

# Pinnacle gets another delay in casino projects

With credit markets locked down and largely unavailable to finance new gambling projects, Pinnacle Entertainment Inc. on Tuesday received additional 150-day delays in timelines to build new riverboat casino projects in Lake Charles and Baton Rouge.

While Las Vegas-based Pinnacle is in much better shape in credit markets than many of its competitors, company officials told the Louisiana Gaming Control Board that interest rates are still high for the projects to work financially.

Since 90-day delays in both projects were approved in February, Pinnacle's bond rates have hovered around 15 percent, but other casino companies have seen their rates skyrocket from as much as 26 percent to 47 percent, said Carlos Ruisanchez, the company's executive vice president for strategic planning and development.

„This is not because of the credit quality of this company,“ Ruisanchez said. „It's because of the reluctance of investors to invest in the sector.“

Ruisanchez would not speculate on how low rates might have to go for the company to finance completion of the projects, but he said Pinnacle's historic interest rates have been in single figures.

„There will need to be some meaningful reduction,“ he said.

Pinnacle wants to build the Sugarcane Bay resort in Lake Charles – a USD 350 million project – to go with its highly successful L'Auberge Du Lac riverboat resort that is a major draw for Texas gamblers. Last month, L'Auberge Du Lac pulled in the most gambling revenue among Louisiana's 13 floating

casinos with USD 28.8 million, though its competes with two other riverboats, a slot machine casino at Delta Downs and an Indian reservation casino at nearby Kinder.

In Baton Rouge, Pinnacle has a USD 250 million riverboat project on the drawing board to compete with two existing riverboats in the city.

The 150-day delay gives Pinnacle more time to sign a construction contract for the Baton Rouge project. In the meantime, the company said it hopes to win zoning approval for the project this summer. In Lake Charles, Pinnacle intends to complete the construction of a new access road and finish putting down utility connections, the board was told. The completion date of Sugarcane Bay is now December 2010.

Board Chairman Charles Gaudin said he doubted the delays would be the last Pinnacle would seek given the current national recession and tight credit.

The board approved the delays without objection.

In Louisiana, Pinnacle also owns Boomtown riverboat casinos in Bossier City and the New Orleans suburb of Harvey.