

# Casino skyscraper key to Trump's turnaround plan for its Atlantic City casinos

Atlantic City, New Jersey (AP) – Never one for understatement, Donald Trump offers a bleak view of current events: „The economy is horrendous, the worst since 1929.“

The free-market capitalist strands of his DNA hate the idea, but he said Friday that he saw the need for Congress to bail out the financial system.

Meanwhile, his Trump Entertainment Resorts gambling company is orchestrating what it hopes will be a rescue of its own in Atlantic City, where the casino economy has been horrendous for nearly two years. But the government has nothing to do with it.

It's all about the second hotel tower at Trump Entertainment's flagship property, the Trump Taj Mahal Casino Resort, which officially opens Thursday.

The tower could determine whether Trump Entertainment, which The Donald chairs but no longer runs, will survive. The company is USD 1.67 billion in debt; it's selling one of its other two Atlantic City casinos, and it has cut its total work force to 8,000 from 13,000 five years ago.

The Atlantic City market is already under siege from new slots parlors in Pennsylvania and New York, the tumbling national and regional economy and a smoking ban coming next month.

„There's tremendous competition in Atlantic City, and the smoking ban is going to be a disaster,“ Trump said. „That's why we're excited about the tower. We think it's going to do extremely well.“

Trump Entertainment shares have traded between USD 8.87 and USD 1.04 in the past year and closed Friday at USD 1.29.

Ryan Worst, an analyst at Brean Murray Carret & Co., predicted the new tower will vault the Taj Mahal into the leagues of the Borgata Hotel Casino & Spa and Harrah's Resort Atlantic City, with the added benefit of being on the Boardwalk instead of the more remote marina district.

„It's a good addition to what is one of the premiere properties in Atlantic City," he said. „It should generate a good amount of additional cash flow for them."

The USD 255 million tower, with 782 rooms, is the third major hotel project to be completed in Atlantic City this year, all expansions planned before the economy headed south.

Among Atlantic City's 11 casinos, revenue is up only at the Borgata and Harrah's, indicating that high-end hotels may be where all the growth is. But there's evidence they're starting to fade as well, as high-end projects in Las Vegas and Atlantic City were put on the back burner this summer as the credit market tightened.

Among them: Pinnacle Entertainment's USD 2 billion beach-house-themed casino on the Boardwalk where it blew up the old Sands; MGM Mirage's USD 5 billion development next to the Borgata in Atlantic City; and Boyd Gaming Corp.'s USD 4.8 billion Echelon development in Las Vegas.