

## Atlantic City, New Jersey, casinos close amid competition

Written by Administrator

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When gambling was legalized in New Jersey in 1976, it injected new life into the boardwalk empire. But economists said that casino saturation would creep into the market, and it looks like those warnings are becoming a reality, CBS News correspondent Michelle Miller reports.

Atlantic City Mayor Don Guardian has only been in office for six months, but he's already facing a change years in the making.

"Gaming is always going to be important to us," Guardian said. "It's no longer the center stage."

Since January, three of the town's 12 casinos have either closed or threatened to close. The famed Atlantic Club was the first to fold. Last month, Caesars Entertainment announced that Showboat, one of its four Atlantic City casinos, would be going out of business.

"I feel like it's kind of like a dream right now, like it's not really happening," said Melanie Gillespie, a cocktail server at Showboat for 18 years.

Even Revel, the area's newest and most expensive casino, may be out of luck. When the \$2.4 billion glass palace opened two years ago, many people dubbed it a "game-changer."

"This is really one of the most spectacular resorts I've ever seen," New Jersey Gov. Chris Christie said in 2012.

Christie pumped \$260 million worth of tax credits into the project, but Revel has filed for bankruptcy twice and could shut its doors next month if it doesn't find a buyer.

Pinky Kravitz, 86, is a lifelong Atlantic City resident. He's worried about the thousands of people who could soon be out of work.

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"What I have found is that when these people go, where do they go, what do they do?" Kravitz told CBS News.

The biggest hit to Atlantic City's bottom line: out-of-state competition.

In the past decade, dozens of casinos have popped up outside New Jersey's borders. Casino revenue has plunged from a high of \$5.2 billion in 2006 to \$2.9 billion last year.

The major's solution: look beyond the slots. At the Borgata Hotel Casino and Spa, a third of the revenue comes from other amenities, like restaurants and shows.

"The vast majority of our customers live much closer to another option," said Borgata President Tom Ballance. "They choose us because we have a better product. If you don't provide that in Atlantic City, people will go to a closer competitor."

The signs of a changing landscape are evident. A developer has already purchased the old Atlantic Club, and there are reports that it would be turned into a new luxury hotel without a casino.

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