

Hard Rock ready to build smaller Atlantic City casino - Philadelphia Inquirer

Written by Administrator
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ATLANTIC CITY - Hard Rock International is poised to move forward with its plan to build a smaller, \$300 million casino hotel on the Boardwalk, thanks to the state's new law requiring a minimum of 200 rooms instead of

the current 500.

Gov. Christie signed the measure into law Wednesday, the first step in his overhaul of the resort - and one, he said, that opens the door for developers to build casinos in the nation's No. 2 gambling market, where investment has dried up.

"All the indications from Hard Rock, including conversations this week, is that they are poised to take advantage of the boutique-casino bill, and they look forward to moving on it and putting some people to work," said State Sen. James Whelan (D., Atlantic), prime sponsor of the bill.

Curtis Bashaw, an investor in the Hard Rock project, said Thursday that "this could be the beginning of Atlantic City's transformation."

"It bodes well for the market," said Bashaw, a Shore developer and former executive

director of New Jersey's Casino Reinvestment Development Authority.

The last casino to open was the Borgata Hotel Casino & Spa in July 2003; most of the other casino stock is more than 20 years old. Construction came to a halt on the \$2 billion Revel Casino in January 2009, when the owner ran out of money and the credit markets froze.

In March, Hard Rock, of Orlando, and Och-Ziff Real Estate of New York announced they would "explore" development of a Hard Rock Hotel & Casino under one condition: that the 200-room bill becomes law.

The Hard Rock would be built at Albany Avenue and the Boardwalk - the land Bashaw and

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former gaming executive Wally Barr once staked out with Och-Ziff for a \$1 billion gambling palace called the Gateway Project.

But as the economy tanked and gambling revenue tumbled further, the partnership agreed in summer 2008 to join Hard Rock in a smaller Hard Rock-brand casino.

"The 200-room hotel bill will be a plus . . . if these new operators develop something that is unique and that allows the city to either recapture trips that are currently going to the convenience markets in Pennsylvania, Delaware, and New York," said Cory H. Morowitz of Morowitz Gaming Advisors L.L.C. in Galloway Township, "or if these new properties grow the market by drawing visitors who are currently rejecting Atlantic City."

He added, "If it's just gaming and room capacity done better than existing properties, we might see the demise of another casino and little market growth."

The new law is a key part of Christie's recovery plan. On Thursday, the Assembly amended a proposal to establish a state-run Atlantic City tourism district, but it did not set geographic boundaries.

A bill that would water down some of the state's casino regulations also was tweaked. Both could receive final votes Monday.

Under the new law, developers have two more alternatives for licensure by the New Jersey Casino Control Commission. They can build casinos with at least 200 rooms and no more than 20,000 square feet. Or they can opt for a staged casino of not more than 30,000 square feet and at least 200 rooms, with the requirement that they expand to 500 rooms within five years of licensure.

The Hard Rock casino would have at least 200 rooms but fewer than 500, plus restaurants, nightclubs, a pool, and a spa in its first phase.

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