

Panama in the cards for next Trump casino

At the same time it is selling Trump Marina Hotel Casino, Trump Entertainment Resorts Inc. is in negotiations for a new casino perched on the Pacific Ocean in Panama City, Panama.

It would represent the first time the Trump casino brand has been taken internationally, although Trump has been busy developing non gaming projects such as luxury hotels, condominiums and golf courses across the globe through his Trump Organization real estate arm.

„One of the great things about the Trump name is that it opens doors and allows us to leverage the brand,“ said Mark Juliano, CEO of Trump Entertainment.

The casino would be part of a USD 400 million development called the Trump Ocean Club International Hotel & Tower, a high-end resort on Panama's Punta Pacifica peninsula. The project is a joint venture between the Trump Organization and the K Group, a Panamanian development company headed by Roger Khafif. Trump Entertainment would operate the casino through a lease that would give the development group a cut of the gaming revenue. Terms are still being negotiated, Juliano said. “It gives us the flexibility of spreading out in a lot of different directions without investing a lot of capital,“ Juliano said.

Tiny by Atlantic City standards, the casino would feature about 2,787 to 3 251 sqm of space and have a combination of slot machines and table games. Although the formal name has not yet been selected, Juliano noted that it will include some form of Trump's famous moniker.

The casino's grand opening is expected to coincide with completion of the condo and hotel development in 2009 or 2010.

The hotel complex, rising 68 stories and shaped like a gigantic sail, is the Trump Organization's first venture in Central America. Panama is in the midst of a real estate boom fueled by tourism, the relocation there of American retirees and the planned expansion of the Panama Canal.

Juliano said Panama is one of a few international investment opportunities Trump Entertainment is exploring to expand the Trump gaming empire. He mentioned the Philippines, Uruguay and Kiev, the capital and largest city of Ukraine, as other possibilities.

In its home base of Atlantic City, the company is preparing to sell the underperforming Trump Marina to Coastal Marina of New York in a USD 316 million deal announced in May. Coastal Marina, headed by former Trump confidant Richard T. Fields, plans to rebrand Trump Marina as a Margaritaville-themed casino inspired by singer Jimmy Buffett's signature song.

„Coastal is 100 percent committed to closing the deal by year's end and taking ownership of the property,“ company spokesman Charlie Leonard said.

Coastal Marina is in the process of lining up the financing and obtaining a New Jersey casino license. In a first step toward buying the casino, Coastal has made a nonrefundable USD 15 million deposit that Trump Entertainment would keep if the deal falls through. It has also paid a USD 100,000 application fee to the state Casino Control Commission to begin the regulatory checks for taking over Trump Marina's gaming license.

Juliano said Fields and Coastal plan to invest USD 150 million in equity and will seek financing to complete the funding package. Under the terms, the financing deadline is October 28, he said. „We are very comfortable that this is a doable deal,“ Juliano said. „All the indications that you look for to complete the deal are in place here.“