

The reports are the latest servings of sour news for

[Reno](#) 's gambling industry.

The down economy in [Nevada](#) and nationwide, coupled with competition from Indian gaming in key feeder markets and myriad other challenges at individual properties, have created a tough environment for casino owners.

While many properties are holding their own, and the developers of a planned casino at the Sparks Marina are kick-starting their project, the overall situation leaves a question: Who would want to buy a casino in Reno-Sparks?

"Our view of the Reno market is that ever since the growth of the Indian casinos in Northern California, it has reduced the appeal and the number of potential buyers in the market," said Michael Paladino, lead gaming analyst for Fitch Ratings in New York.

"But that said, at some point, a market will settle out and will support a certain amount of gaming revenue in the local population," he added.

Perhaps the biggest challenge any potential buyer would face is getting financing to make a purchase, said Bill Eadington, director of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada, Reno.

"The long-term trends are really pretty dismal, so one of the challenges for them would be persuading any bank to come into the picture," Eadington has said. "The biggest unknown here is how much of the decline we have seen is attributed to the recession and how much is attributed to long-term competitive factors, such as California tribal gaming."

Reno casinos grapple with gambling downturn - USA Today

Written by Administrator

Saturday, 23 October 2010 09:19 -

Reno gaming analyst Ken Adams said cutbacks and closures indicate the gaming industry in Reno is adjusting to what the market can handle in the current economic climate.

"There's a certain amount of capacity," Adams said. "Excess of that capacity will cause either someone to go bankrupt or to reduce their capacity. Reno has gradually reduced its capacity over the years. There are fewer slot machines and table games now."

Adams said casinos in the area that are holding their own have likely weathered the storm from Indian gaming, since those properties in Northern California, Oregon and Washington are all operational and few new properties are being developed.

Whether Reno is a good investment for potential buyers depends on the individual properties they might consider buying.

"If I was a corporation and you were talking about an investment, would I put, say, \$30 million into a property in Reno, or put \$30 million into a property in Kansas City, Mo., or Biloxi, Miss. They're going to put it into the area where they would get their best return on investment."

While there might be buyers interested in properties such as the Siena and Boomtown, that interest might come with a caveat — if the price is right.

There have been some positive signs of late.

In August, Northern Nevada Asset Holdings purchased the Silver Club on Victorian Avenue in Sparks.

Company attorney Jeff Silver said if the gaming license application is approved, there are plans to remodel and revitalize the interior.

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Earlier this month, Olympia Gaming of Las Vegas requested a special-use permit to restart the development of a hotel-casino at the Legends of Sparks Marina shopping center.

A hotel-casino dubbed the Legends Bay was part of the original plans for the shopping and entertainment project along Interstate 80 that opened in June 2009. But casino plans were on hold because of the recession, city officials said.

No timetable was given for either the Silver Club or Legends projects, but the movement is encouraging.

"At some point, the market will settle out," Paladino said. "I think there are some smaller players that could be interested in properties at the right prices."

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