creative approaches to funding capital-intensive transportation projects.

Beyond physical improvements to the region's transportation system, one of the most significant recom-

mendations of the ACRTP is the formation an inter-agency team comprised of commissioners and designated technical staff from implementing agencies (i.e., DOT, SJTA, NJT) as well as non-transportation agencies with a stake in implementation (i.e., Pinelands, DEP), the Interagency Team will develop an execution strategy and lead the coordination of ACRTP projects with the capital plans of the implementing agencies.

Atlantic City International Airport (ACY)

CRDA views Atlantic City International Airport (ACY) as an integral component to Atlantic City's expansion and ultimate evolution to a true destination resort. In light of ACY's expansion plans and capabilities and capacity constraints at other airports in the region—namely Philadelphia International and Newark Liberty International—the airport is well positioned to become a greater player in aviation service. CRDA's transportation blueprint acknowledges ACY's importance to the region and the State as a whole by recommending significant improvements that create more direct access to the airport by car and by rail. Along with the expansion of the casino industry in Atlantic City, ACY's expansion is the major driver of improvements to the regional transportation system proposed in the ACRTP.

CRDA has helped fund a number of improvements to ACY including:

Expansion of the airport apron

Short term loan of \$5.2 million for an expansion of the airport apron – the paved area adjacent to the air side of the main terminal building – as necessary to alleviate the congestion around the existing terminal apron and improve overall operational efficiency. The first phases of the project will cost \$13.7 to complete. SJTA has identified \$8.5 million through a combination of funds. The CRDA funds will fill the existing gap and allow the project to be completed in the short term – consistent with calls to accelerate "shovel-ready" infrastructure improvements. CRDA will be repaid from Passenger Facility Charges (PFCs) collected by the SJTA.



Federal Inspection Service (FIS) Facility Project

The Casino Reinvestment Development Authority contributed \$4 million Federal Inspection Service Facility Project at the Atlantic City International Airport in Pomona. The South Jersey Transportation Authority project will cost \$27.6 million. The majority of the funds are coming from the SJTA and the FAA.

The Federal Inspection Service (FIS) Facility Project will relieve passenger congestion on the terminal, enhance customer service and support additional gate capacity – helping the South Jersey Transportation Authority continue its successful efforts in attracting more airline carriers and service to the airport.

Federal Inspection Service (FIS) Facility Project also seeks to address inefficiencies in current gate configurations at ACY that limit the level of passenger service for both charter and scheduled commercial flights and hamper the airport's growth. To achieve this, the project will provide two new international gates at the northeast end of the existing terminal building and the expanded departures level will provide enough capacity to accommodate large aircraft making international trips.

Workforce Housing Investment/ Development Program

CRDA has led an effort to create housing that is affordable to the casino industry workforce as well as workers earning comparable wages through the es-

establishment of a Workforce Housing Investment/Development Program. This initiative is linked directly to the AC RTP, a constituent component of which is “Linking Workforce Housing to Transportation”.

The \$20 million for the Workforce Housing Development/Investment Project in CRDA’s South Jersey investment area, which includes the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean, and Salem. Housing investment opportunities to be considered will include long-term permanent financing for rental and mixed-use housing projects and a shorter term revolving construction loan fund.

A key proposed selection criterion in determining what projects will be funded under the Program will be a project’s proximity to existing or planned transit nodes (rail stations, bus terminals, etc.). This approach responds to the “affordability gap” uncovered by the analysis which indicates that commuting costs raise the barriers that lower wage workers face in accessing affordable housing; since many of the workers in this category do not have automobiles, they need housing that is proximate to low cost transit as well as job centers. As such, CRDA’s focus on investing in housing that is close to transit (Transit Oriented Development) not only responds to Smart Growth land use principles but also to the public policy and social issues that surround affordable housing in New Jersey.

Aviation Technology and Research Park (ARTP)

The Aviation Park is located adjacent to the Federal Aviation Administration (FAA) William J. Hughes Technical Center and the Atlantic City International Airport (ACY). The Aviation Research and Technology Park will be a high-technology aviation facility that provides the opportunity for FAA's partners to perform research, development, testing, integration and verification of new technologies. Private firms will be able to enter into agreements with the FAA to engage in research

projects, with access to state-of-the-art federal laboratories and the FAA's Technology Transfer Office. The Park will also allow the private sector's use of laboratory facilities for research projects outside the direct responsibilities of the FAA.

The site, at full build-out, will accommodate 400,000 square feet of lab and research space. More than 2,000 new, high-skilled jobs are expected to be created at build-out, adding to the existing labor force of 4,000 at or in support of the Technical Center.

The Aviation Research and Technology Park, Inc., a non-profit corporation, in conjunction with the South Jersey Economic Development District, is developing the Park. The Aviation Research and Technology Park, Inc. is a nonprofit corporation governed by the Board of Trustees that includes:

- Dennis Levinson, Atlantic County Executive
- Thomas D. Carver, Esq., Executive Director, Casino Reinvestment Development Authority
- Anne Harlan, Ph.D., Director (Retired), FAA William J. Hughes Technical Center
- Caren Franzini, Executive Director, New Jersey Economic Development Authority
- Herman J. Saatkamp, Jr., Ph.D., President, Richard Stockton College of New Jersey
- Edward H. Salmon, Ed.D., Chairman, Salmon Ventures Ltd.
- Gordon K. Dahl, Executive Director, South Jersey Economic Development District
- Bart Mueller, Executive Director, South Jersey Transportation Authority

The South Jersey Economic Development District (SJEDD), has cleared the land for the infrastructure needed on the 55-acre Park site and expects to complete the below ground infrastructure by the fourth quarter of 2010.

In the first quarter of 2010, the ARTP Board is expected to announce the new executive director, after the competitive selection process. ARTP will also release a Request for Qualifications to gauge interest in the marketplace in the project and the project's ability to attract private capital at this stage. The RFQ will also invite discussions regarding public-private partnerships.



Atlantic Cape Community College Hospitality Studies Center for Workforce Training

The Casino Reinvestment Development Authority approved \$5 million in funding for the Atlantic Cape Community College Hospitality Studies Center for Workforce Training Project. The County of Atlantic has agreed to provide the \$5 million balance for the \$10 million Project funding.

The project is the result of a study commissioned by the CRDA, the Atlantic City Region Economic & Workforce Profile Project that was completed for CRDA by Rutgers University's Heldrich Center for Workforce Development in June 2008. It identified the need for vocational training of the hospitality workforce. The ACCC Project was developed in response to CRDA's desire to use the findings as a basis to support job and economic growth associated with the hospitality industry.

Atlantic Cape Community College has had a long-term commitment to Atlantic City over the last 30 years.

The Hospitality Studies Center will train residents for entry-and mid-level culinary and hospitality jobs, directly supporting the hospitality industry, in particular the casino hotels.

The \$10 million project consists of the construction of a 22,547 square foot addition to the current building on the Charles D. Worthington Campus on Bacharach Blvd. in Atlantic City.

Construction is expected to take twelve months. There will be 141 construction jobs and 20-30 permanent full time employees. The Hospitality Studies Center plans to train 1,200 individuals annually.

The proposed first floor will include two teaching kitchens along with support faculties, including walk in freezers and refrigerators, dry storage, locker rooms for students and a retail store to merchandize student production items, a multipurpose classroom, three faculty/staff offices, restrooms, lobby space and storage.

The second floor includes a hotel room with storage and four faculty/staff offices. The plan includes a "green roof" which will house a rooftop culinary garden with the added benefits of reducing energy costs, reducing urban heat island effect and managing storm water runoff.



Food Access Initiative Project

Food Access Initiative Project is a funding partnership between CRDA, The Reinvestment Fund (TRF) and the NJ Economic Development Authority (NJEDA). The goal of the Project is to increase the number of supermarkets and grocery stores in underserved areas across the state, with an emphasis on serving priority cities, which include Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson and Trenton. CRDA has allocated a total of \$7 million to the project, with \$5 million set aside for North Jersey and \$2 million set aside for South Jersey.

Supermarket for Atlantic City

The City of Atlantic City, the Casino Reinvestment Development Authority, and Ashkenazy Acquisition Corp (AAC) have come to terms that will bring an A&P Food Basics Store into Atlantic City at the Renaissance Plaza.

Ashkenazy Acquisition Corp, will lease the 29,000 square foot space to A&P Food Basics, which provides national and store brand products, a full line of pre-packaged meats and deli items, as well as great values on fresh foods such as meats, produce, dairy and baked goods.

Atlantic City Mayor Lorenzo T. Langford has led the effort to bring a supermarket back to Atlantic City. In addition, he has agreed to ask for City Council approval to grant a 5-year tax abatement, which will help reduce the costs of getting the A&P store started.

CRDA committed to providing a grocery store to Atlantic City in 1993 with the commitment of land acquisition and developer selection resulting in the construction of Renaissance Plaza. CRDA's initial \$8.5 million investment was complemented by its recent action to modify the mortgage by deferring payments on the \$1.3 million loan as long as it is operated as a supermarket and AAC is the owner of the Renaissance Plaza. AAC represented that relief from the nearly \$103,000 annual debt payment will close the gap between the lease income and operating expenses.