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Gaylord gathers funds for Mesa project

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Blackberries at Mesa City Hall were buzzing Thursday morning with good news out of Nashville.

Gaylord Entertainment Co., which has promised to build a knock-your-socks-off resort and conference center in southeast Mesa, appears to be working on the all-important financial end of the deal.

That's been the big issue with the project, which was announced a bit more than a year ago just days before half of Wall Street went up in flames. Even after the project won resounding endorsement from voters last March, company officials said it all depended on whether the company could round up the \$750 million or so for its part of the development at Mesa Proving Grounds.

In May the company filed preliminary papers with the Securities Exchange Commission to sell stock and accumulate debt in the amount of ... hmm, \$750 million.

This week, Gaylord moved ahead with those plans, announcing it will sell 5.75 million shares of common stock and take out \$200 million in loans. The total amount raised from these moves will be \$325 million.

Obviously that's not going to cover the Mesa project, but there's no huge rush. Its deal with Mesa says groundbreaking doesn't have to occur until Dec. 31, 2011, with completion three years after that.

Even if the overall economy and credit markets have not sufficiently recovered for Gaylord to meet those deadlines, nobody will panic over that, either. As with Waveyard, Mesa would almost certainly consider an extension if Gaylord sought one. As Mayor Scott Smith told a recent community forum, it's not like anyone else is lining up to spend \$750 million in this town.

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