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\$66 million loan will go to freshen Lady Luck's look

Spokeswoman says more financing may follow

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A California investment firm has loaned the owners of the shuttered Lady Luck \$66 million to be used in renovating the downtown hotel-casino.

The financing package is the first tangible development on the Lady Luck since the newly named Downtown Resorts LLC, formerly known as Henry Brent Co., closed the 700-room hotel-casino Feb. 12, displacing 689 employees.

Owners said a yearlong remodeling effort was needed because the 42-year-old Lady Luck had not seen a considerable refurbishment in more than two decades.

Henry Brent bought the Lady Luck in April 2005 after operating the casino since 2003.

The bridge loan from Canyon Capital Realty Advisors will go toward the planned renovation, which includes a comprehensive refurbishing of all the hotel rooms, and expanding and reconfiguring the casino, restaurant and retail space, which is approximately 54,000 square feet.

Announcement of the financing came from Canyon Capital, based in Beverly Hills, Calif.

A spokeswoman for Canyon Capital said the loan, which is considered a short-term financing opportunity, could lead to additional funding for the project.

Canyon Capital Principal Jonathan Roth said the company wanted to be part of the downtown Las Vegas redevelopment, which includes current renovations being done at the Golden Nugget by Houston-based Landry's Restaurants.

"The Lady Luck will serve as the anchor of the downtown market and its modernization signifies the exciting transformation taking place in downtown Las Vegas," Roth said in a statement. "We believe in the Las Vegas market and are confident that downtown will continue to grow in popularity with local residents and visitors."

Since closing, the Lady Luck ownership has not revealed any plans for renovating the Lady Luck, which has two hotel towers spanning Third Street.

Downtown Resorts, which also operates seven Timbers taverns, hired Breslin Builders as general contractor and Klai Juba as architect for the renovation.

The Lady Luck opened in 1964 as Honest John's, a newsstand and smoke shop with five employees, five pinball machines, 20 slot machines and approximately 2,000 square feet of floor space.

In 1968, owner Andy Tompkins changed the name of the property, which is on the corner of Third Street and Ogden Avenue, to Lady Luck. In March 1972, the Lady Luck took over an entire block and added live gaming to the property.

Ten years later, two buildings were purchased to the east of the property, providing space for what became 108 garden rooms and a pool area in 1983.

In 1985, a \$20 million expansion and remodeling project broke ground, adding a 16-story tower with 297 rooms, two new restaurants, valet parking and a revamped casino floor.

Construction on the second tower began in 1988, adding 387 hotel rooms by 1989.

In 2000, the Lady Luck was sold to Biloxi, Miss.-based Isle of Capri Casinos, then sold again in 2003 to Steadfast Cos. of Orange County.