

Revel Raises \$1.15 Billion to Finish Stalled Casino - Bloomberg

Written by Administrator
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Revel Entertainment Group LLC, the developer of a half-built casino resort in Atlantic City, [New Jersey](#), said it raised \$1.15 billion to restart construction that stalled when owner

[Morgan Stanley](#) halted funding.

The beachfront resort, budgeted at about \$2.4 billion, is expected to open in mid-2012, the company said today in a statement. The project is located at the northern end of the Atlantic City boardwalk.

Planned as the city's biggest casino resort, the wave-shaped Revel still needed more than \$1 billion when the financial crisis hit. Morgan Stanley, which owned 95 percent, contributed the land and funded construction, walked away in April after writing off most of its \$1.2 billion investment.

"Re-starting the project immediately puts 2,100 construction craftsmen and craftswomen back to work and will result in full-time employment for approximately 5,500 people," Kevin DeSanctis, chairman and chief executive officer of Revel Entertainment, said in the statement.

Rothschild acted as the company's sole financial adviser in connection with the transaction, according to the statement.

Revel's \$850 million [term loan](#) due January 2017 rose when it first began trading this week. In negotiations this month, the company increased the size of its first-lien loan by \$150 million to \$850 million and canceled plans for a second-lien portion, according to people familiar with the negotiations.

Revel reduced the interest rate by 0.5 percentage point to 7.5 percentage points more than the London interbank offered rate, plus a 1.5 percent floor, Bloomberg reported earlier.

JPMorgan Chase & Co. arranged the loan.

Declining Revenue

Atlantic City gambling revenue tumbled almost 36 percent to \$3.6 billion in 2010, from a peak of \$5.2 billion in 2006 -- before Pennsylvania and Yonkers, [New York](#), allowed [slot machines](#). Competition has intensified with new casinos in Delaware, [Maryland](#) and West Virginia. Six of Atlantic City's casinos went through bankruptcy or restructured debt during the financial crisis, and development had stalled.

New Jersey Governor [Chris Christie](#) is overhauling state oversight, creating a tourism district around the casinos and encouraging convention growth to help halt the marketwide decline, which is hurting tax revenue.

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