

Signs that work on Revel casino is resuming - Philadelphia Inquirer

Written by Administrator

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ATLANTIC CITY - All construction came to a halt in January 2009 at the \$2 billion Revel Casino site on the northern end of the Boardwalk, as money ran out.

There were fears the glass-and-steel shell would remain empty

- another casualty of this town's decline. Now, there are some signs the project will resume. The casino's chief executive officer, Kevin DeSanctis, said site work, including new roadways around the casino and demolition of a nearby pier, would begin Monday.

DeSanctis is back pitching the project to Wall Street banks and investors. He remains confident he will get the final \$1 billion he needs to finish the project.

Conceding that challenges remain, DeSanctis said Wednesday: "We think this project is the right project for Atlantic City at this point in time."

DeSanctis, who is CEO of Atlantic City-based Revel Entertainment Group L.L.C., said the lending market was again awash in cash.

"It's a great market right now. There is a tremendous amount of money on the sidelines," he said, "and people want to put it to work."

Despite financial difficulties and an airplane crash that claimed the lives of four of his senior executives in the summer of 2008, DeSanctis keeps plugging.

For Atlantic City, battered by competition from Pennsylvania casinos and the weak economy, Revel's completion would be a positive symbol. It was the only one of four planned billion-dollar-plus casinos announced in 2006 that broke ground in Atlantic City, in late 2007.

The structure, with a size and glistening newness hard to miss, would be the most significant capital project in Atlantic City since the \$1.4 billion Borgata debuted in 2003.

"I would say that Revel continues to make progress," DeSanctis said. "We definitely slowed the

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project 18 months ago, but it was to put ourselves in a position where, if the markets opened up and were prepared to embrace a project like Revel, we would be right there. That's what we've done."

DeSanctis announced in January 2009 that all interior work on the casino, including its restaurants, retail shops, and spa, had to be halted as financing ran out. He has been trying ever since to raise the needed capital for the \$2 billion project, including visits to investors in China.

His attention these days is back to Wall Street.

"There's a group of investors out there," he said, "and one has to go out and show them why a deal would make sense, and what their financial return would be. The only way to do that is to be out in the market and selling them on what the deal is. That's the goal when trying to finance a project."

He thinks something else is now in his favor.

In July, Gov. Christie proposed a state takeover of Atlantic City's casino and entertainment district, in an attempt to revive it. Democratic lawmakers announced their own plan last week to make the town safer, cleaner, and more tourist- and convention-friendly.

"We think the project has the potential to help evolve Atlantic City's offering to a point where we can broaden the market," DeSanctis said. "It is exactly what was envisioned when Atlantic City passed gaming 30 years ago.

"What they [Christie and the legislators] were looking for was a product that expanded the group market, the convention/group business, and a project that appealed to a very broad demographic, not just the gambler. That's exactly what Revel is."

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Gaming analysts say a lot is riding on the casino's completion. An analysis in August of Christie's takeover plan, by Spectrum Gaming Group L.L.C., estimated that a fully built Revel would generate \$40 million a year in property taxes for Atlantic City.

"The resumption of full construction of Revel would be a significant development in a city that needs a good-news story," Spectrum's Joseph Weinert said. "Seemingly, the whole city is looking toward the completion of this massive project as a catalyst for Atlantic City's rebound from the now-four-years-old decline."

Crews will begin with roads into and around the casino. The section of the Boardwalk in front of the casino is being ripped out - work that is expected to continue for six months. The back of the pier next to the casino will be demolished.

"I think everyone is optimistic that we will ultimately get this project started again," DeSanctis said. "We're doing our best to get it done."

Contact staff writer Suzette Parmley at 215-854-2594 or sparmley@phillynews.com.

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