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City must reinvent itself to come back

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Admittedly things look bleak here in Atlantic City. Gaming revenues are down from the peak of \$5.2 billion annually to probably about \$3.8 billion. Five of the 11 casinos are in bankruptcy or near foreclosure. And every major new casino project has either been stopped or slowed down. What does the future hold? Can the state help A.C.?

First let's look at the causes for the decline in revenue. The primary cause is probably that the economy is in a severe recession, that may end later this year, but will probably not have a quick turn around. Then there's the increased competition from gambling in Pennsylvania, New York and Delaware which make it more difficult to draw from those markets. And changes in policy, like the partial smoking ban, have also contributed. Add to that some questionable management decisions at some of the casinos.

Borgata differentiated itself by building a mega resort that attracted people who knew they couldn't find that anywhere reasonable close. Harrah's followed with a similar concept and both have been successful.

Many believe that no new megaresorts will be built in A.C. after Revel, even though there are at least four possible locations available. But new megaresorts could be built, if the profit potential is there.

Building new infrastructure will help Atlantic City. Easing some regulations will help A.C. Changing some restrictions will also help. But to become a growth market again, we will need more. There needs to be a sense of excitement for all visitors; a