

CASINO CONTROL COMMISSION

Tennessee Avenue and Boardwalk
Atlantic City, NJ 08401

AC Gateway files for “boutique” casino program

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The Casino Control Commission announced Friday it received one application to participate in a pilot program for a small-scale or staged casino license.

Commission Chair Linda M. Kassekert said that AC Gateway LLC filed the application with the commission late Friday afternoon. It is seeking approval to construct a staged casino which will start with 200 rooms and later expand to at least 500 rooms.

“The commission will immediately begin to review the application to make certain it meets all of the requirements of the pilot program,” she said. “We want to get this project moving as quickly as possible.”

Earlier this year, Gov. Christie signed legislation that authorizes the commission to issue licenses for small-scale and staged, or “boutique,” casino hotels. Instead of the standard 500-room minimum that has applied in the past, the law allows these licenses to go to casino hotels with as few as 200 rooms. Under the law, the facilities must be new construction along Atlantic City’s Boardwalk. One of the licenses must be for a project that will expand to at least 500 rooms within a five year period.

AC Gateway indicated it is seeking approval for a staged casino. Under the law, it can initially construct a 200-room hotel with a casino of up to 34,000 square feet. It must also have at least one restaurant and at least one entertainment venue.

Within two years of licensing, it must start construction to expand the facility to at least 500 hotel rooms.

Kassekert said the legislation is designed to “promote the construction of new, first-class casino facilities along the Boardwalk containing first-class restaurants, high quality entertainment venues, special amenities as well as much-needed hotel rooms.”

Along with the application, AC Gateway submitted a non-refundable processing fee of \$1,500. Under the guidelines for the pilot program, the commission will make every effort to complete its review of the application and rule on it within 60 days.

“We intend to complete our review and rule on this application as soon as possible,” Kassekert said.

If the commission approves its participation in the pilot program, the applicant will have 120 days to file a casino license application, although the commission can extend that deadline for good cause. When it files the license application, it must also submit \$1 million, either in cash, a letter of credit or a bond, to guarantee completion of the project. If the applicant fails to meet agreed upon deadlines for construction of the casino hotel, that money will be forfeited. Once construction starts, the applicant must also deposit \$1 million within seven days with the State Treasurer to fund infrastructure improvements.

The two other entities that had expressed interest in the small-scale or staged casino program – ACE Gaming LLC and California Avenue Ventures LLC - notified the commission that they would not proceed with the pilot program at this time. Under the law, the commission can issue no more than two licenses for small-scale or staged casinos. Since only one application has been received, the commission is free to solicit new expressions of interest at a later date.