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## TESTIMONY OF DENNIS A. SCARDILLI, ESQ ATLANTIC CITY GAMING SUMMIT AUGUST 6, 2010

Good morning, Senator Whelan, Assemblyman Burzichelli, Senator VanDrew, Assemblyman Caputo and ladies and gentlemen.

My name is Dennis Scardilli. My law office is located in Egg Harbor Township and my home is in Absecon.

I commend the Governor, the Advisory Commission on Gaming, Sports and Entertainment and the Legislative officials who have convened this Summit. Thank you for working together to find a solution to the issue that brings us here today: the economic future of the Atlantic City market area.

I have lived in Atlantic County all of my life. Over the past 33 years, I have been involved in Atlantic City's redevelopment, including positions in the 70's & 80's as Atlantic City's first Housing and Economic Development Planner and as Atlantic County Economic Development Director. As an attorney, I have performed Special Tax Counsel work for Atlantic City including tax appeal defense and on the legal groundwork for the Revaluation Phase-in.

The Advisory Committee Report includes the sound recommendation that the highly successful public-private partnership in New Brunswick be used as the model for the proposed "Atlantic City Partnership". That recommendation should be implemented.

It is important to note that the New Brunswick model consists of two separate organizations: one that pursues social revitalization and one that pursues physical and fiscal revitalization. Both are needed in Atlantic City and I urge the Committee to investigate the New Brunswick model further.

I would like to offer some suggestions for shaping the report's conceptual model for use in Atlantic City. In particular, regarding financial support for the revitalization of Atlantic City.

The proposed Atlantic City Tourism District includes gaming and related commercial facilities that account for approximately 70% of Atlantic City's tax revenue. Such

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N.J. CT. R. 1:40 QUALIFIED MEDIATOR

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Tourism District property tax revenue could be directed for use in the economic revitalization of Atlantic City. That revenue could be used to adjust the City's budget to the per capita level of similar sized New Jersey cities, if necessary. All other property tax revenue could be directed to the Tourism District to support the redevelopment & economic revitalization of the City. This would include Tourism District projects, non-Tourism housing, neighborhood commercial development, direct tax credits to homeowners for property improvements and property tax relief. These efforts would then create additional property tax revenue for the District and City.

Bader Field should be part of the proposed Tourism District because its highest and best use is the fiscal catalyst for the revitalization of Atlantic City's tourism economy. Bader, and its monetization, would come under the control of the Tourism District. Sale proceeds would be used to transform Atlantic City; for example, the development of a monorail linking Bader, Boardwalk and Marina entertainment districts.

Political realities will create tradeoffs in the legislation necessary to reprogram CRDA money to Atlantic City. Those legislative revisions may become a quid pro quo for the fiscal formula I've suggested. In addition, performance benchmarks on reprogramming CRDA funding to AC could allow the legislature to revisit that issue in 5 to 10 years.

Bader Field capital investment and Tourism District tax revenues would also allow the Tourism District more extensive use of tax increment financing for infrastructure development.

This "triple play" would attract private investment capital more quickly and more abundantly. Add the regulatory reforms in the Advisory Committee Report and you create a winning combination for Atlantic City that "grows the economic pie" for all concerned.

The citizens of NJ wish are grateful to Gov Christie, the Advisory Committee and to this distinguished group of legislators for everyone's hard work and cooperation.

I urge you to endorse the Atlantic City revitalization proposals in the Advisory Committee Report and to consider my suggestions on specific funding mechanisms to implement those proposals.

Thank you.