

Written by Administrator
Monday, 31 January 2011 13:51 -

January 31, 2011, 2:37 PM EST

By Rebecca McClay

(Corrects story published Jan. 25 to remove reference to Revel being owned by Nexia Holdings Inc.)

Jan. 25

(Bloomberg) -- New Jersey Governor Chris Christie said he's spoken with Morgan Stanley officials about reviving construction of the Atlantic City Revel casino resort, to create jobs and stimulate growth.

Morgan Stanley, owner of the world's largest brokerage, invested about \$1.2 billion into the project, then later wrote down 97.7 percent of its value as the casino industry stagnated. Construction was suspended in 2009.

"My vision for Atlantic City has been that Atlantic City needs to become Las Vegas East," Christie said in an interview today at Bloomberg headquarters in New York. "It needs to become a place that caters to convention business, that caters to summer vacation business."

Christie said he's counting on completion of the casino, a half-built, 53-story hotel and casino on 20 acres of beachfront property, to add jobs to the state's slumping economy and inject new life into the city's gambling industry. The Revel would be the city's biggest if completed according to its original plan, which called for two towers with 3,800 hotel rooms and 150,000 square feet of gambling space.

Christie and Morgan Stanley spokesman Mark Lake declined to provide details of the governor's conversations with the bank.

"In terms of the substance of those conversations, I don't feel comfortable sharing them," Christie said. "But I will say I have had conversations and will continue to have ongoing conversations with them about the project because it's important to Atlantic City's future and to New Jersey's future."

Day Trippers

Christie said Atlantic City's monopoly on casino "day- trippers" has eroded with competition from Delaware, Pennsylvania and New York, so the city needs to draw more convention business and summer vacationers.

"Revel would play an important role in bringing new life and activity to that," Christie said.

Revel Entertainment Group LLC met today with lenders in New York to discuss selling \$850 million of loans backing the project, according to a person familiar with the discussions.

In November, the U.S. Securities and Exchange Commission asked Morgan Stanley, which has held a majority stake in the project since 2007, to explain why it waited until last year to report the losses: \$923 million in the first quarter of 2010, \$229 million in the third quarter and \$12 million in the fourth quarter.

The bank responded that it thought a strategy for holding would help it recover the carrying value and that it booked the charge after deciding to sell.

--With reporting by Henry Goldman and Terrence Dopp in New York. Editors: Christine Maurus, Rob Urban

To contact the reporter on this story: Rebecca McClay in New York at rmcclay@bloomberg.net.

To contact the editor responsible for this story: Kara Wetzel at kwetzel@bloomberg.net.

NJ's Christie Seeking to Revive Atlantic City Revel - BusinessWeek

Written by Administrator

Monday, 31 January 2011 13:51 -

Source: <http://news.google.com/news/url?sa=t&fd=R&usg=AFQjCNG5GDyRrRARVWhX4AoW0-Y9YWxOrg&url=http://www.businessweek.com/news/2011-01-31/nj-s-christie-seeking-to-revive-atlantic-city-revel.html>