



Atlantic County Improvement Authority

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John C. Lamey, Jr.

Executive Director

MINUTES OF THE BOARD MEETING

Thursday, February 25th, 2021

THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY

1333 Atlantic Avenue, Suite 700

Atlantic City, NJ 08401

In accordance with the provisions of the Open Public Meetings Act (N.J.S.A. 10:4-10), the Special Board Meeting of the Atlantic County Improvement Authority Board of Commissioners was called to order by Chairperson, Roy M. Foster, at 4:02 p.m. In conformity and compliance with recommendations and advice of County, State, National and International Public Health agencies regarding public gatherings during the COVID-19 pandemic, including directives of the NJ Division of Local Government Services (DLGS), the Board of Commissioners provided live-streaming capabilities of its meeting on February 25th, 2021. The public was restricted from attending the meeting in person; however, the public was able to provide questions and comments via live streaming. Instructions to participate are stated below:

Zoom Meeting Time: February 25th, 2021, 04:00 PM Eastern Time (US and Canada)

Join Zoom Meeting at the following link: <https://zoom.us/j/96296681095>

Meeting ID: 9662 9668 1095

Or Dial by your location +1 929 205 6099 US (New York)

COMMISSIONERS PARTICIPATING IN THE MEETING

Roy M. Foster, Chairperson; Robert J. Tarby, Sr., Vice-Chairperson; Ann Davis, Treasurer; Edwin G. Blake, Secretary; Rev. Milton Hendricks, Asst. Secretary; Don Guardian, Commissioner; John Armstrong, Commissioner; Robert Gross, Commissioner; and Christopher Fallon, Commission.

STAFF PARTICIPATING IN THE MEETING

John C. Lamey, Jr., Executive Director; Dianilda Torres, Finance Manager; Bob McGuigan, CDBG Director; Lisa Duffner, Executive Assistant; Ellen Hiltner, Community Development Coordinator; and Jessica Parada, Administrative Assistant.

OTHERS IN ATTENDANCE

Bonnie Lindaw, Atlantic County Treasurer; and Randy Lafferty, Esquire, Cooper Levenson.

I. OPENING STATEMENT AND ROLL CALL

Mr. Lamey read the Notice of Public Meeting and the roll was called.

II. PRESENTATION – WATERPARK PROJECT

A. Waterpark Project Bond Resolution

Chairperson Foster stated that this meeting was to only discuss the Waterpark Project Bond. He said there would be presenters, and, after the presentations, the Board would open the floor to the public for discussion.

Chairperson Foster introduced the first presenter, Bart Blatstein, CEO, Tower Investments. Mr. Blatstein thanked the Board for their time. He also thanked the Governor's Office, especially Lt. Gov. Sheila Oliver, Mayor Marty Small, Atlantic City Council and former Mayor Don Guardian. Mr. Blatstein gave a brief history of Tower Investments and the company's accomplishments. He said the Waterpark Project would become the first year-round family resort in Atlantic City and would benefit not just Atlantic City, but Atlantic County as well. Mr. Blatstein stated it would be a best-in-class waterpark in the entire country, and it will also have the only dedicated adult area (10,000 sq. feet), where adults can go and get a drink to relax or get a massage. In addition to the waterpark, there will be a family entertainment center with arcade games). He said that this project will also increase tourism and encourage other developers to come to Atlantic City.

Jeffrey D. Winitsky, Esq., from the law offices of Parker McCay, introduced himself next. Mr. Winitsky is the attorney for Tower Investments.

Mr. Winitsky stated that Tower Investments would be working in collaboration with the Authority to bring the Water Park Project to fruition. While the project could be done through conventional financing, Mr. Winitsky stated that it makes more sense to do so on a tax-exempt basis, which is available through the Authority. CIDC is also involved because they lessen the burden of government, encourage development and economic growth, along with the added benefit of tax-exempt financing.

Mr. Winitsky said they are looking for the Authority to issue the tax-exempt bonds, with the proceeds of which to be loaned to CIDC. CIDC would then be the owner of the waterpark. They would engage Accelerated Construction, which is a subsidiary entity of Tower Investments. The waterpark itself would be operated through Tower Investments, who has already had conversations with an entity called American Resorts Management. They are the industry leader in operating these types of parks, and they do so throughout the country, per Mr. Winitsky.

Mr. Winitsky stated they are currently looking for approximately an \$82 million bond issuance. Those proceeds will then be used to pay for the construction costs of the project, which include hard and soft costs, and will also be used to fund up what is referred to as a

debt-service reserve fund (which is a rainy-day fund if revenue is short or delayed), and a capitalized interest fund (interest to be paid on the bonds during construction). He then went over the sources and uses.

Mr. Winitsky stated that Tower Investments has done two market and feasibility studies. They did one study when they were originally speaking with the CRDA with respect to their entertainment and retail district. That full and complete study was provided by a leading expert in the field known as Hotel & Leisure Advisors. The study was reviewed, vetted and found to be sound by the CRDA. It was also submitted to the Governor's Office and also found to be satisfactory. They also had another study done by William L. Harrelson & Associates, which was found to be sound as well. Mr. Winitsky stated they feel very confident that the revenue from this project will be able to cover their operating expenses, debt service and the like.

Mr. Winitsky said the waterpark will be open all-year-round for families. He said it will be absolutely unique and the first of its kind in Atlantic City.

Mr. Winitsky stressed that while the Authority is a bond issuer, they are in no way responsible or liable for the repayment of these bonds, nor are any of the taxpayers from Atlantic City, Atlantic County or the State of New Jersey. Instead, revenues generated from this project will be used to pay for debt service. That is why the market and feasibility studies are so important because they believe that it will be able to support itself from an operational perspective, but it will handle debt service as well without any issue. He reiterated there is no liability or exposure to the Authority, city, county or state. He said what it will do is it will serve as a showpiece and will provide a new ratable for the city and the county. Neither the project, nor the land will be exempt from taxation, so governmental entities will be receiving all of the tax revenue associated with that. In addition, Tower Investments believes it will be an economic driver for the region.

The following individuals also then made presentations: Bill Loewenstein, President, Community Initiatives Development Corporation ("CIDC"); James Lawlor, Esquire, Reed Smith; John Cavaliere, Esq., (Bond Counsel) McManimon, Scotland & Baumann, LLC; and Vivian Altman, Managing Director/Head of Public Finance, Janney Montgomery Scott, who is the underwriter for the project.

After the presentations were complete, Mr. Winitsky asked if anyone had any questions. Mr. Gross, Mr. Armstrong and Rev. Hendricks asked questions regarding the involvement, potential risks and negative impact to the ACIA. The presenters assured the Board that there were no such potential risks or adverse impacts to the Authority. The presenters also reiterated that the investors in the project would be sophisticated investors and that the bonds will be a limited offering. It is anticipated that the Bonds will be offered only to "accredited investors" and "qualified institutional buyers," each as defined in the Securities Act of 1933, as amended. The Series 2021 Bonds may be transferred or sold only to "accredited investors" and "qualified institutional buyers". In addition, any profits received by the non-profit entity from the project will be distributed within the region as determined by an advisory board composed of a diverse cross-section of the community.

There were no further questions. Chairperson Foster announced that the Board will defer voting on this resolution until March 11th, 2021 the next regularly scheduled Meeting,

III. OTHER BUSINESS – None.

IV. OPEN SESSION – No one from the public addressed the Board.

V. EXECUTIVE SESSION – None.

VI. ADJOURNMENT

A motion was made by Mr. Blake, and seconded by Rev. Hendricks, to adjourn the meeting at 5:20 p.m. By a vote of 9-0-0, the meeting was adjourned.

Respectfully,



Edwin G. Blake
Secretary