

Once near death, Tropicana now No. 2 casino in Atlantic City

Written by Administrator

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ATLANTIC CITY, N.J. — Ten years ago, Atlantic City's Tropicana casino was on the verge of death, having been stripped of its casino license after its then-owners laid off vast swaths of the workforce, leading to filthy rooms, insect infestations, hourlong waits for slot machine payouts and food and drink orders that often never arrived.

Now, after years of reinvesting in and renovating the casino floor, hotel rooms and eateries, the Tropicana has become the No. 2 casino in the city in terms of gambling revenue — a position it will need to fight to retain as two additional casinos open on the Boardwalk this summer.

"It's an incredible difference and transformation," said Tony Rodio, president of Tropicana Entertainment. "Employee morale was at an all-time low, customers were not happy with the facility and how it was being managed and were leaving in droves and revenues were declining on a monthly basis. Fast-forward 10 years to where we are today, I couldn't be prouder of what we've been able to accomplish over that time."

The Tropicana ended 2017 second among Atlantic City's seven casinos in terms of total gambling revenue with \$390 million, trailing only the perennial market leader Borgata, which had more than \$800 million. Internet gambling winnings worth \$42.5 million helped Tropicana pass Harrah's, which had long been the city's No. 2 casino in overall revenue.

Eugene and Ruth Lee, of West Orange, enjoyed a recent stay at Tropicana, during which Ruth won \$75 playing poker.

"We like the restaurants here," she said. "The variety of food is very good."

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"And they send us comps for free rooms," added Eugene.

Not that everything is perfect. On Wednesday, a guest set up an illegal methamphetamine laboratory in a Tropicana hotel room, starting a fire that forced the temporary evacuation of four floors and injuring two people: the man charged with drug and other offenses, and a hotel worker who entered the room. The casino said the rooms were cleaned and inspected after a State Police haz-mat team dismantled the lab, and would be ready for occupancy again on Friday.

Ten years ago, the trouble started under the Tropicana's former owners, Kentucky-based Columbia Sussex Corp, which laid off 900 workers — about a quarter of the staff — leaving it dirty and understaffed.

The woes were typified in a letter from a group that had its national convention at the Tropicana, and wrote a letter of complaint afterward. Nelson Fabian, head of the National Environmental Health Association, wrote of cockroaches in rooms, bedbugs, dirty dishes left in hotel hallways for days and one guest who came into a room only to see housekeeping staff eating food he had left in the room.

"I noticed as I walked across the tile floor that I almost lost my shoes, the floor was so sticky," Fabian wrote.

The Casino Control Commission stripped the Tropicana's casino license, which can be the death penalty for an Atlantic City casino. But it allowed the casino to continue operating while new owners were sought.

In March 2010, billionaire investor Carl Icahn bought the Tropicana from bankruptcy court and began reinvesting in the property and hiring a new management team. Since 2012, Tropicana Entertainment has plowed \$200 million into the property, re-doing most hotel rooms and the casino floor, adding restaurants, and buying the adjacent 330-room Chelsea hotel.

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"I'm very impressed with what Tropicana has done over the last 10 years," said Steve Norton, a former Atlantic City casino executive-turned-casino analyst. "They didn't have the funds to do what they needed to do, and Icahn's money has made a big difference there."

Bob McDevitt, president of Local 54 of the Unite-HERE union, waged a bitter labor war with Icahn over another of his casinos, the former Trump Taj Mahal, where a strike over benefits ended with Icahn closing the casino in October 2016, putting nearly 3,000 people out of work.

But McDevitt praised Icahn for hiring many former Taj Mahal workers at the Tropicana, and for reinvesting in the property.

"We had a major fight with Carl Icahn at the Taj Mahal, but I'm not going to be a hypocrite and ignore the fact that the Tropicana is one of the best-run properties in the industry," he said. "They systematically have made it better and better."

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