

CASINO CONTROL COMMISSION

Tennessee Avenue and Boardwalk
Atlantic City, NJ 08401

Three express interest in building “boutique” casinos

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The Casino Control Commission announced Friday that as of 4 p.m. it has received three “expressions of interest” from potential applicants for small-scale or staged casino licenses.

Commission Chair Linda M. Kassekert identified the three entities as:

- AC Gateway LLC, Atlantic City, NJ
- ACE Gaming LLC, Las Vegas, NV
- California Avenue Ventures, LLC, Northfield, NJ

“These filings are simply expressions of interest. The entities have until August 19 to decide whether to file an application for one of the available licenses,” Kassekert said.

Earlier this year, Gov. Christie signed legislation that authorizes the commission to issue licenses for small-scale and staged, or “boutique,” casino hotels. Instead of the standard 500-room minimum that has applied in the past, the law allows these licenses to go to casino hotels with as few as 200 rooms. Under the law, the facilities must be new construction along Atlantic City’s Boardwalk. One of the licenses must be for a project that will expand to at least 500 rooms within a five year period.

Kassekert said the legislation is designed to “promote the construction of new, first-class casino facilities along the Boardwalk containing first-class restaurants,

high quality entertainment venues, special amenities as well as much-needed hotel rooms.”

The three applicants will then have until Aug. 19 to submit a more detailed application for participation in this pilot program along with a \$1,500 fee. That detailed information, which must include a description of the project, its location, cost, its economic and social impact and other data that will allow the commission to weigh competing proposals and select which proposals will be approved to move forward. The commission hopes to complete that review process in approximately 60 days.

Anyone selected to participate in the pilot program will then have to file for a casino license and undergo the same kind of licensing investigation and hearing as existing casino operators have faced.

Any applicant who is selected by the commission to participate in the pilot program will be required to submit \$1 million, either in cash, a letter of credit or a bond, to guarantee completion of the project. If the applicant fails to meet agreed upon deadlines for construction of the casino hotel, that money will be forfeited. Once construction starts, the applicant must also deposit \$1 million within seven days with the State Treasurer to fund infrastructure improvements.

Both new projects must have at least 200 rooms, one first-class restaurant and at least one entertainment venue. A small-scale casino can have no more than 24,000 square-feet of casino space while the phased casino can have up to 34,000 square-feet of casino space. A staged casino, however, must begin work on an expansion within two years of licensing to bring it up to the 500-room minimum required of other operators.

“The creation of the small-scale and staged casino facility licenses offers the Atlantic City market the unique opportunity to grow through the introduction of innovative concepts and attractions to add to the traditional gaming environment,” Kassekert said.