

Written by Administrator

Saturday, 29 January 2011 16:37 -

---

State lawmakers working to solidify state help for a struggling casino project hope that this week proves the second time can be a charm.

On Tuesday, a state Economic Development Authority will consider whether to allow Revel Entertainment Group to use as much as \$200 million in projected sales taxes on its own improvements to its South Inlet

site.

This isn't the first time Revel has tried for such a tax reimbursement — known as an Economic Redevelopment Grant. But last time, its application hit difficulties.

Last spring, Revel Entertainment Group, with backing from Morgan Stanley, filed an application with the EDA for two separate forms of tax reimbursement.

The lion's share was a state ERG, worth as much as \$300 million in reimbursed state sales tax revenue over 20 years. The company also filed for a municipal property tax reimbursement, worth \$50 million over five years.

But the applications hit problems when a group led by a local union leader and local limited-government advocates got the proposal in their crosshairs.

Bob McDevitt, president of Local 54 of UNITE-HERE, which represents casino workers, charged that the state grant plan would help finance a new casino at the expense and possible closure of existing properties.

McDevitt also joined with Seth Grossman, the head of Liberty and Prosperity, a group that campaigns for smaller government. Amid public uneasiness about federal aid to banks, McDevitt and Grossman called the ERG a “bailout” for the project

Written by Administrator

Saturday, 29 January 2011 16:37 -

---

In May, Revel withdrew its application. The company was at that point recovering from the fallout of Morgan Stanley's decision to sell its \$1.2 billion stake in Revel, for a loss of \$932 million. That change had already limited the company's ability to finance construction on the second half of the casino project

This time around, the first public notice of Revel's application came when the EDA posted a notice of a special hearing it will hold at 10 a.m. Tuesday.

As part of the hearing, the EDA will consider evidence forwarded by the company that indicates the project's completion relies on the grant.

### **Definitions of sensible vary**

Sen. Jeff Van Drew, D-Cape May, Cumberland, Atlantic, who helped launch an effort last year to abolish the state Council on Affordable Housing, saw his bill first watered down by the Assembly and then vetoed by Gov. Chris Christie this week.

That doesn't mean he won't try again, however.

The senator, whose district covering parts of Cumberland, Cape May and Atlantic counties has seen massive development growth in the last 10 years, says he is talking with the bill's prime sponsor, Sen. Ray Lesniak, D-Union, about a new effort.

"We're definitely talking about it. And we know what the administration wants to see," he said.

One thing he says he and the governor can agree on: The legislation did not go far enough.

The bill had originally tried to scrap the COAH body and set up a two-pronged way for

Written by Administrator

Saturday, 29 January 2011 16:37 -

---

developers to incorporate low-cost housing into their plans.

But the bill underwent significant revision between its introduction and passage in the Senate and Assembly.

The Office of Legislative Services ruled the first draft may be unconstitutional, because the Legislature may not have the authority to abolish COAH. The later version of the bill required 10 percent of all housing in every town to be deemed “affordable, and created a new body in place of COAH to review housing plans.”

Gov. Chris Christie conditionally vetoed the bill, S1, saying there would need to be a greater overhaul.

“If the goal of this legislation is to replace an already broken system for providing affordable housing with a common sense, predictable and achievable process, then this bill sorely misses the mark,” said Christie.

Van Drew says state regulations and fees are the problem, making it too expensive to subdivide lots for smaller, affordable dwellings.

“After all the fees, developers can’t turn a profit on a house that’s smaller,” he said.

That system of fees has to change, he said, before the state’s need for affordable housing will be met.

### **In the spirit of bipartisanship**

When President Barack Obama delivered his State of the Union last week, he was praised for

Written by Administrator  
Saturday, 29 January 2011 16:37 -

---

his bipartisan seating arrangements.

Seeking to cut through Washington's partisan acrimony, Obama encouraged federal legislators to sit with members of the opposite party.

At the state level, Sen. Jim Whelan, D-Atlantic, said Wednesday he was happy to see Obama's initiative — and says he has been following that policy for years.

Case in point: When the Republican governor delivered his State of the State address on Jan. 11, members of the state Senate and Assembly packed the Assembly chamber.

Whelan carried in a folding chair and went to sit with the two Republican Assemblymen from Atlantic County, Vincent Polistina and John Amodeo.

Polistina and Whelan had recently locked horns over Atlantic City Tourism District legislation. Polistina said the process had become partisan, while Whelan countered that the bills were necessarily imperfect.

Nonetheless, the three Atlantic County representatives sat and chatted before and after the speech.

"Politicians should do more of that sort of thing," Whelan said afterward.

*People and Power* by Juliet Fletcher, *The Press of Atlantic City's* Statehouse Bureau reporter, appears every Sunday. Fletcher can be reached at: [JFletcher@pressofac.com](mailto:JFletcher@pressofac.com)

[JFletcher@pressofac.com](mailto:JFletcher@pressofac.com)

Written by Administrator  
Saturday, 29 January 2011 16:37 -

---

[Powered By WizardRSS](#)

**Source:** [http://news.google.com/news/url?sa=t&fd=R&usg=AFQjCNHGBRceJ\\_m7O7Zq7w6JhLF6YhD0Q&url=http://www.pressofatlanticcity.com/news/press/new\\_jersey/article\\_11d3039a-2bf7-11e0-8125-001cc4c03286.html](http://news.google.com/news/url?sa=t&fd=R&usg=AFQjCNHGBRceJ_m7O7Zq7w6JhLF6YhD0Q&url=http://www.pressofatlanticcity.com/news/press/new_jersey/article_11d3039a-2bf7-11e0-8125-001cc4c03286.html)