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Atlantic City and State of New Jersey to Work Together to Improve City Finances

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Collaboration Comes As Plans Move Forward to Revitalize City

Trenton, NJ – Governor Chris Christie today announced that the administration of Atlantic City Mayor Lorenzo Langford has entered into a partnership with the State through the Department of Community Affairs. The agreement will allow Atlantic City to avoid a steep increase in property taxes, as the State and City collaborate on the creation of a revitalized tourism and casino district as part of a long-term economic development plan.

The fiscal plan, in which DCA's Local Finance Board will permit Atlantic City to spread a \$9.5 million operating deficit over five years, will reduce by nearly 80 percent the City's original request for a property tax cap waiver, sparing City residents and businesses a significantly larger property tax increase.

"Atlantic City is at a crossroads where its revitalization and future as a resort destination are now taking shape," Governor Christie said. "This is not the time, nor is it the right message to be sending, for Atlantic City to be imposing burdensome tax increases on its citizens and business community. We want to help Atlantic City through this difficult period, but we also want the city to improve and maximize its management and fiscal policies so it is best positioned for revitalization and long-term prosperity."

"We welcome this partnership with state government in what we are trying to accomplish for our city," said Atlantic City Mayor Lorenzo Langford. "The Governor can help us to convey to the rest of New Jersey all the progress we are making to improve the management of our city to pave the way for a brighter future. We understand the importance of Atlantic City to the rest of the state and why its revitalization matters to everyone."

The partnership represents an important first step in the Christie Administration's efforts to reinvigorate the Atlantic City regional economy. As outlined in the recent Hanson Commission Report, the revitalization of Atlantic City is critical not only to the residents of Atlantic City but to all of New Jersey as well. The actions taken today will ensure that the development of a new Tourism District program and the financial recovery of the City will be a well coordinated and collaborative effort. This partnership between the State and City will pay dividends for taxpayers and will help strengthen the Number 1 job creators in the region – the casino and tourism industry.

The Mayor, who attended today's meeting of the Local Finance Board, signed a Memorandum of Agreement (MOA) with DCA Commissioner Lori Grifa. The MOA notes that the parties agree the City has made substantial progress in advancing reforms to address concerns raised in a performance audit issued in January by the State Comptroller. It also notes that the parties agree that it is in the best interests of the State, City "and all of their constituencies" to minimize property tax increases and make additional progress in reforming the City's finances.

In its waiver request to the Local Finance Board, Atlantic City officials said their \$9.5 million operating deficit was the result of nearly \$13 million in tax and casino tax credits due to successful tax appeals. To control costs, the City has reduced its workforce by more than 150 personnel and imposed 10 furlough days in 2010 for all employees except for public safety employees.

If the City had received its original waiver request of \$9.9 million, property taxes on an average assessed home in Atlantic City would have increased by \$253. However, due to the revised/reduced waiver of \$2.16 million made possible by the joint efforts of the City and State, the increase will be reduced to \$157. Similar corresponding savings will be possible for Atlantic City businesses, including casinos, which have struggled in a difficult economy and with increased competition.

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