



REAL ESTATE DEPARTMENT

ALERT

TOURISM DISTRICT LEGISLATION TO TRANSFORM ATLANTIC CITY

By Jack Plackter

In legislation that represents a sea change in the governance and control of Atlantic City and its casino and tourism industry, the New Jersey Legislature adopted Bill S 11, P.L. 2011 c.18 effective Feb. 1, 2011, which provides for the establishment of the Atlantic City Tourism District and the transfer of the Atlantic City Convention Visitors Authority's power and duties—together with its functions—to the Casino Reinvestment Development Authority (CRDA).

Under the Act, the CRDA assumes control over redevelopment of the city and is empowered to exercise the city's development, code enforcement, redevelopment and other police powers.

1. Expanded Powers of CRDA: The CRDA can now establish and exercise authority over the Atlantic City Tourism District. In addition, the CRDA has the right to exercise eminent domain in Atlantic City and establish and exercise authority over the Atlantic City Tourism District. The powers include:

- Land use control
- Roads and highways
- Traffic direction
- Development of Tourism District Master Plan which shall emphasize:
 - Facilitation of investment of private capital in the Tourism District in a manner that promotes economic development;
 - Use of marina facilities in a way that increases economic activity;
 - Development of the boardwalk area;

- Development of the Marina District; and
- Development of nongaming, family-centered, tourism related activities such as amusement parks.
- District development and design guidelines
- Approval of site plan and development proposals
- Variances
- Redevelopment
- Restrictions on city code enforcement – planning and zoning
- Penalties for violations of development and design guidelines and of code and zoning

2. Establishment of Advisory Commission: After the creation of the Tourism District, the CRDA shall create the Atlantic City Tourism District Advisory Commission consisting of members appointed by the CRDA, including public officials of Atlantic City and Atlantic County, representatives of the casino and tourism industries, public citizens and any other individual or organization the CRDA deems appropriate.

3. Boundaries of Tourism District: The CRDA has the authority to establish the boundaries of the Tourism District, which shall consist of those lands within Atlantic City designated by the resolution of the CRDA. The legislation contains a default provision that provides that—in the event the CRDA has not adopted the boundaries of the Tourism District by resolution—the following areas of Atlantic City will be in the Tourism District:

- Bader Field

- Marina District
- Generally, the area bounded by Kingston Avenue to Maine Avenue covering the beach and boardwalk and returning to Maine and Kingston Avenues along Atlantic Avenue, Arctic Avenue or Fairmount Avenue, depending upon the location.

4. CRDA Approval of City Resolutions That Grant Financial Assistance To Tourism District Projects: The CRDA must approve any resolution adopted by Atlantic City to establish a program of municipal financial assistance in the form of grants, loans, tax credits or abatements or other incentives, as well as entering into an agreement that provides such financial assistance to support a development or redevelopment project located within the Tourism District. If the CRDA approves, then— notwithstanding any law, rule or order to the contrary—the program may be implemented by the mayor without the adoption of any municipal ordinance. A program adopted pursuant to this legislation shall not be subject to repeal or suspension by voter initiative.

5. CRDA Revenues To Be Used in Atlantic City: The CRDA shall make available all of its assets and revenues for purposes of the Tourism District and community development in Atlantic City unless otherwise provided by a contract entered into prior to the Act’s effective date.

6. Creation of Public/Private Partnership: The CRDA shall enter into an agreement establishing a public/private partnership with a nonprofit corporation that includes a majority of the casino licensees of New Jersey.

7. City Police Precinct Within Tourism District: The city shall establish a precinct of its police department within the boundaries of the Tourism District.

8. Law Enforcement Task Force: The state police superintendent may—in furtherance of this legislation— establish a Joint Law Enforcement Task Force composed of a task force director appointed by the chairman of the CRDA and the superintendent.

9. Financial Assistance for the Horseracing

Industry: The Division of Gaming Enforcement shall determine the amount of cost savings achieved by the reduction of fees paid by casino licensees under the law, amending and reducing the cost of casino regulation. A portion of the cost savings determined by the New Jersey Racing Commission be paid annually by casino licensees to the CRDA to support the horseracing industry in the state for the augmentation of purses.

10. SJTA – Proceeds on Interest of ACIA Sale: The South Jersey Transportation Authority is required to pay the proceeds from any sale or lease of its interest in the Atlantic City International Airport to the governing bodies of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem counties in equal amounts after payment of debt service.

11. Internet Wagering Tax Revenues: If Internet wagering is approved and takes effect in New Jersey, the CRDA is required—for a period of not more than five fiscal years—to allocate the first \$30,000 of tax revenues to the New Jersey Racing Commission for the benefit of the horseracing industry in the state for the augmentation of purses.

12. Convention Center Authority: The CRDA shall assume all the powers, rights, assets and duties of the Convention Center Authority.

13. Special Improvement District: Upon establishment of the Tourism District, the CRDA shall assume the duties of the Atlantic City Special Improvement District.

While the state and CRDA will exercise significant control over the development and redevelopment of Atlantic City, it remains to be seen whether they can move Atlantic City forward and develop it into a true world class destination resort.

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