

## Sands Bethlehem casino to be sold to Tropicana?

Written by Administrator  
Thursday, 10 April 2014 05:15 -

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A year after the owners of Sands Casino Resort Bethlehem acknowledged it was for sale to the right buyer, Tropicana Entertainment Inc. has emerged as a suitor, according to sources familiar with talks between the two gambling companies.

Principals from both companies have declined to comment. But buzz about a possible sale has reached the casino floor, where workers wonder how it might affect their jobs, and Bethlehem City Hall, where officials question how new ownership might change the casino's relationship with the city.

Analysts say such a deal would give [Las Vegas Sands Corp.](#) a chance to jettison a property that doesn't fit its mega-casino model, and would allow Tropicana's owner, billionaire [Carl Icahn](#), to continue a buying spree that included a casino in St. Louis just last week.

It's something Bethlehem Mayor Robert Donchez is watching closely. Las Vegas Sands, with a market capital of \$60 billion, is easily the world's largest gambling company. Tropicana's less than \$500 million market capital barely keeps it in the top 10, and the company was in Chapter 11 bankruptcy reorganization as recently as 2010.

"I've heard the rumors like everyone else, but I've heard nothing directly from the Sands or any possible buyer," Donchez said last week. "Sands has been a great corporate citizen, and [former Sands President] Bob DeSalvio was an excellent leader. They kept their promises. I would hope that whoever comes in lives up to that standard."

Donchez said Sands' interim President Douglas Niethold told him Tuesday that the Bethlehem casino has not been sold, but that "for the last 11/2 years, there probably have been discussions on selling it."

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Exactly what's being discussed remains unclear, but sources say at least one model would have Las Vegas Sands sell the Sands casino, hotel, shopping mall and concert venue to Tropicana.

But the rest of the property — including vacant former [Bethlehem Steel](#) buildings and the blast furnaces west of the casino — would be sold to BethWorks Now, a group of Bethlehem and New York investors who hold a minority share of the total property, the sources say.

Officials from BethWorks Now also declined to comment.

"I can't talk about that," said Barry Gosin, a New York-based developer who is a principal in BethWorks Now.

Icahn did not return phone messages in the past month, and Las Vegas Sands also declined to comment.

"You know we don't comment on rumors and speculation," said Ron Reese, corporate spokesman for Las Vegas Sands.

If a sale goes through, it would move control of the Bethlehem casino from Las Vegas Sands CEO [Sheldon Adelson](#), the ninth-richest man in the world, to Icahn, the 28th-richest man. Donchez said he's most concerned that it could also change the casino's impact on south Bethlehem, where the facility employs nearly 3,000 people and has become an active community partner, supporting ArtsQuest, PBS39 and several local charities.

Since 2009, Sands has spent more than \$800 million — more than any other casino in Pennsylvania — to build its casino, 302-room hotel, shopping mall and event center. It pays nearly \$20 million a year in host fees to Lehigh Valley communities, including \$9.5 million to Bethlehem.

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Sands is also the biggest contributor to a special taxing district — paying nearly \$28 million so far — for infrastructure on the former Bethlehem Steel plant, including a current project that is turning the former Hoover Mason Trestle into an elevated walkway spanning a third of a mile between the SteelStacks cultural campus and the casino hotel.

It's not the first time Tropicana has cast its line into the Lehigh Valley. While owned by [Aztar Corp.](#), the company in 2006 battled Las Vegas Sands for the lone gaming license to be issued for the Valley. Aztar proposed putting the casino in Allentown near Coca-Cola Park, but Sands was awarded the license.

Aztar was acquired by Columbia Sussex in 2007. But hit hard by the recession, Columbia filed for bankruptcy and ultimately split its largest casino, the Tropicana Las Vegas, into a separate company. The new Tropicana Entertainment emerged from bankruptcy in 2010, with Icahn as its leader, owning nearly 70 percent of the company. It now has nine casinos in Indiana, Louisiana, Mississippi, Nevada, New Jersey and Aruba. Its largest casino is the Tropicana in Atlantic City.

Meanwhile, Sands Bethlehem has gone on to become arguably Pennsylvania's most successful casino complex, with 3,000 slot machines and 200 tables in the busiest table games room in the state. But talk of its sale continues a three-month period of turbulence for the South Side gambling hall.

A few weeks after the casino debunked persistent rumors that snakes were slithering between its slot machines, hackers in February breached Sands Bethlehem's website to expose the personal information, including Social Security numbers, of thousands of employees and patrons.

Last month, its popular longtime president, DeSalvio, resigned to help Sands rival Wynn Resorts plan a casino near Boston. DeSalvio's surprise departure only heightened growing speculation that Las Vegas Sands was shopping its smallest property to Icahn. Sands Bethlehem, while being one of the most successful casinos on the East Coast, represents less than 3 percent of Las Vegas Sands' nearly \$5 billion in annual earnings, posting revenues that are dwarfed by those of casinos in Macau and Singapore.

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