

# THE BOARDWALK JOURNAL™

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Happy  
New Year

**It's 2010!!**

- Corzine's Big Loss: *What Went Wrong?*
- Terry Oleson Tries To Pick Up The Pieces
- Money Talk With Joel Naroff

*PLUS:* Sister Grace Nolan, Paula Hartman's Poetry and Inside the Casa Del Cielo & Masterpiece Advertising Holiday Parties

**FREE!**



People cherish milestones. Fiftieth anniversaries garner much more splash than a couple's forty-ninth, for example, and not necessarily because one more year together is that big a deal. It's the roundness of the number, right? It lends a sense of achievement, of getting somewhere. It's an event.

Remember when 2000 rolled in a decade ago? As if the idea of a new millennium wasn't enough to satisfy us, how many of us also seized on all that Y2K hoopla? How many of us truly believed that at the stroke of midnight on December 31, 1999, communication and technology as we knew them were going to immediately shut down, despite assurances from those in the know who said it wouldn't happen? I'll admit it. I waited for the lights to flicker that night as our electricity supply wavered. I half expected the television to go click! and that would be the end of that. I hit the ATM at about 4:00 on that New Year's Eve afternoon to make sure that my cash was in my wallet and not at the mercy of a fried computer terminal somewhere in India.

But...nothing happened. The rollover into a new millennium was entirely notable only in our own minds - we who so love milestones.

Andy Warhol might have said it best: "They say that time changes things, but you actually have to do it yourself."

I'll take that one step further. Sometimes other people change us. And sometimes they cause events that change us. But Warhol was right. It's not necessarily time itself that does the deed. It's what mankind does with that time.

Ten years ago, as we waited for Y2K to do gremlin work on our computerized existences, how often did the word "terrorist" actually creep into our conversations? The events of 911 would not occur for another 21 months, but then a

handful of individuals - not the date itself - changed our lives forever. September eleventh will never again slip by unnoticed on our calendars. It's become a poignant and painful anniversary anchor.

In 2000, as we segued into a whole new century, the state of Vermont passed a bill they called HB847. It legalized civil unions for same sex couples, a notable event because no other state had yet done so. Because of that one action kick starting things, the legislature of the State of New Jersey is currently spending as much, if not more, time debating the rights of homosexuals as opposed to fixing our hideously broken budget. The issue has set up a firestorm of debate between

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outgoing governor Jon Corzine and our newly-elected Chris Christie as the clock races down toward the end of the year. Corzine wants to push the same-sex marriage bill through before his daylight runs out. Christie is hoping that Corzine's daylight runs out.

In 2000, Jim Whelan was still mayor of Atlantic City, having not yet moved on to bigger and better things after he lost his local seat to Lorenzo Langford....who, a decade later, is b-a-a-a-ck. In 2000, Christie Whitman was still our governor. Bill Clinton still had his

grip on the White House, among other things.

So where are we now? What impact will time - and the individuals who use it to propel change - have on us locally at this milestone of a second decade in our new millennium? The Boardwalk Journal asked a few experts in their respective fields to share their thoughts with our readers, because from all appearances, Atlantic City is once again at a critical, pivotal point in its history.

Ten years ago, our casino industry was sitting rather pretty. It had already weathered some tough economic times, and it survived them. We were largely considered to be recession-proof, and proud of it.

In the last thirty years, most economists consider that our country has endured eight separate periods of negative economic growth, and four of those periods - 1981, 1990, 2001, and our current woes - are said to have been outright recessions, meeting not only the layman's definition of the term, but some exacting economic criteria as well. The difference is that in 1981, Atlantic City was a baby industry, really just a kid. It was enduring spurts of healthy growth the way kids do. Growth spurts make children a little clumsy once in awhile because they can't seem to get out of the way of their own feet and their forward momentum. But after they work through these spells, they bloom. And Atlantic City did just that. After a chaotic rush of six casinos opening in two years, the Tropicana burst onto the scene in mid-recession in '81, thumbing their corporate noses at the state of the economy.

There were failures, too, and some of that clumsy stumbling I mentioned above. We lost Playboy, but at the same time, Trump and Showboat threw their bucks into our arena. And by the time our country fell into the throes of the next recession - in 1990 - we in Atlantic City were still thumbing





*Gaming Guru Dennis Gomes*

our noses. The Taj Mahal opened in 1990. The Borgata burst onto the scene right after the 2001 dip in our economy.

But now...we've stalled. Now, for the first time, we have some serious competition.

In the early nineties, all over our country, American Indian tribes also began to see the revenue potential - and the recession resistance - of legalized gambling. And Atlantic City began stumbling maybe just a little bit more, not from growth spurts this time, but maybe from old age.

America is currently home to 562 federally recognized Indian tribes. By 2001, more than two hundred of those Native American nations offered Class I (games that involve minimal wagering) and Class II (games like poker and bingo) gambling on their reservations. One short year later, by 2002, tribal gambling moved into Class III games, the heavy stuff, and enjoyed revenues of \$14.5 billion, generated from 354 casinos.

Come our most recent recession, the Atlantic City industry that was still in a kid in 1981 has now hit full-stride maturity. And we're feeling the heat of competition, of all those young upstarts. Nineteen states currently offer casinos. Three of them are our immediate neighbors - Delaware, Maryland, and Pennsylvania. All told, the continental

United States and its territories offer more than 450 casinos producing a gross gaming revenue of more than \$34 billion annually. And this doesn't include those tribal casinos mentioned above, because by law, they're nations and entities unto themselves.

Here in Atlantic City, casino dealers want to strike for more money and more secure benefits. The UAW is still doing its best to rile them up. Saturday nights on our casino floors look like Tuesday nights used to look in the eighties. And Tuesday nights look like California almost two centuries ago, well after the Gold Rush moved on to Alaska.

Does this mean that we're at critical mass? Many of our local movers and shakers are at least wary of that thought. They're

concerned enough that in late November, they put together a "Summit" - a meeting of elected officials, casino leaders, and civic leaders, basically anybody and everybody with a stake in Atlantic City and its future. The purpose of the Summit was to identify core areas of crises, the most pressing matters currently in the lap of the city, and to decide what could be done about those issues.

"Leaders within the community have rolled up their sleeves and have gotten to work," said Mayor Lorenzo Langford of this historic event. "We'll take the ideas and move ahead from here. I'm encouraged. One big thing we've already accomplished is to bring everyone together to work together."

Makes sense. Any football enthusiast will tell you that a defensive blitz frequently gets the job done. But if we're going to be candid, this isn't just about our casinos. The first decade of the new millennium has left us to carry forward with a variety of bruises, not all of which we could control. We endured the highly embarrassing debacle of our mayor disappearing when Bob Levy took a powder in the middle of a firestorm the whole nation was watching. We made national news when we produced our own serial killer. And, on a national level, the economy tanked, and

for the first time ever, Atlantic City wasn't impervious. Unemployment skyrocketed. Bankruptcies peaked. And this time, the casinos - our lifeblood - felt it.

But Mayor Langford told us that the Summit seems to have a very good grip on the enormity of the task it faces. "To attempt to put your arms around everything...you'll probably get nothing done," he said. "So we're addressing the most dire needs immediately. We'll prioritize a list of issues that can be reasonably addressed, things that can be reasonably fixed. We've tried to get a manageable number of things we can agree upon, things that are the most pressing."

He also told us that the group was very much in agreement regarding the issues that need to be fixed. "Finding a consensus with regard to the priority of what needs to be accomplished is important," he said. "We want to work together, and we will work together. Our next meeting will be held at a larger venue to accommodate even more people."

That said, are we at critical mass? Mayor Langford does not seem to think so. "I'm very optimistic about the future of Atlantic City. I'm also optimistic about working with the incoming Governor Christie. Members of his transition team and administration will certainly be involved in what we're hoping to do here in Atlantic City."



*Atlantic City Mayor Lorenzo Langford*



Dennis Gomes is also optimistic. Gomes has been a gaming industry leader for over 35 years, so he's got a wealth of experience to draw upon. A former law enforcement officer in Las Vegas, he went on to serve as lead investigator with the Nevada Gaming Control Board and from there to very successfully managing casino and entertainment properties in both Las Vegas and here in Atlantic City. He's served as President of Steve Wynn's Golden Nugget, our own Taj Mahal, and he was the force behind the merging of Aztar Corporation's Tropicana properties in Las Vegas and Atlantic City, increasing Aztar's operating profits by over eighty percent. The New York Times dubbed him "Mr. Fixit" and called him our "most unconventional casino president." As one can gather from all this, Dennis Gomes is known not only for his business acumen, but for his imagination and insight as well.

"In my humble opinion," he told us, "Atlantic City is one of the greatest vacation and gaming destinations in the United States. However, if you listen to many of the Wall Street analysts and even some gaming executives who don't have a stake in New Jersey, you'd think the city is in the middle of its death throes."

Gomes feels that nothing could be further from the truth. While the naysayers are bemoaning the potential of Delaware, Maryland, and Pennsylvania to cut off our air like boa constrictors in this next decade, he feels that our city is unique enough to survive the squeeze. "Yes, the worst economy since the Great Depression - as well as competition from our primary feeder markets - has hurt us tremendously," he said. "But we still have all of the attributes that in the past have made this the most popular vacation destination in the east. We still have our beautiful beaches, our clean, pristine air, the Boardwalk, fishing, boating, surfing, hiking, exciting city-wide events, and some of the finest, friendliest, and most dedicated resort employees and executives in the world."

We gave Dennis Gomes the "critical mass" question, too. Is that where we're currently at with this latest milestone of a new decade?

"We have a critical mass of great casinos and retail, dining and entertainment, that is second to none," Gomes answered. "Nothing else in the east will be able to compete with the synergy created by all these wonderful



*Prominent local realtor Paula Hartman*

attributes. Why do you think that everyone in Pennsylvania - who can afford it - has summer homes at the Jersey shore? Because they want to be able to get away from the humdrum and the boredom of their daily lives and escape to a wonderful, exciting, and beautiful environment that has something for everyone.

"I love this city and will never leave it," Gomes said. "I have undying faith in its sustainability as one of the great destination resorts in the country. I urge everyone to not listen to those who love to bash New Jersey and everything about it, especially Atlantic City. They've done this continuously in the past. They were wrong then and they're wrong now! Mark my words; they'll all be left crying in their beer because they didn't have the foresight to invest in this city when they had the opportunity."

But there's still a national crisis going on out there, right? There are things happening these days to people's wallets that go well beyond the control of Atlantic City and its movers and shakers. One such area is the real estate bubble, boom...and bust.

But super-realtor Paula Hartman of Prudential Fox and Roach was also upbeat when we asked her about the immediate future of our real estate market, about where it's just been and where it's going with this new decade. "The horrible part is over," she said vehemently. "A year or so ago, banks were

closing and industries were collapsing. We've come a long way since then. There's a lot of optimism right now. We have the federal tax credits, and prices have leveled off. Inventory has been reduced. More realtors are staying in the business now. We're getting rid of a lot of the part timers." Most notably, she said, "Mortgage rates are lower right now than they've been in fifty years. That's a biggie."

To hear her tell it, 2010 is a brand new start for the real estate market, something like a phoenix rising out of ashes. We're rebounding.

"If you look at the market reports," she said, "a three bedroom home in Margate sold for \$215,353 in 2000, and that was 94.08% of the asking price. This happened in about 74 days on the market."

So where are we now, in 2009 and on the verge of 2010? "A three bedroom home in Margate sold for \$483,715 in 2009," she told us. "And that was 92.41% of the asking price."

Stats don't lie. Sure, inflation took over, but people are still paying between 92% and 94% of the asking price. That's not a nosedive, not by any means. Homes are staying on the market just marginally longer, 91 days in 2009 as opposed to the 74-day average in 2000.

But there is one major difference. Spin the stats a little differently, and it becomes apparent. "In 2000, 88 out of 89 homes sold, which was 98.88% of the market," she said. "This last year, only 46 out of 130 homes sold, only 35.38% of the market."

So we've got issues, and not all of them are things that any one individual can do anything about. Its circumstance, and it's the time we're living in as we prepare to jump feet first into our next milestone.

As Andy Warhol said, time doesn't change things so much as people do. Maybe I'm just optimistic, but I'll put my money on the survival of Atlantic City. I believe in our survival instinct. Our legacy is one of adapting. Knock us down, and we get right back up. This city has done it time and time again, and I think we'll keep doing it. We'll change with - and respond to - the times.

All we have to do is work for it, and according to Atlantic City Mayor Lorenzo Langford, many of us are willing to do just that.