

More casinos planned in booming Atlantic City

Even after a round of ambitious casino expansions in the last few years, there's still room for Atlantic City's gambling world to keep growing, industry insiders say.

That's good news for developers who are working on bringing two new casinos to town and replacing one of the 12 already there.

News of the latest deal, reported by The Philadelphia Inquirer in Friday's newspapers, has a former casino executive joining the former executive director of the New Jersey Casino Reinvestment Development Authority in an agreement to buy an 11-acre site with plans to put a new casino on it.

One of the partners, Wallace Barr, the former CEO of Caesar's, confirmed the deal to the newspaper. Neither he nor Curtis Bashaw, who had run the development authority, returned calls Friday from The Associated Press seeking details.

Analyst Adam Steinberg, who follows the casino industry for Morgan Joseph & Co., said he expects the gambling hall will be a high-end development and probably one of the smaller casinos in the resort city.

Atlantic City, once known to attract low-rolling gamblers on day trips, has been booming since 2003's opening of the Borgata, which features upscale restaurants and a spa. It was the first new casino in the resort in more than a dozen years.

Since then, several existing casinos have expanded, and followed the Borgata in adding high-end dining and shopping options.

„There definitely seems to be a realization now that you can

get the younger, wealthier crowds that you couldn't get before," Steinberg said.

In a report he wrote for his company earlier this month on the prospects of more casinos in Atlantic City, Steinberg noted that each new casino in Las Vegas attracts additional visitors while helping the existing ones.

John Payne, the regional president for Harrah's Entertainment, which owns four Atlantic City casinos, agreed that there's plenty of room to grow.

„There are 134,000 hotel rooms in Las Vegas," Payne said. „We only have 15,000. I believe there's a lot of great opportunity left.“

The tract Barr and Bashaw plan to buy is now owned by the Atlantic City Hilton Casino Resort. It is near that hotel and on the southern edge of the Boardwalk's row of casinos; the price will be \$ 85 million, according to Steinberg's report.

Morgan Stanley in May bought 20 acres for a casino next to the Showboat Casino Hotel.

Pinnacle Entertainment Inc., agreed earlier this month to buy the Sands Casino. The new owner plans to close the venerable gambling hall in November, tear it down and replace it with a new one.