

Gov. Murphy to remove state designee in Atlantic City

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ATLANTIC CITY — Gov. Phil Murphy’s administration announced Monday it wants to end state designee Jeffrey Chiesa’s role in the city.

Murphy announced measures this week as part of a “review and recommendation process” that include reverting government functions back to the Department of Community Affairs and ending Chiesa’s role within 30 days, according to a statement Monday from Murphy’s office.

Mayor Frank Gilliam’s office said in a statement that he “applauded” the announcement.

“I am happy about the steps taken by Governor Murphy and Lt. Governor Oliver,” Gilliam said. “Atlantic City’s rebirth is looking very bright.”

Timothy Cunningham, the state Local Government Services director, will remain in his role.

Cunningham was given governing powers over the city when the state took over in November 2016, and he appointed Chiesa, a former state attorney general and U.S. senator, as his designee. Chiesa’s law firm, Chiesa Shahinian & Giantomasi PC, can bill up to \$400 per hour.

Lisa Ryan, a spokeswoman for the Department of Community Affairs, said Cunningham will continue to work with Atlantic City Business Administrator Jason Holt, Atlantic City state monitor Richard Richardella and the DCA Commissioner’s Office.

“The department is thankful for the efforts the Chiesa law firm has put forth to date in helping stabilize Atlantic City’s finances,” Ryan said in a statement. “We used the change in administration as an opportunity to take stock of the situation in Atlantic City, and this is how we are choosing to move forward.”

The measures announced by the Governor’s Office also include that “business development efforts will be handled by state agencies,” and that some litigation matters would remain with Chiesa’s law firm, while others would be handled by the Attorney General’s Office or outside counsel, the statement said.

The DCA will work with other agencies, such as the New Jersey Economic Development Authority, to help promote economic development in the city, Ryan said.

In February, Murphy appointed former U.S. Treasury Undersecretary Jim Johnson as special counsel to review the state’s involvement in the city and to provide recommendations to return the city back to local control. These next steps are part of the review and recommendation process, the statement said.

“The economic revitalization of Atlantic City is critical to advancing our overall state economy,” Murphy said. “The actions we are taking today will ensure we are working in full partnership with the city to ensure economic growth and empowerment for all Atlantic City residents.”

Council President Marty Small said in a statement the announcement showed the administration's confidence "in Atlantic City's governing body."

"We need to continue to work hard with the state on all business pertaining to the good people of Atlantic City," Small said.

Lt. Gov. Sheila Y. Oliver, who also is commissioner of the DCA, said in a statement the DCA will continue to have an active role in the city. Oliver has previously said she wanted to end the state's involvement in the city.

"This ongoing partnership between DCA's knowledgeable local government experts and the city's governing body and its professionals will keep Atlantic City moving in the right direction for its residents and businesses and the surrounding region," Oliver said.