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Revel casino makes \$2.4B bet it can restore luster to Atlantic City

Amy Brittain/The Star-Ledger

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ATLANTIC CITY — Flip through the most recent issue of Vanity Fair magazine and you'll see a sweeping four-page ad promoting a "destination for uncommon recreation." A snorkeling mask, wine glass and high-heeled red shoe are shown on one page.

The dominant image is a towering, sparkling silver resort, with a glass facade reflecting the ocean and the sun's orange glow.

Where is this paradise? There are no clues in this ad, other than a reference to the "Atlantic Coast," which could mean anywhere from Florida to Maine.

But this is Atlantic City, a resort Shore town long plagued by crime and a culture of corruption that's glorified in TV and in film.

Into these trappings comes the Revel, a \$2.4 billion casino resort that bills itself as the antithesis of Atlantic City. Smokers are shunned, slot machines are almost an afterthought, and the attractions away from the gaming floor are elegant: a rooftop botanical garden and a spa designed to mimic the ancient bathhouses of Rome.

Through substantial tax breaks, state officials have banked on the Revel's success, hoping it can spur a comeback in a newly defined tourism district that's trying to reshape the public's perception of Atlantic City.

Meanwhile, it appears the Revel, which opens to the public April 2, is keeping a healthy distance from the negative connotations of Atlantic City, instead trying to carve out its own landscape and change the Boardwalk experience.

It's a dynamic that's a tricky one, especially considering the different stakeholders that have a say in the city's future.

A common misconception, CEO Kevin DeSanctis says, is that the \$261.4 million state tax reimbursement approved last year is just going to fall into his pockets. Rather, \$125 million of that is expected to be redirected to funds for renovating the surrounding area, particularly the South Inlet.

When it comes to the Revel's ties to a state government agenda of reforming Atlantic City, DeSanctis says, it's a situation he's never been in.

"I've worked with governments before for legislation and things like that, but actually in terms of saying, 'Listen, we're really going to try to determine the future of a community?' " he says. "No. That's very unique. I don't think many people get that opportunity." **THE EXPERIENCE**

Just weeks before the Revel's preview launch, DeSanctis showed off the resort to *The Star-Ledger* during a private tour.

All of the hype around the Revel is no exaggeration. Sprawling over 6.3 million square feet of property, the resort will start with 500 rooms, then open hundreds more in the following weeks, making 1,900 available by July 4. A standard room will cost \$239 a night, while some suites will go for \$479. The design themes are simple, sticking to a neutral, clean palette, mostly shades of white, with touches of gray fabrics, stone and dark walnut wood.

Nothing about this place seems gaudy. On the exterior, there will be no signs, billboards or neon lights, all of which have been fixtures on the Atlantic City casino scene.

Don't doubt the star power, though. Beyoncé and Maroon 5 are two of the acts already signed on to perform in May.

Neil Moffitt, CEO of Angel Management Group, has developed a number of the Revel's entertainment ventures, including a four-story nightclub with floor-to-ceiling windows facing the ocean.

A native of England, Moffitt's involvement with Revel is his first project in the Northeast. He's well-known out West for a number of signature Las Vegas properties, including the Wet Republic Ultra Pool at MGM Grand and the LAX and PURE nightclubs.

Moffitt praises the advertising strategy for the Revel, specifically referring to a series of understated billboards along the Atlantic City Expressway, which leads into the city. Mother New York, the advertising firm behind the billboards and print ads appearing in magazines, will not comment on

the campaign until early next month, according to a spokeswoman.

"People get jaded with flashiness and razzmatazz," Moffitt says. "We want to be judged on our projects, the casino and what's in it."

THE LEADER

As fire alarms are ringing, and as the constant buzz of construction sounds drown out his steady voice, DeSanctis doesn't flinch. He should have steel nerves by this point.

"Well, one of the issues is, we've spent \$2.4 billion, and we haven't made a dollar yet," he says, dropping that number without a twinge of anxiety in his voice. "Yeah, I mean, you have to be concerned about that."

But if he is concerned, he doesn't seem to show it. A self-professed foodie, he practically gushes when talking about more than a dozen planned restaurants. Meatballs, tapas and mussels — he plans to try them all.

"If you like food, you're going to like this place," he says.

DeSanctis, who started his career as a New Jersey state trooper, doesn't show as much excitement for the spa.

"I've never had a massage in my life," he says.

As a trooper back in the late 1970s, DeSanctis, 59, helped out with some Division of Gaming Enforcement investigations. After that, he abandoned plans for a career in law enforcement and spent more than a decade working in the casino industry in Las Vegas. He returned to New Jersey in the early 1990s, becoming president of Trump Plaza,

which is one of several top gigs he's held within the industry.

On the tour, the security guards and the construction workers greet DeSanctis by name and exchange nods, exhibiting a camaraderie that's indicative of the labor and shared stress that's gone into creating this place.

But DeSanctis, wearing a black suit jacket with jeans, isn't happy with everything he sees. He veers off course to peek into a restaurant, checking to see if the carpet has been rolled out. At the entrance to the spa, he doesn't like the look of a lighting fixture, pointing out that the illumination should be stronger. A paint job needs a touch-up, too.

DeSanctis is blunt about the reason for an extended preview period, which will culminate with the grand launch on Memorial Day. They simply aren't ready, he says, for a full roll-out in April. The idea is to work out the inevitable bugs until Memorial Day, when they can deliver a more refined experience for guests.

THE SURVIVAL

About two years ago, Revel's key investor, a gaming subsidiary of Morgan Stanley, decided it would rather eat the \$1.2 billion already invested than continue with the foundering project that had stalled in the midst of the recession.

"The real question was, is there a way to get this over the finish line?" DeSanctis says. "The first thought wasn't, 'How do we complete this project?' The first thought was, 'How do we survive this time period?' "

The relationship with Morgan Stanley began in 2006, when DeSanctis was planning to leave gaming company Penn

National to form his own company. He thought about retiring but decided it was too early for that.

Initially, Morgan Stanley, which had acquired the piece of land on the north end of the Boardwalk, next to the Showboat Casino, wanted DeSanctis to work for them to develop a casino resort, he says. But DeSanctis objected to the idea of having a boss.

"They said, 'How about you go ahead and form your own company? And then we'll invest and become a large owner of the company,' " he recalls. "Either way, I was going to go out on my own."

When Morgan Stanley decided to drop out of the company in 2010, there was a resulting scramble to find other investors, as the mammoth shell of the resort remained unfinished.

"A big issue in Atlantic City has been decline," DeSanctis says. "What the investment community was really concerned about was, is New Jersey going to walk away from Atlantic City?"

Gov. Chris Christie got involved, trying to make investors believe in the city's future, DeSanctis says.

Construction resumed last February after the last \$1.15 billion in financing from various investors came through.

THE FUTURE

When it comes to the future, DeSanctis can point out the windows and envision a bustling Boardwalk, safe and vibrant for the crowds. But he isn't one to make guarantees.

"Anybody who has teenagers realizes that control is an

illusion," he says. "There is no such thing as control. It doesn't exist."

He isn't the only one to acknowledge the uncertainty about Revel's impact on the area. Tom Gilbert, the law enforcement commander of the tourism district, has gotten to be close with DeSanctis, as they both share a background in the State Police.

"The partnerships are really important, because you never know what's going to happen," Gilbert says. "We're very aware of the fact that as the Revel opens up, it's going to attract a lot of people. ... It's going to take on a different life. How that evolves, none of us really knows yet. Certainly that end of the city is going to change, but to what degree, we don't really know."

DeSanctis envisions a "connect the dots" scenario, where tourists start to feel more comfortable in the South Inlet area. He wants the Revel's guests to walk to Absecon Lighthouse and then have breakfast in Gardner's Basin, he says, without any fear.

Safety concerns are part of an ongoing perception problem with Atlantic City, he says, that's been tough to deal with during his time there.

That hasn't been the only struggle in developing the Revel, which many are hoping will become the shining jewel of this embattled town. When reflecting on the roadblocks he's faced, from the financing to the public scrutiny, DeSanctis speaks with uncertainty as he discusses his own future.

"This is fun, and this is great stuff to do. But I have kids. I have a family. I have a wife. Really, the last (six) years I haven't spent a ton of time with them," he says. "I want to

have a more balanced life, there's no question.

"I don't want to do the next six years like the last six years."