

Is Atlantic City trying to condemn failed casino for powerful developer?

Written by Administrator
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The logo for The Inquirer, featuring the text "The Inquirer" in a white, serif font on a blue rectangular background.

ATLANTIC CITY - Another day, another feud surrounding Glenn Straub and the failed Revel casino.

In this latest head-scratcher out of the city on the edge of the Atlantic and on the brink of bankruptcy, the City Council named two politically connected businessmen as redevelopers of the entire inlet area, including the Revel property owned by Straub.

This could give them power to condemn the \$2 billion former casino, wresting control of the property from Straub, the mercurial Florida businessman who bought the tower out of bankruptcy, but has been mired in disputes over basic utilities ever since.

The company is called M & J Urban Renewal LLC, Liz Thomas, a hired spokeswoman, said Tuesday. It is comprised of Joseph Jingoli, himself a former partner in ACR Energy, which powered Revel, then brought it to its knees with a costly financing structure, and Jack Morris, the developer behind the Garden State Race Track redevelopment.

After fighting for months, Straub bought ACR for \$30 million in a deal with ACR Energy and Mellon Bank of New York, which might have seemed to end the warring with the Jingoli faction and pave the way for Straub to actually do something with the property. But two days before Thanksgiving, City Council approved a resolution naming M&J developers of the area.

Straub cried foul, saying he had turned down an offer from them to buy Revel, and had no advance warning that City Council was about to authorize the possible condemnation of his property.

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“New Jersey is doing New Jersey things,” he said. “It makes you suspicious.”

For its part, M&J offered no plan for what they might do in the inlet, and said late Tuesday night they would embark on a “listening tour” of the mostly barren neighborhood.

The company, through its spokeswoman, also took credit for spurring Straub to pay a \$4.3 million tax bill in the last week.

“In the short time M&J has been appointed redeveloper, we got Mr. Straub to finally pay his back taxes and suddenly express interest developing his property after months of empty promises and crazy ideas that have gone nowhere,” Thomas said in an emailed statement.

“I’d say we’re doing pretty well so far and this is even before we start out neighborhood listening tour where we will meet with property owners and stakeholders.”

Earlier in the day, Thomas had said the company was “looking forward to working with” Straub.

Straub laughed at the supposed connection between M&J and his tax payment, saying he paid because the city had a lien on the property and that he was within a seven day grace period. He also said the city took his check and promptly ran across the street to deposit it. But he said he planned to appeal the assessment.

And he said the redevelopment plan will interfere with his attempts to contract with a casino operator and sign leases with restaurants and nightclubs.

“It just reeks of something behind the scenes,” he said.

The council action, first reported last week by the Press of Atlantic City, was taken over the

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objections of Councilmen Marty Small and Aaron Randolph. Randolph represents the area and was quoted at the council meeting as saying he had not been consulted or made aware of the redevelopment plan.

The designation of a blighted area needs the approval of the Casino Reinvestment Development Authority, which has for years been trying to wield an eminent domain stick in the inlet area, with limited success. Its efforts have stalled since Revel closed.

Council President Frank Gilliam was quoted in the Press as saying the rationale for naming the redeveloper was to spur Straub into opening the property. Gilliam did not return a message seeking comment.

Thomas said neither Jingoli or Morris would be available for comment.

“They’re interested as longtime property owners in Atlantic City redevelopment,” she said. “The details of plans will follow. There is no definitive plans to offer.”

For those watching the entire chess board, another partner in the ACR Energy Plant, South Jersey Industries, was recently named a partner in a development on the opposite end of town that will also include an Atlantic City campus for Stockton University.

That project is being developed by ACDevCo, a non-profit run by Chris Paladino, one of the authors of the report on Atlantic City to Gov. Christie, which recommended a public-private venture.

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