

Boyd Gaming Won't Buy Rest of Borgata - ABC News

Written by Administrator

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Boyd Gaming said Monday it won't buy the remaining half of the Borgata Hotel Casino & Spa, Atlantic City's top

casino.

The Las Vegas-based company owns half of the Borgata, and had the right of first refusal to buy the remaining half from MGM Resorts International.

Boyd says it's comfortable owning half of the casino-hotel.

MGM chose to sell its half-share rather than cut ties to the family of an Asian gambling mogul suspected of ties to Chinese organized crime. The company has a joint venture casino in Macau with Pansy Ho. Her father, Stanley, has long denied allegations that he is affiliated with Chinese criminal gangs.

MGM said it has received an offer of just over \$250 million for its half of the Borgata from a third party it would not publicly identify.

But Boyd said matching that offer would not be in its best interests.

"Given other opportunities and our current focus on de-leveraging our balance sheet, the current offer would not provide a sufficient return on investment for our shareholders," the company said in a news release Monday morning. "Despite this decision, we are confident in the future of Borgata. The property represents a major investment by Boyd Gaming, and it has delivered substantial value for our shareholders.

"We remain comfortable with our current position as managing member and 50 percent owner of Borgata, the region's premier destination resort," the company said.

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The Borgata opened in 2003 as a joint venture between Boyd and MGM, and soon became the dominant casino in the nation's second-largest gambling market. Bringing Las Vegas-style glitz and buzz to the New Jersey seashore, the Borgata touched off a casino arms race here as competitors scrambled to build their own expensive hotel tower additions, renovate hotel rooms and gambling floors, and concentrate on top-name entertainers.

But the trend also pushed at least three second-tier casinos here to the brink of insolvency.

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