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Betting On Atlantic City

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TAKING ACTION TO SOLIDIFY ATLANTIC CITY'S FINANCES & FUTURE

Governor Christie's Commitment To Atlantic City Is Revitalizing It As Premiere Tourist Destination

Putting Atlantic City On The Clock: In May of 2016, Governor Christie signed the "Municipal Stabilization and Recovery Act," which ordered Atlantic City to finally take accountability for its financial crisis. The bill provided city officials 150 days to develop a plan to balance its budget over the next five years. Under that bipartisan legislation, if Atlantic City leaders failed to present a sufficient plan within deadline, the Department of Community Affairs (DCA) would intervene to protect residents and employers.

Recognizing The Need For Intervention: In November 2016, the DCA evaluated a plan presented by the city officials and concluded: "Atlantic City's Plan does not include a proposed balanced budget for 2017 that complies with all of the applicable conditions of the Local Budget Law, and does not comply with the eight directives laid out in the 'Municipal Stabilization and Recovery Act.'"

As a result of the DCA's ruling to initiate a state takeover, former U.S. Senator Jeffrey S. Chiesa was appointed to oversee Atlantic City's recovery. The Senator has been considering public input from local residents and is working hand in hand with their elected officials and stakeholders. The Mayor and the City Council are maintaining day-to-day municipal functions, while the Senator, in conjunction with DCA officials, is implementing the City's fiscal recovery efforts in accordance with the "Municipal Stabilization and Recovery Act."

The Christie Administration is Already Calming the Waters in AC

Atlantic City is already benefiting from the efforts undertaken by the DCA's Division of Local Government Services and Senator Chiesa's team. Some early highlights include:

5-Percent Decrease in Municipal Property Taxes: In April 2017, the Christie Administration announced a 5-percent decrease in Atlantic City municipal property taxes. Senator Chiesa's team achieved this first property tax decrease for residents in a decade by reducing the city's 2017 budget by \$35 million. At \$206.3 million, the budget is \$56 million less than the 2015 budget.

Protecting Funding For Local Services: In May, the state announced another step to protect and stabilize Atlantic City's property tax revenues, with the successful sale of \$69.8 million in bonds to finance a substantially reduced property tax appeal settlement. Those bonds, which sold at a very attractive interest rate for the City will fund a \$72 million settlement the state reached in February with MGM Resorts International that was less than half of the \$158 million in property tax judgements and claims for MGM's Borgata Hotel Casino & Spa.

Additionally, the state authorized Atlantic City to privatize trash and recycling collection. The contract will save the City approximately \$1.1 million per year without requiring any layoffs.

Private-Sector Job Growth: Hard Rock International formally unveiled its plans for a \$375 million renovation of the former Trump Taj Mahal casino and hotel. Set to open in summer 2018 as the rebranded Hard Rock Hotel & Casino Atlantic City, this Boardwalk property will feature a pair of 7,000-plus-seat multipurpose arenas, a larger Hard Rock

Cafe, redesigned hotel rooms and a modernized casino floor with 2,400 slots and 130 table games. Officials anticipate this project is bringing 1,000 construction jobs and 3,000 permanent jobs.

Stronger Gaming Industry Sustaining Jobs, Growing Opportunities: Atlantic City casinos experienced a 30.4-percent, year-over-year revenue increase in the first quarter of 2017, according to the Division of Gaming Enforcement. Additionally, based upon filings with the Division of Gaming Enforcement, year-over-year casino gaming revenues were \$200.1 million, compared to \$187.5 million in March 2016, reflecting a 6.7-percent increase. Internet Gaming Win was \$21.7 million in March compared to \$15.5 million in the prior period, reflecting an increase of 40.2 percent. That March 2017 Internet gaming win is a new monthly record, exceeding the previous high of \$18.8 million in January 2017. Additionally, this is the first time Internet gaming win has surpassed \$20 million in a month. The industry's total gaming win for the month was \$221.9 million compared to \$203.0 million for March 2016, reflecting a 9.3-percent increase.

Year-to-date, the Industry's Casino Win totaled \$572.6 million through March 2017 compared to \$552.9 million in the prior period, reflecting an increase of 3.6 percent. Internet Gaming Win increased 32.1 percent to \$59.3 million compared to the prior period. The industry's total gaming win increased to \$631.9 million, reflecting an increase of 5.7 percent compared to the same period last year.

Attracting The Next Generation: In April, Governor Christie attended the groundbreaking of Stockton University's Gateway project, which includes a new academic building and residential campus to house more than 500 students, as well as a secure parking garage scheduled to open at the southern end of the boardwalk in fall 2018.

Major Acts Returning to Atlantic City: In April, superstar performer P!nk announced she will perform as part of the 2017 Atlantic City Beachfest Concert Series on July 12 on the Atlantic City Beach, further insuring the city's future as no longer just a gaming destination but a full-fledged entertainment venue for people of all ages.

Atlantic City's Improved Credit Rating: In March of 2017, citing the agreement on the Borgata's property tax appeals as well as the state takeover, Standard & Poor's increased Atlantic City's credit rating.

GOVERNOR CHRISTIE: "The bump in Atlantic City's credit rating, like last week's announcement by Hard Rock that it will purchase and reopen the former Taj Mahal, comes just months after we stepped in to stabilize the city's troubled finances. These are early signs our efforts are working, that we will successfully revitalize Atlantic City and restore the luster of this jewel on the Jersey Shore." (Statement, 3/7/17)

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