

Eldorado gets temporary OK to own Tropicana casino

WAYNE PARRY Associated Press

ATLANTIC CITY, N.J. (AP) — Eldorado Resorts was given temporary approval to own Atlantic City's Tropicana casino, expressing optimism about a growing market rather than nervousness over increasing competition.

The Reno, Nevada-based company is taking over the Atlantic City as part of a \$1.85 billion acquisition of Tropicana Entertainment.

The New Jersey Casino Control Commission granted interim authority to the company on Wednesday to own the casino. The agency still must approve a full casino license for Eldorado.

The sale of seven Tropicana Entertainment casinos in six states is expected to close early in the fourth quarter of this year. Billionaire investor Carl Icahn agreed to the sale to the Reno, Nevada-based Eldorado in April.

The Tropicana has improved its financial performance to claim the No. 2 spot in Atlantic City in terms of annual gambling revenue as of the end of last year, trailing only the Borgata.

"We're coming in eyes wide open that we're going to have to fight for our position in this market," said Thomas Reeg, the company's president. "We expect a fight for market share and we're prepared to get involved. We're buying an asset that we hope is standing and competing 50, 100 years from now."

The agreement includes the sale of Tropicana Entertainment Inc.'s real estate to Gaming and Leisure Properties Inc. It doesn't include Tropicana's Aruba assets, which will be disposed of as a condition to closing.

Icahn Enterprises initially bought a stake in Tropicana in 2008.

Eldorado Resorts is acquiring the operating assets of seven casinos in six states, including two in Nevada — the Tropicana Laughlin Hotel and Casino and the MontBleu Casino Resort & Spa in South Lake Tahoe — as well as casinos in Indiana (Tropicana Evansville); Louisiana (Belle of Baton Rouge Casino & Hotel); Mississippi (Trop Casino Greenville); Missouri (Lumière Place); and New Jersey (Tropicana Casino and Resort, Atlantic City).

The company is taking over Tropicana as the Atlantic City casino market is expanding again. Two of the five casinos that shut down since 2014 re-opened in June under new ownership: Hard Rock and the Ocean Resort Casino.

"We're not new to competition," said Gary Carano, the company's chairman and CEO. "Reno is as much if not more competitive. We will be able to compete favorably; we have in every market we've been in."

Eldorado officials noted that Icahn had reinvested heavily into the Tropicana, describing it as being in good physical condition. Tropicana plans to add a new sports betting facility by October to join New Jersey's burgeoning market.

"We're very excited to be here and operate in Atlantic City," Carano said. "Atlantic City is on a roll, and we're on the upside of that roll."

Follow Wayne Parry at <http://twitter.com/WayneParryAC>