

In Case You Missed It: "Christie Taps Emergency Manager For Atlantic City"

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— *Wall Street Journal*

Christie Taps Emergency Manager for Atlantic City
Detroit's Former Emergency Manager Will Also Have a Role
Heather Haddon and Josh Dawsey
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Gov. Chris Christie is bringing in an emergency manager to take over the day-to-day operations and troubled finances of Atlantic City, an unprecedented extension of state control over a New Jersey municipality.

The Republican governor is expected to announce Thursday that he is hiring Kevin Lavin, a corporate-finance and business-restructuring lawyer who most recently worked for FTI Consulting Inc. in New York, according to a senior Christie administration official familiar with the matter.

Mr. Christie is also tapping Kevyn Orr—who guided Detroit through its bankruptcy proceedings as its emergency manager—as a part-time consultant in the effort in Atlantic City.

The two men will begin work immediately, the person said, effectively assuming powers now wielded by the city's elected mayor and City Council.

There are no discussions currently about a bankruptcy filing for Atlantic City, but the official said all options will be considered—including renegotiating labor contracts.

"We aren't putting any strings attached to their work," the official said. "Everything is on the table."

The installation of an emergency manager over the city of 40,000 was a dramatic move by Mr. Christie, a potential 2016 presidential candidate who has pledged to help revive the coastal resort. ...

An emergency manager would likely help Atlantic City make important changes immediately, though it couldn't make up for the closures in casinos that have driven the city's difficulties, said Eric Scorson, an economist at Michigan State University who teaches about distressed cities.

"I do think an emergency manager would be interesting and potentially helpful," said Mr. Scorson, who provided advice last year to New Jersey officials about how to handle economically troubled cities. "It might be necessary but I'm not sure if it's sufficient."

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New Jersey doesn't have a specific law that allows the state to take over a municipality through an emergency manager. Mr. Christie is expected to make the appointments through local finance laws that allow the state to impose fiscal monitors—as it is doing, in limited fashion, in places such as Newark. ...

In November, a panel convened by Mr. Christie suggested the state impose an emergency manager for Atlantic City, along with restructuring the city's school, tax and pension systems.

A summit in Atlantic City on Thursday to be attended by Mr. Christie and members of his panel is expected to only address the emergency-management team for now, but the rest of those proposals are still under consideration with more steps to be announced, the senior administration official said.

In July 2013, Mr. Orr was appointed as Detroit's emergency manager to steer it through the nation's largest municipal bankruptcy. He hired a new police chief and pushed to privatize the city's garbage collection and outsource its electric utility. He stepped down in December.

His efforts sparked controversy—as did his \$275,000 a year salary—but his work was largely praised. ...

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