

Governor Christie: AC's Problems Will Not Be Magically Fixed By A Financial Band-Aid From NJ Taxpayers

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Gov. Christie: AC's Problems Will Not Be Magically Fixed By A Fin...



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Transcript:

Governor Christie: Atlantic City's finances are in such disrepair because of this local waste and mismanagement and failure to lead that Moody's this week downgraded the city's credit to the level of Puerto Rico. Reports just yesterday from financial analysts across that industry confirmed what the stakes are if the Speaker refuses to act. Atlantic City is running out of money. It will run out of money. It will not make its debt payments, and that negative spillover will go on to other New Jersey cities across the state. Newark, Jersey City, Paterson, Camden, Union City, Trenton, will all face potential downgrades of their debt because of the failure to lead in Atlantic City and the failure to stand up for this iconic city. To eliminate the remaining forecasted deficits and to bring the budget into structural balance means making tough choices. It's why I didn't sign the PILOT legislation in January and why the PILOT bill that's currently pending before the Legislature is not a fix on its own and it will not be signed by me if it is sent to me without the exact legislation passed by the Senate on intervention in the city. If I had signed that original PILOT in January or even if I had signed the existing PILOT alone and no fundamental changes were made to the city's budget and operations, Atlantic City would still immediately face a \$23 million budget deficit, hardly what you call success. Next year that grows to 32 million. It will hit 35 million by 2020, and that's before factoring in any solution to the significant debt problems. They owe Borgata 150 million. They owe 40 million to MGM. The court ruled against them again just yesterday on the Borgata situation. The clock is ticking there. They owe \$39 million in deferred pension and health benefit payments which the city has not paid since 2014. Unless the state steps in and deals with the cost side of the equation, this problem will not be magically resolved by another financial Band-Aid from the taxpayers of New Jersey and I as Governor will not permit it to happen.

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Press Contact:
Brian Murray
609-777-2600



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Office of the Governor
PO Box 001
Trenton, NJ 08625
609-292-6000