



op/ed

by bill finley

CHRIS CHRISTIE'S BIGGEST MISTAKE

When Chris Christie became the 55th Governor of the State of New Jersey, he was faced with many problems and forced to make immediate decisions that could either help get his state back on track during difficult times or further its trouble. Few situations would test Christie's foresight and his ability to make tough, but correct calls than that of the state's complex and struggling gambling industries, which needed fixing.

As is the case with everything Christie, he was never subtle, never conciliatory. He had a plan and didn't care what anyone else thought. The problem was, his plan was certain to fail. And it has.

Faced with overwhelming competition in neighboring states, the Atlantic City casinos, which once had a monopoly in the Northeast, were in the midst of a steep decline. New Jersey's two major racetracks, Monmouth Park and the Meadowlands, were also experiencing tough times and losing money, a particular problem for Christie since the state owned both.

They, too, had been hurt by casinos in neighboring states. Tracks in Pennsylvania, Delaware, New York and West Virginia were able to improve the quality of racing by raising purses thanks to the windfall profits from racetrack slot machines. That led to an exodus of horses from the New Jersey tracks and a poorer quality of racing that turned off gamblers.

The solution to these problems seemed obvious. The easiest way for Christie to revive casino gambling in New Jersey was to expand it outside the narrow world of Atlantic City. And in the Meadowlands, he had a perfect place to build a casino, one that could be a partnership among the state, the racing industries and one or more Atlantic City casinos. Located just a few miles from Manhattan and in one of the most densely populated areas in the U.S., a Meadowlands casino would likely be among the most successful in the country. It would also be in a location that would keep New Jersey gamblers in New Jersey, rather than them having to trek to Pennsylvania and New York.

It was the type of solution that had something for everyone and everybody--the state, horse racing and, even, the casino industry.

Christie wanted no part of it. He threatened to close the racetracks, eventually leased them to outside parties, saw to it that a subsidy they had been receiving from Atlantic City was cut off and was unwavering in his assertion that horse racing would get no help from him or anyone else.

While turning his back on horse racing, he embraced the Atlantic City casinos. There was nothing he wouldn't do for AC. He put his state's money where he was mouth is when he served up \$261 million in state tax reimbursements to kick start the stalled Revel casino project. With Christie's help, the Revel, which cost \$2.4 billion, was built and opened this spring.

Just prior to the opening, Christie appeared in Atlantic City and all but promised that the Revel was going to save the place.

"The folks who will start coming here next week will understand exactly why the state of New Jersey decided this was a project worth investing in," he said. "You look around and this is one of the most spectacular resorts I have ever seen. People are going to want to come to Atlantic City to come here and experience this. Atlantic City absolutely has a strong and bright future if we're all willing to work together."

He added: "We're sending a signal to not only the region but the entire country that Atlantic City is back."

Who knows why Christie did what he did. The cynic in me believes it had nothing to do with what was good for the state or the people of the state and everything to do with the fact that rich, powerful people run the Atlantic City casinos, and ambitious politicians like Christie need rich, powerful people behind them. Either that or Christie is about the only person on Earth who couldn't figure out that Atlantic City is a lost cause.

People were never going to come to the Revel. It's in a poor location in a town that is only convenient to people in the southern part of New Jersey. And the Revel was never going to save Atlantic City. When it comes to casino customers, they only go to two places--the nearest casino or to Atlantic City. Revel was sure to be one more troubled casino in a troubled town.

If anything, the Revel has done worse than anyone expected. In each of its first three months in existence, the Revel has come in eighth out of the 12 Atlantic City casinos. It made \$14.9 million in gaming revenue in June, \$38 million behind the leader, the Borgata. And the Revel doesn't appear to be bringing any new faces to Atlantic City. For the year, the casinos there are down 7%.

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Perhaps the Revel deserves more than three months before being declared a complete disaster, but it's very hard to imagine it turning a corner. If it keeps taking in only \$14.9 million a month in gaming revenue the casino that Christie said would save Atlantic City won't be around for long.

The talk around New Jersey's tracks is that Christie has said he will give Atlantic City five years to turn itself around and if it doesn't he will look to expand gaming in the state in 2017. The Meadowlands would likely get a casino. Monmouth probably wouldn't, but Thoroughbred interests believe they would get a piece of the pie.

The problem is New Jersey can't afford to wait five years. For Monmouth and the Meadowlands to get from here to there means five years of tough times that will only further weaken those tracks. Atlantic City can't wait, either. The casino owners there need to start cutting their losses and work with the horse racing industry and the state in a joint effort toward expanding casino gaming outside the one New Jersey town.

Christie must admit his mistake and rectify it, even if it means making some enemies in Atlantic City. He can't wait until 2017. He needs to prove that he can say no to the big corporations and the mega-wealthy and do the right thing for his state. If he is a real leader, if he's worthy of consideration for national office, that's exactly what he will do.