

Calif. Indian casinos taking financial toll on Reno resorts

By Dale Kasler, Sacramento Bee

One of Reno's splashiest resorts is fighting to stave off financial disaster as Northern California Indian casinos continue to grab market share.

The Silver Legacy Resort was supposed to reinvigorate Reno's gambling industry when it opened 17 years ago. Its \$300,000 laser-light show, illuminating a 120-foot-high silver-mining rig looming over the casino floor, was hailed as a tourism draw for the whole city.

Instead, the resort is in danger of becoming the latest casualty of Northern California's tribal gambling boom. The Silver Legacy has scrambled in recent weeks to avoid default on a \$142.8 million bond.

The debt came due March 1, but repayment was extended for two weeks, to last Thursday. As the latest deadline passed, the downtown casino's owners said they were making headway on negotiating with bondholders to restructure the IOU.

While it appears the resort could stay open, it's a painful reminder for Reno of how its casinos have fallen victim to the explosion of Indian gambling. Ken Adams, an industry consultant in Reno, said Thunder Valley Casino in Lincoln is the main reason the Silver Legacy is in trouble.

While the weak economy has hurt, "the real story is Thunder Valley – it's that simple," Adams said Monday. "Thunder Valley and its peers took away a significant portion of the revenue from Reno."

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