

Casino execs meet for gaming summit

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Biloxi — Casino executives from across the country will be in Biloxi this week looking for ways to draw a winning hand playing the tough economy.

On Wednesday, the Southern Gaming Summit at the Mississippi Coast Convention Center will include a financial roundtable that will bring together bankers and analysts to address the recession and global credit crisis.

That's followed by a State of the Industry report from Virginia McDowell, president of Isle of Capri Casinos; John Payne, president of Harrah's Entertainment's Central Division, and Tom Wilmott, president of Penn National Gaming, parent company of Boomtown Biloxi and Hollywood Casino Bay St. Louis.

They know first hand the casino industry in Biloxi has many of the same challenges as businesses around the country.

"Right now everyone is aware of the financial constraints in the market," said Larry Gregory, executive director of the Mississippi Gaming Commission. Almost all new development is on hold, he said, and most existing casinos are waiting on expansion plans.

Some progress is being made on new casino projects, but John Ellis, one of the developers of Blue Water Bay Resort, said it is probably three years before the casino resort near Pass Christian will be operational.

With building costs low, he said this would be a good time to start construction. "However it is a very difficult economic market at this time. It is my opinion that some of the existing Gulf Coast operating casino properties that are available for sale may need to be sold before new development funding is more readily available and attractive."

The developers of the casino just finished working with Harrison County on a zoning amendment to get everything in place for when an upswing in the credit market occurs. The casino analysts he's talked to are still very upbeat and he said, "The Coast market I think is pretty stable. The main thing is the general economy's got to improve."

Construction of Margaritaville Casino has stopped until the economy turns around and Morgan Stanley is taking bids to buy the Beau Rivage Resort and Casino after creditors of parent company MGM Grand imposed a May 15 deadline to reduce the company's debt.

With casinos for sale in Biloxi, "It makes it hard to get a construction project under way," said John Ed Ainsworth with Phoenix Gaming Group. He has high hopes Caillavet Street casino in Biloxi will move forward but he isn't as optimistic for the Bayview Casino on the Back Bay.