

Revel Says It Has \$90M Offer to Buy Closed Casino

Written by Administrator
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A Florida developer has offered \$90 million for the Revel Casino Hotel that shut down last week, lawyers for the resort said Wednesday in court documents.

The casino said in the bankruptcy court filing that Glenn Straub's Polo North Country Club, Inc., made the cash bid for the \$2.4 billion resort. The casino also wants a judge to set an auction for Sept. 24 if any higher bids are received by Sept. 23. A bankruptcy court judge would have to approve any sale.

It's unclear whether Straub would operate the property as a casino if the sale went through. Straub's offer is not contingent on him getting approval to run a casino, according to the court filing.

Revel is also asking the court to approve a \$3 million breakup fee for Straub, which he would be paid if the deal doesn't go through.

Revel opened a little more than two years ago amid high hopes of turning around Atlantic City's struggling casino market. But the \$2.4 billion resort shut down on Sept. 2 and about 3,000 employees were left out of work after it failed to find a buyer before an earlier scheduled auction.

An attorney for Revel said that it needed to close to stop weekly losses of more than \$1 million, but that it still hoped to sell the property.

"Our earnest hope is that we will have a successful auction," attorney John Cunningham said in bankruptcy court last month. "But it takes two to tango. ...It may be (that) some of the dust has to settle from the shutdown."

Both Revel and the Showboat closed down over Labor Day weekend. Trump Plaza plans to close on Sept. 16, and the Atlantic Club closed in January. Trump Entertainment Resorts also filed for bankruptcy this week and threatened to close the Taj Mahal casino in November if it

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can't cut its expenses.

The consolidation pummeling Atlantic City is a reaction to the saturated northeastern U.S. casino market, which continues to add new gambling halls.

None was a costlier failure than Revel.

The casino broke ground just before the Great Recession. It ran out of money halfway through construction and had to drop its plans for a second hotel tower while scrambling for the remaining \$1 billion or so needed to finish the project. When it opened, Revel was so laden with debt that it couldn't bring in enough revenue to cover it.

The idea behind Revel was to open a totally different resort, a seaside pleasure palace that just happened to have a casino as one of its features. That included Atlantic City's only total smoking ban, which alienated many gamblers; the lack of a buffet and daily bus trips to and from the casino; and the absence of a players' club. By the time those decisions were reversed, it was already too late. High room and restaurant prices hurt, too.

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