

Caesars Says Will Close Showboat Casino on Aug. 31

Written by Administrator
Saturday, 28 June 2014 07:31 -

Casino contraction hit Atlantic City for the second time this year, as the parent company of the Showboat Casino Hotel announced Friday it will close the Mardi Gras-themed casino on Aug. 31.

Caesars Entertainment told The Associated Press on Friday morning the company will shutter the poorest-performing of its four Atlantic City casinos.

CEO Gary Loveman said in a statement that the "difficult decision" is necessary to protect the rest of its business in Atlantic City, where it currently owns four of the 11 casinos.

"While we regret the impact that this decision will have on our Showboat associates, we believe this is a necessary step to help stabilize our business in Atlantic City and support the viability of our remaining operations in the vicinity," he said. "Since 2006, revenue in Atlantic City has declined by more than \$3 billion and competition in the city has increased. The dynamic in Atlantic City has led us to the difficult but necessary decision to close Showboat."

"We sincerely appreciate the service, dedication and professionalism shown by the employees of the Showboat over the years to provide our customers with incredible experiences," he said.

The closing will also shutter the casino's House Of Blues, one of New Jersey's most popular concert venues.

It will be the second casino to close this year in the nation's third-largest gambling market. The Atlantic Club closed in January, taken down in a bankruptcy sale by Caesars Entertainment and Tropicana Entertainment, who stripped it for parts and closed it to reduce competition.

And, Revel Casino Hotel has warned it might shut down if a buyer can't be found in bankruptcy court.

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Bob McDevitt, president of Local 54 of the Unite-HERE casino workers' union, said he planned to spend the next few days talking with Showboat employees.

"I'm heartbroken and angry, too angry to respond in an effective way," he said.

Thursday night, when he revealed that Caesars planned to issue warning notices to Showboat workers that the casino might close, McDevitt called the company's threat to close a profitable casino "a criminal act."

Asked at a press conference Friday if he is angry at Caesars Entertainment, which has had a hand in closing two Atlantic City casinos so far this year, Mayor Don Guardian responded that the company is still the largest taxpayer among casinos, adding, "I'm partnering with the businesses that remain in Atlantic City. I'm sorry that the Showboat is shutting down."

For the first quarter of this year, the Showboat posted a gross operating profit of nearly \$2 million. But that was down from a profit of nearly \$8.5 million in the first quarter of 2013.

So far this year, the Showboat has taken in \$66.2 million from gamblers, ranking it seventh out of Atlantic City's 11 casinos. That represents a decline of nearly 16 percent from the same period in 2013.

Caesars said the Showboat will remain fully operational until Aug. 31. Guests with reservations after that date will be assisted in finding new accommodations, Loveman said.

He also said the company will work with the casino's more than 2,100 workers to help them find jobs with other casinos Caesars Entertainment owns in New Jersey and elsewhere.

In addition to the Showboat, Caesars Entertainment owns Harrah's Resort Atlantic City, which ranks second to the Borgata in the amount of money won from gamblers each month, Caesars Atlantic City, and Bally's Atlantic City. It also owns a casino in neighboring Pennsylvania.

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