

Search

All of NJ

Submit

[Home](#)[Newsroom](#)[Media](#)[Administration](#)[NJ's Priorities](#)[Contact Us](#)[Press Releases](#)[Public Addresses](#)[Executive Orders](#)[Press Kit](#)[Reports](#)
[Home](#) > [Newsroom](#) > [Press Releases](#) > [2017](#) > [ICYMI: "This Is Why The State Takeover Of Atlantic City Was Needed"](#)

ICYMI: "This Is Why The State Takeover Of Atlantic City Was Needed"

Thursday, June 1, 2017

Tags: [Jobs and the Economy](#)

Atlantic City casinos 1st quarter profits up 30 percent

Wayne Parry

Associated Press

After months of good news from Atlantic City's recently struggling casinos, a top New Jersey gambling regulator made a bold proclamation Monday: Atlantic City's casinos are healthy once again.

Matt Levinson, chairman of the New Jersey Casino Control Commission made the comment after the state Division of Gaming Enforcement released figures showing gross operating profit for the seven casinos rose by 30.4 percent in the first quarter of 2017 compared with the same period a year ago.

...

"If there were any doubt about the health of Atlantic City's casino industry, these results should lay them to rest," Levinson said. "It's clear to me that the industry has stabilized and operators are showing healthier bottom lines. With the summer upon us, there are a host of concerts, festivals and other events over the next several months that should help casinos continue to grow."

...

The Borgata had the highest operating profit at \$61.4 million, an increase of nearly 29 percent from the first quarter last year. Harrah's had an operating profit of \$23.7 million, which was down 11.3 percent from the same period last year, and Caesars had an operating profit of \$20.1 million, up 31.6 percent from the first quarter of last year.

The Tropicana had an operating profit of \$16.2 million, which was more than double the \$7.3 million profit it showed in the first three months of 2016. The Golden Nugget's profit was nearly \$6.2 million, a decrease of 7.7 percent from last year; Bally's had a 4.5 million profit, down 19.9 percent from last year, and Resorts had a \$4 million profit, which was nearly 10 times its profit from the first quarter of last year.

Among internet-only entities, Caesars Interactive-NJ had an operating profit of \$2.3 million, down 6.6 percent from last year, and Resorts Digital saw a \$570,000 profit, compared with a \$1.1 million loss in the first quarter of last year.

The Borgata had the highest average hotel room rate at \$128.22 and the Golden Nugget had the lowest at \$75.67.

Resorts had the highest occupancy rate for the quarter at 88.7 percent, while the Golden Nugget had the lowest at 71.8 percent.

Full Article [HERE](#).

###

Atlantic City finally gets fiscal discipline, thanks to the state

Editorial Board

Press of Atlantic City

Stay Connected
with Social Media

Stay Connected
with Email Alerts

LIKE THIS PAGE? SHARE IT
WITH YOUR FRIENDS.

[SHARE](#) [f](#) [t](#) [e](#) ...

For many years we've urged Atlantic City officials to budget responsibly. By the fall of 2015, we gave up and put state leaders on notice that they were the last hope for fiscal sanity in the essentially bankrupt city.

...

Now, after overcoming a lot of misguided opposition, state officials in charge of the city's finances have delivered on that core mission.

When the day finally came last week and Atlantic City introduced a budget that cut spending \$35 million from the prior year and even reduced the local tax rate, there was little celebration. State officials led by former U.S. Sen. Jeffrey Chiesa had made the hard and unavoidable choices necessary to keep the city solvent. There was no other way, so in the end it was widely expected.

...

It didn't take long for Chiesa's team to deliver a significant benefit to the city. In February, he announced that a renegotiation of the Borgata Hotel Casino's tax-appeal refund had saved \$93 million.

Businesses and investors started to act like Atlantic City was an opportunity again, instead of a potential liability. Projects were announced and empty casino hotels were bought, culminating in Hard Rock International's decision open a casino hotel on the Boardwalk.

...

Some aspects of the budget are being challenged, and there still is much to be done to repair the soundness of city finances, of course. But there's no question that state officials are doing what's long been needed in Atlantic City government.

Making the tough choices that assure a better future is often a thankless job, but we're grateful for the state's work and the residents of the greater Atlantic City area should be, too.

Full Article [HERE](#).

###

Trash collection shows why A.C. needs state to cut costs

Editorial Board

Press of Atlantic City

Privatizing government services — contracting with private companies to provide them instead of with public employees and equipment — is a well-established and growing trend in America.

The main motivation is private companies typically can provide the services at a lower cost, which reduces the government budget and gives taxpayers a break.

But private companies also usually provide better service than their government counterparts.

...

Outsourcing trash collection to save money and improve the quality of the service has become the rule, even for local governments not in the desperate financial condition of Atlantic City.

Yet there was City Council last month, still balking at taking even this little, proven step toward fiscal responsibility — after mulling the issue for a year, after failing to sufficiently downsize municipal government when the need was obvious for a decade.

...

Mayor Don Guardian stated the obvious: "We have been talking about these savings from trash and recycling for months, even prior to the state takeover."

So on Tuesday, the state went ahead and authorized the awarding of a \$7.2 million contract to a private company to provide city trash and recycling collection.

This is why the state takeover of Atlantic City was needed.

City government had demonstrated repeatedly that it was incapable of doing what was necessary to stabilize its finances in the face of massive revenue losses from its shrinking casino industry.

We think it is fitting that the first instance of the state exercising its power over council under the Municipal Stabilization & Recovery Act should be to make such an obviously needed change as outsourcing city trash collection.

Full Article [HERE](#).

###

Atlantic City is breathing once again

Editorial Board

The Record

Atlantic City is coming back. Really.

As Record Staff Writer John Brennan reports, the former Trump Taj Mahal will reopen as a Hard Rock casino after \$375 million in renovations are completed. And the first new luxury apartment complex in decades is under construction.

...

We were wary of state involvement, but it appears to have had the desired effect. Roger Gros, publisher of Global Gaming Business magazine, told Brennan, "After some initial hesitation, I think the state takeover has been good for the city. The state overseer did things that [Mayor] Don Guardian should have done when he was elected — cancel those prohibitive union contracts, fire half of the city employees and stop pandering to the voters."

All of that is good for the city's ledger, and it may be good for the city's future, but the city's revival is possible because many municipal employees were let go or are now being paid less. Atlantic City has been for more than a century a poster city for government mismanagement, but most of the folks who lose jobs in this kind of shake-up were not gaming the system. So this is a bittersweet moment for some.

But for the survivors, the 5 percent municipal tax reduction is progress. And the same can be said for the casinos that held on as gamblers fled to other states.

...

The other bright light in Atlantic City is non-casino development. The shuttered Showboat casino and hotel has reopened as a non-gambling hotel. Stockton University has broken ground on a satellite campus that will include a 56,000-square-foot academic building, plus a 200,000-square-foot residential complex

South Jersey Gas is building a six-story headquarters, as well. A 200-foot high observation wheel will open on the Steel Pier this summer. This will drive foot traffic, which has been sorely missing in the oceanfront city. The casinos were designed as bunker-like destinations where gamblers never ventured out into the city. The more diverse Atlantic City becomes, the more likely that what is developing now will stick.

Atlantic City's gambling revenue is vital not just to Atlantic City, but to the state. But smart developers will recognize that the last reinvention of the city as a gambling monopoly on the East Coast is over. Casinos will still be part of the economic engine — the largest part in the near future. But if Atlantic City is ever to move past its history of feeding off the next best thing — from Prohibition bootlegging to legalized gambling — it needs to see itself as more than a façade-deep collection of hotels and casinos along the water, and as a fully functioning municipality.

Governor Chris Christie and state legislators who fought hard for the takeover deserve some credit for what's happening. It is too early to celebrate a complete turnaround. But this is progress.

Senate President Stephen Sweeney, D-Gloucester, said, "Atlantic City is too important to the entire state for it to fail."

We agree.

Full Article [HERE](#).

###

Hard Rock project could top \$500 million, much more than expected

Nicholas Huba

Press of Atlantic City

The cost of turning the former Trump Taj Mahal Casino Resort into Hard Rock Casino Hotel Atlantic City could top \$500 million.

Hard Rock International originally announced the rebranding of the 4 million-square-foot property would cost as much as \$400 million, but after further inspection, Jim Allen, Hard Rock International chairman, said it could be higher.

...

Part of the increase is tied to removing the Indian-themed decor from the property, once called the "Eighth Wonder of the World."

...

Allen said he is confident Hard Rock's opening will not hurt the city's remaining seven casinos. In 2016, the casino industry generated more than \$3.6 billion in revenue.

"The days of right-sizing and downsizing are behind us," Allen said.

The new property will feature two separate arenas, with seating totaling 7,000, and more than 2,400 slot machines. The property is expected to open in summer 2018. The group of investors, including Hard Rock International, paid \$50 million for the property once owned by now President Donald J. Trump, according to U.S. Securities and Exchange Commission filings.

"We bought it at a great price," Allen said.

The project is expected to create more than 1,000 construction jobs and 3,000 permanent jobs, according to Hard Rock. Since the transaction March 31, Hard Rock has hired 23 employees as it sets out to bring the once iconic Taj Mahal back to life under a new name and identity.

...

"I can say today that I've met with all of the unions and there is going to be no labor dispute," Allen said. "We are going to hire. We are going to work with the unions. I'm not interested in some fight over something that doesn't matter. We will treat them fair."

Full Article [HERE](#).

###

Atlantic County gets ratings boost on economic outlook

John DeRosier

Press of Atlantic City

Atlantic County's economic outlook got a ratings boost from Standard and Poor's Global Ratings this month.

According to a recent report, S&P raised the county's economic outlook from "negative" to "stable," citing strong county management, budgetary flexibility, and stability brought by the payments in lieu of taxes that casinos pay to Atlantic City.

S&P also reaffirmed the county's AA bond rating.

...

Crediting the PILOT as a reason for the upgrade is ironic because county officials have raged against the legislation since the state decided to give it a 10.4 percent share of the PILOT money instead of the 13.5 percent share it was originally promised.

...

Still, the report credited the formation of the Atlantic County Economic Alliance as a positive sign the county is moving away from a gaming-centered economy. Other positive signs are the Stockton Gateway project in Atlantic City and the groundbreaking of the Stockton Aviation Research and Technology Park, the report said.

The county's rating could further improve if it continues to increase and maintain its reserves while moving the local economy away from its over-dependence on the leisure and hospitality industry, according to S&P.

"It is extremely rewarding and encouraging to not only maintain our AA rating but to improve our outlook," County Executive Dennis Levinson said in a statement. "Despite the removal of \$3.4 billion from our tax base because of the PILOT and the trials and tribulations surrounding the state takeover of Atlantic City, county residents can be assured of Atlantic County's stability. Atlantic County stands as a model of effective and efficient government."

Full Article [HERE](#).

###

Press Contact:

Brian Murray
609-777-2600



[Contact Us](#) | [Privacy Notice](#) | [Legal Statement & Disclaimers](#) | [Accessibility Statement](#) | 

Statewide: [NJ Home](#) | [Services A to Z](#) | [Departments/Agencies](#) | [FAQs](#)
Office of the Governor: [Home](#) | [Newsroom](#) | [Media](#) | [Administration](#) | [NJ's Priorities](#) | [Contact Us](#)

Copyright © State of New Jersey, 1996-2018
Office of the Governor
PO Box 001
Trenton, NJ 08625
609-292-6000