

ATLANTIC CITY

Building A Foundation For A Shared Prosperity

REPORT FOR THE PERIOD
SEPTEMBER 20, 2018 THROUGH DECEMBER 31, 2018

New Jersey Department of Community Affairs
January 28, 2019



ATLANTIC CITY: BUILDING A FOUNDATION FOR SHARED PROSPERITY

REPORT FOR THE THREE MONTHS ENDING DECEMBER 31, 2018

This is the first quarterly report of Atlantic City initiatives launched with a transition report released September 20, 2018 by the New Jersey Department of Community Affairs and received with strong support from Governor Philip J. Murphy and Lieutenant Governor Sheila Y. Oliver.

The transition report titled Atlantic City: Building A Foundation For A Shared Prosperity related to the continued state oversight of the municipal government of Atlantic City. The Report set forth the current state of key indicators for the city and described a strategy for collaboration among a wide range of city stakeholders. Following the release of the report, members of the Review team and the Department of Community Affairs began to implement key recommendations of the Report and set the framework for work in 2019. This report describes the progress on key initiatives between the release of the Report and December 31, 2018.

BUILDING THE STRUCTURE TO GET THE WORK DONE

The Report contained a large number of recommendations that would require a small contingent of additional personnel to get the work done and the creation of new coordinating structures to foster stronger alignment among stakeholders.

1. Project Office

One of the key recommendations of the report was a project office charged with facilitating and overseeing initiatives identified in the Report. Its operations depend on funding and personnel. On November 20, 2018, the board of the Casino Reinvestment Development Authority (CRDA) made a three-year commitment of \$450,000 per year to fund a project office which would be a part of the Department of Community Affairs, reporting to the Deputy Commissioner of the

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DCA. The funding provides for a staff of at least four. On December 11, the Department of Community Affairs announced that Lieutenant Governor Oliver had selected Michael Epps, Esq. to lead the Office, since renamed the Office of Atlantic City Initiatives.

Director Epps has been actively engaged in recruiting and hiring other members of his team.

2. Executive Council

The Executive Council creates a table of stakeholders who share initiatives, advise each other of their respective strategic goals, and build alliances to advance initiatives identified

in the Report. The Executive Council consists of representatives of commercial enterprises, other institutional stakeholders, and community organizations from across the city. The Executive Council does not have line authority over any government function. It held its first monthly meeting on October 16, 2018 and will continue to hold monthly meetings throughout 2019 and 2020.

3. Statewide Coordinating Council

On November 15, 2018, Governor Murphy signed Executive Order No. 46, which created a Statewide Coordinating Council for Atlantic City initiatives. The purpose of the council is, individually and collectively, to identify a point person in each of 18 cabinet agencies and offices who would ensure that the agency: identifies resources for which Atlantic City is eligible; provides technical assistance to Atlantic City as called upon by the project office; and coordinates with other agencies in implementing state policy in Atlantic City. The Statewide Coordinating Council is chaired by the Lieutenant Governor. The council has already provided targeted assistance through the efforts of the Departments of Labor and Health.

4. Stockton Office of Atlantic City Solutions

On December 11, 2018, Stockton University announced that it had begun work to establish the Stockton University Office of Atlantic City Solutions which will provide research assistance on substantive policy questions presented by the transition work as well as community survey work to ensure that community input is recorded as implementation moves forward.

the team at City Hall. In November 2018, State and City committed to providing Certified Public Manager training to senior managers at City Hall. This program, administered by Rutgers University, will commence by March of 2019. Senior city managers will take public management classes one day a week for ten months.

Trust in government, while shaped by a sense of professionalism, rests on a foundation of integrity and honesty. Atlantic City has been plagued for decades by a distrust of ethics within City Hall. This distrust is reported by residents and is perceived by businesses who are reluctant to invest in the city. Accordingly, the State and City have committed to ethics training for all municipal employees starting in the first quarter of 2019.

2. Planning and Development

a. The Report recommended the following enhancements and reforms of the Planning and Development function in Atlantic City: consolidation of planning operations in City Hall rather than continuing the physical split between City Hall and CRDA; and hiring a planning director prepared to develop and implement a new vision for Atlantic City informed by best practices across the nation. Shortly after the report was issued, CRDA and City planning staff began to share space in City Hall. In late December, the City, working with DCA, hired an experienced planner committed to working with community voices to develop a citywide master plan.

b. As a first planning initiative under the Report, CRDA has identified a consultant to work with the City to provide a supermarket. It is hoped that groundbreaking will take place in 2019.

BUILDING MUNICIPAL CAPACITY

1. Training Initiatives

The Report emphasized the need to strengthen

ECONOMIC DEVELOPMENT

1. The report emphasized the importance of diversifying the economic base of Atlantic City and highlighted the promise of a multisector, interdisciplinary regional approach. The report focused particular attention on the work of the Atlantic County Economic Alliance (ACEA). For the period since September 2018, the ACEA reported the following.
 - a. New Jersey is crafting a plan to develop an offshore wind industry with Atlantic City a major player in this rapidly emerging industry. The plan sets a goal of 3,500 megawatts of offshore wind farm generation by 2030. A draft plan is expected by next July, followed by the selection of offshore wind power developers who will build the first 1,100 megawatts of the State's 3,500 goal predominantly off Atlantic City. Developers in contention to build the initial wind fields off Atlantic City include Ørsted, EDF-Shell New Energies, and US Wind. With the assistance the ACEA, Ørsted has performed a site survey and analysis of available air and port resource in Atlantic City and the greater Atlantic City region and has consequently opened an office in Atlantic City.
 - b. The ACEA and CRDA recruited and positioned Continent8 in the Atlantic City Convention Center. Continent8 delivers market-defining internet technologies, products and services via secure and reliable networks to support critical online operations across Europe, Asia and the Americas. The company positions Atlantic City as an international player in online games and technologies.
 - c. With the location of Continent8 in the Atlantic City Convention Center as enabling technical support, and the commitment of \$700,000 by CRDA to e-sports marketing, Meet AC has announced the attraction of the e-sports travel summit to Atlantic City on June 25-27. E-sports is one of the world's fastest growing phenomena, and Meet AC, CRDA and the ACEA are positioning Atlantic City to be a major player by attracting major events to the city.
 - d. CRDA has approved a plan by Showboat owner Bart Blatstein to convert 400 hotel rooms into 264 market-rate rental units. The Showboat will have 785 hotel rooms remaining to be rented in the non-casino hotel. Construction will be completed by the end of May 2019. The Premiere Light Tower will be converted into apartments while the two remaining towers will remain hotel rooms.
 - e. Stockton University opened its new \$176 million beachfront campus on September 5, 2018. The campus includes a gym, classrooms, housing for 500 students, and indoor and outdoor space, including a 56,000 square-foot Academic Center. Over 100 classes were held at the facility during the fall 2018 semester. Due to the added capacity in Atlantic City and on the main campus, freshmen enrollment at Stockton University grew 2 percent and overall enrollment is up 4 percent. In the fall of 2018 there were 1,595 freshmen and 9,621 total students.
 - f. On November 14, 2018, Governor Murphy joined local officials and members of South Jersey Gas for a ribbon-cutting ceremony to mark the official opening of the new headquarters. The new building is adjacent to the equally new Stockton University campus and is part of the Atlantic City Gateway Project, a \$210 million public-private redevelopment initiative in Atlantic City. The building houses 200 company professionals and features meeting spaces, training facilities, and a fitness center for employees.

- g. Tennessee Avenue, also known as the Orange Loop, now boasts a beer garden, a chocolate shop, a coffee shop, and a yoga studio. In recognition of this resurgence, the City of Atlantic City is awaiting approval for grant funding to begin work on a streetscape project on Tennessee Avenue. The application for a \$1 million municipal aid grant has been submitted to the state Department of Transportation to help finance a portion of the Tennessee Avenue streetscape project between the Boardwalk and Pacific Avenue. The grant will match a \$1 million fund reservation from CRDA. The proposed streetscape project is envisioned to include repaving of the road, 24 decorative LED lights, trees and planters, signage, decorative sidewalks, bike racks, trash and recycling containers, improved access for those with disabilities, thermoplastic crosswalk striping and other improvements to make Tennessee Avenue more visually appealing.
- h. The New Jersey Economic Development Authority (NJEDA) awarded \$100,000 to the City of Atlantic City to partner with Stockton University to study the feasibility of a proposed Center for Marine & Environmental Science that would be located in the city.
2. Expansion of Atlanticare Facilities on Ohio Avenue: For the last ten months, the Review team that prepared the Report learned of Atlanticare's initiative to expand its presence in Atlantic City. Over the last few months, DCA and the Special Counsel have worked with EDA, the Department of Health and other agencies in support of CRDA's efforts to evaluate and negotiate Atlanticare's proposal. Financing for the plan rested on several key elements to be provided by CRDA and Atlanticare: Atlanticare would finance approximately \$19 million of the total cost, CRDA would provide a grant of \$15 million, and CRDA would also donate land with a fair market value of approximately \$3 million. Atlanticare is also seeking \$4.2 million in philanthropic support for the project.
3. The expanded facility would contain both a for-profit dialysis center and space for medical education classrooms and conference center as well as new health services and programs, including: a perinatal/neonatal clinic, an urgent care center, simulation laboratories, infusion services, women specific services including OB/GYN and maternal fetal medicine, behavioral health, dental services, nutrition and lifestyle programs, psychiatric services with an emphasis on addiction and the opioid crisis and other critical services for vulnerable populations. Atlanticare has also agreed to commit to additional programs requested by the State Department of Health including: expansion of medical assisted therapy to those with substance abuse disorders, expansion of healthful food pantry for the food insecure, hosting a pop-up farm market, hosting summer meals program three days per week, and offering free fitness classes in the summer. These needs were also highlighted in the Report.
4. On January 22, 2019 CRDA's Board approved a Preliminary Determination of Project Eligibility (PDPE) for the Atlanticare Healthpark Project. Now that the Board has approved of the PDPE, this project will be subject to additional procedural steps required by CRDA's enabling statute before it is ultimately approved.

JOB TRAINING AND EMPLOYMENT

Atlantic City has long suffered from high unemployment. The Report noted that a core strategic aim must be a reduction of those unemployment levels through job training and placement.

1. Shortly after the work of the Review Team began, the Greater Atlantic City Chamber of Commerce formed a working group which will now move forward under the leadership of the Office of Atlantic City Initiatives.
2. The Hard Rock Hotel & Casino Atlantic City has joined forces with the Atlantic City Chamber of Commerce and Local 54 to establish a jobs training program that has already begun to bear fruit. Hard Rock and the Atlantic City-based organization UniteHere! Local 54 spearheaded an effort to obtain funding for a comprehensive training program to be offered to Atlantic City residents and graduates of Atlantic County Recovery Court. The program will offer a 30-day training program for environmental services and a 60-day training program for culinary services. Not only will the program provide hands on training in the skills needed for jobs in the service industry, it will also provide soft skill training, counseling, mentorship and other important wrap around services for participants both during the duration of the program and after entering the work force. Hard Rock Atlantic City has also made the commitment to hire graduates of the class. Hard Rock reports that fully 25% of its employees are Atlantic City residents.

Separate and apart from, and well before, its efforts in support of the Transition Report, Hard Rock established a tremendous number of social impact programs to promote local hiring, provide job training to returning citizens and create opportunities for small non-profits working with some of the region's

most significant challenges, addiction, chronic unemployment a food insecurity.

3. The ACEA is working on two promising initiatives related to job training and workforce development, both of which have great potential for Atlantic City.
 - a. Aviation Maintenance and Technical Academy. In late 2018, ACEA (in conjunction with Atlantic County) was awarded a \$120,000 Innovation Grant from the NJEDA. This grant is funding a study to build an Aviation Maintenance and Technical Academy at Atlantic City International Airport. This Academy will offer students from Atlantic City

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and the surrounding region the opportunity to pursue high-paying, high-demand careers in the aviation and offshore wind industries in Atlantic County.

- b. College Credit for Aviation/STEM Education in High School. The ACEA is working with Embry-Riddle Aeronautical University (ERAU) to plan an Aviation Maintenance and Technical Academy and help provide Aviation/STEM education to high school students in Atlantic County. ERAU, headquartered in Daytona, FL, is recognized as the world's leading aviation education and research university. In December 2018, representatives from ERAU's Gaetz

Aerospace Institute met with all Atlantic County high school superintendents. Gaetz Aerospace Institute leads an Aviation STEM program in Florida and several other states. This program, now under consideration by the Atlantic City High School district and others in the county, offers high school students up to 17 fully transferrable college credits in Aviation/STEM, dramatically reducing tuition costs and providing a pathway to college acceptance.

PUBLIC HEALTH

1. A new facility as described above, will not on its own solve the public health challenges facing Atlantic City. Those solutions will come from collaboration across sectors and disciplines and robust communication among allies in the effort. At the direction of the Lieutenant Governor, three working groups were formed to tackle the issues of infant mortality and maternal health, obesity, and addiction. Both the State Department of Health and Rutgers School of Public Health have provided significant technical assistance in the shaping of the issues to be handled by the working groups. The Lieutenant Governor has also been working with the State Department of Health and local service providers to address the question of the location and strategic approach of the needle exchange program.

PUBLIC SAFETY

1. Citizens Advisory Board

The report recommended the creation of a Citizen's Advisory Board with representation from the different civic associations across the city as well as representatives selected by the Mayor and the City Council. In November, the City Council passed an ordinance creating the advisory board. Members have been appointed and taken the oath of office. The first meeting is expected to take place by early February.

YOUTH AND PATHWAYS TO SUCCESS

1. Internship Program

DCA, the City and the Superintendent of Schools, together with key stakeholders, are working together to develop an internship program for the summer of 2019. NJEDA, South Jersey Industries, CRDA, ACDEVCO, AC Arts Council, Hard Rock Atlantic City, Atlanticare, the Federal Aviation Administration, Stockton and Borgata are all participating in the effort to create paid internship opportunities for Atlantic City youth.

2. Answering Youth Needs

The City and the Superintendent of Schools reached an agreement to work with the Search Institute to conduct a Developmental Assets survey of Atlantic City youth between 4th and 12th grade to better identify needs of the youth and provide a strong basis for funding for community-based youth programs. The results of this survey will help inform spending priorities by the administration going forward.

