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\$66M Loan Funds Renovation of Lady Luck

By Brian K. Miller

LAS VEGAS-The renovation of the former Lady Luck Casino Hotel is moving ahead with a \$66-million senior bridge loan from Canyon Capital Realty Advisors. The owner, the Henry Brent Co., closed the 627-room hotel and a large portion of the main casino in February in preparation for the makeover, which will include a re-branding of the property.

The property is located on North Third Street between Stewart Avenue and Ogden Avenue in the Downtown entertainment district, which includes the nearby Fremont Street Experience. The renovation, expected to take nine to 12 months, will transform the exterior, the hotel rooms and approximately 54,000 sf of casino, restaurant and retail space.

The new branding for the renovated property has not yet been revealed. Lady Luck's CEO Andrew Donner, could not be reached Wednesday afternoon for comment.

"It will have a whole new fresh look consistent with today's standards," Canyon Capital principal Jonathan Roth tells GlobeSt.com. "We think it will serve as a tremendous new anchor for Downtown."

Henry Brent Co., which owns several Timbers taverns in the Las Vegas Valley, purchased the property in April 2005 after operating it for two years. A dozen or so of the hotel's rooms are owned by third parties, the result of a now defunct time-share strategy employed by the previous owner, says Roth. Those units have remained open.

The renovation is being designed to complement the adjacent Third Street development, an approximately 25,000-sf entertainment complex also owned by Henry Brent Co. The complex houses several nightclubs and restaurants, including the Triple George Grill, Sidebar, Hogs and Heifers and Celebrity Theater.

Downtown Las Vegas is currently undergoing a revitalization that includes new and renovated residential, office, government buildings and entertainment projects. "We believe in the Las Vegas market and are confident that downtown will continue to grow in popularity with local residents and visitors," says Roth.

Henry Brent Co. hired Breslin Builders as general contractor and Klai Juba as architect of record for the renovation. Breslin has significant experience in casino renovation and high and low-rise construction projects, including the SoHo Lofts in Downtown Las Vegas, a condominium development financed in part by an affiliate of Canyon, the Canyon-Johnson Urban Fund LP. Klai Juba has completed projects for Mandalay Bay Resort & Casino, MGM Mirage properties and the Hard Rock Hotel and Casino in Las Vegas.

Lady Luck opened in 1964 as a small slot machine arcade owned by businessman Andrew Tompkins. Twenty years later, 122 rooms had been added and the property was renamed Lady Luck. A 17-story hotel tower and casino expansion opened in 1986. A 25-story tower was added in 1989. No major renovations have occurred since that time.

In preparation for the re-opening, Henry Brent recently retained San Diego-based Geary Interactive to provide website development and comprehensive online marketing for the property. The firm's work will include developing a website, an online reservation system, an intimate players' club experience and online marketing to enhance customer loyalty and attract new customers.