

Hard Rock plans to start construction on Atlantic City casino hotel by July

By DONALD WITKOWSKI Staff Writer pressofAtlanticCity.com /
Wednesday, November 16, 2011 1:05 pm

pressofatlanticcity.com

ATLANTIC CITY — Breaking months of silence, Hard Rock International’s chief executive officer gave the strongest sign yet that the company will build an Atlantic City casino featuring its signature rock-and-roll theme.

Jim Allen told the New Jersey Casino Control Commission on Wednesday that Hard Rock plans to start construction on the first phase of the project by next July, with a grand opening in spring 2014.

In a related move, the commission boosted the project by approving Hard Rock for a pilot program that allows development of two new smaller-scale casinos on the Boardwalk. Hard Rock’s project is the first of the so-called “boutique” casinos permitted by a new state law. The commission Wednesday extended the deadline for developers to submit applications for the second smaller-scale casino to April 30.

Hard Rock’s casino would create 2,000 construction jobs and about 1,500 permanent positions, giving a gigantic lift to the Atlantic City marketplace, now mired in a five-year casino revenue slump.

“The Hard Rock brand is internationally recognized as offering world-class hospitality, gaming, dining, retail and entertainment,” Linda M. Kassekert, the commission’s chair, said while welcoming the company.

Hard Rock would start by building a 200-room casino hotel in the first phase. A second phase would add a 650-room tower. Allen estimated the second part would start within two years of the first phase’s completion.

Allen’s remarks represented his first public comments about the casino since Hard Rock submitted plans in June with the New Jersey Department of Environmental Protection for a coastal construction permit. The application indicated the casino would cost \$275 million, but Allen said the price tag would be \$465 million for the first phase alone. He declined to give an estimate for the second phase.

Hard Rock, one of the top brands in the gaming and entertainment industry, intends to make full use of its rock-and-roll theme in the Atlantic City project. The casino hotel will include a museum stocked with memorabilia from Hard Rock’s extensive rock-and-roll collection.

“When you look at the history of Atlantic City and its contribution to music, we felt this could be another reason for people to come to Atlantic City,” Allen said.

Hard Rock also will emphasize the beach in the project’s design. The casino will include a Hard Rock Cafe overlooking the ocean as well as an outdoor pool on the beach. Allen said fire pits, a barbecue and live entertainment would add to the beach-flavored party scene.

The casino is proposed at the southern end of the Boardwalk, at the foot of the Route 40-Albany Avenue entryway. In addition to the casino hotel, Hard Rock plans to build a parking garage on

adjacent land where the old Atlantic City High School once stood. Also planned is an underground tunnel for traffic leaving the parking garage.

Hard Rock, which is owned by Florida's Seminole Indian tribe, is teaming up with the New York-based Och-Ziff Capital Management Group to develop the project through a group called AC Gateway LLC. Hard Rock will design, build and operate the casino, while Och-Ziff is expected to finance it. Allen noted that financing and regulatory approvals still must be obtained.

Allen disclosed that several Atlantic City casinos — he did not name them — have approached Hard Rock about possibly buying or operating their properties. He said Hard Rock would rather design and build its own casino.

“There were five or six, maybe more, properties here that came to us, saying, ‘Will you take us over, manage it or buy it?’,” Allen told the Casino Control Commission. “We said no. We think new construction is going to change the perception of Atlantic City. New is better.”

The pilot program for smaller-scale casinos will make it easier for Hard Rock to build. It was approved by the state Legislature and signed into law this year by Gov. Chris Christie. The idea is to lower the cost of entry into the Atlantic City market by allowing developers to build smaller, less expensive casinos.

“The main reason this was attractive to us, it allows us to not write a billion-dollar check, which is basically impossible to finance anymore,” Allen said.

Previously, the minimum threshold for casino construction in Atlantic City was 500 hotel rooms. The smaller-scale casinos may start with as few as 200 rooms, but can expand in stages, as Hard Rock plans to do.

Contact Donald Wittkowski:

© Copyright 2011, pressofAtlanticCity.com, Pleasantville, NJ. Powered by BLOX Content Management System from TownNews.com.
[[Terms of Use](#) | [Privacy Policy](#)]