

The Indiana Casino Gaming News

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French Lick casino 'topped'

Indiana's newest riverboat casino took another step toward completion recently.

The French Lick Casino & Resort had its "topping" ceremony in late March, signaling that the riverboat is nearing completion. The casino inside is scheduled to open in December.

The top placed on the riverboat is an ornamental spire, which sits on top of the wheelhouse in the riverboat casino. In typical riverboats, the wheelhouse is the control center; in this, it is decorative.

The casino's wheelhouse will serve as a skylight, providing light through stained glass windows above patrons. It sits about 30 feet in the air.

In all, the casino's dome is about 27 feet high and 30 feet in diameter.

Sources familiar with the project said that construction is progressing as expected on the \$350 million project, owned by Blue Sky Casino, LLC.

"The parking garage and events center are progressing well," said Matt Childress, director of construction for the Lauth Group, one of the Blue Sky partners. "Construction has begun on the garage's third floor, and structural steel is being erected at the events center.

We plan to begin concrete placement for the center's floors in the next two weeks."

Scott Spurlock, the hotel's general manager, said work on other aspects of the property also is going well. Sample guestrooms in the hotel are nearing completion, while work continues on the grand lobby and other areas of the resort.

In all, the French Lick Casino & Resort will be about 84,000 square feet, with the casino mak-



The top goes on the riverboat at the new French Lick Casino & Resort, scheduled to open in Orange County this December.

ing up 32,000 square feet of space. The casino floor will consist of 1,200 slot machines and 32 table games, as well as a 14-table poker room.

Meanwhile, the hotel will consist of 443 "well-appointed" guest rooms.

It all will belong to Blue Sky, which is a partnership between Lauth Resorts & Casino, and a charitable entity formed by the Cook Group.

Competition may come from Ohio, before Kentucky

A slots movement in Ohio is gaining steam, even after a plan that would have expanded casino gambling in Kentucky died without a fight.

While the Kentucky legislative session was scheduled to end April 15, the bill to expand casino gaming was believed dead in committee almost three weeks earlier. According to printed reports, leaders in the state House of Representatives opted to keep the bill off the floor, instead sending it to the Appropriations and Revenue Committee for a slow, silent death.

Across the Ohio River, though, no fewer than three proposals have been floated to expand casino gaming. In fact, according to an editorial in the Cleveland *Plain-Dealer*, the greatest hurdle to making

expansion happen could be bickering among its proponents.

The first proposal, from Ohio's seven horse racetrack owners, Forest City Enterprises, and property owner Jeff Jacobs, would allow slot machines at tracks, and allow construction of two casinos in Downtown Cleveland and one in Downtown Cincinnati. That plan, which would have to be approved by voters in November, would have earmarked gaming tax revenue for local economic development and for college scholarships for young Ohioans.

Another proposed ballot initiative would have been similar, but would have added a \$30 million licensing fee for anyone who operated slots inside the state. That proposal has the support of most of the

state's "power brokers," according to the *Plain-Dealer*.

But the third, which comes from an out-of-state track owner, would allow slot machines at racetracks only.

The sudden glut of ideas prompted some mockery by the editorial:

"As usual, the people who want to bring casino gambling to Ohio can't get out of their own way," the editorial opens. "But they've had no problem identifying the enemy.

"And it's not casino opponents. It's themselves."

In order for gambling expansion to happen in Ohio, a majority of voters would have to approve one of the plans.

Aztar Purchase still up in the Air



In our last newsletter, our top story was about Pinnacle—which owns Belterra—purchasing Aztar Corporation.

It turns out things weren't quite that simple.

No sooner had our newsletter hit the streets than the whole thing erupted into a bidding war.

Colony Capital which owns Resorts East Chicago, Ameristar Casino and Columbia Entertainment are also interested bidders. One prime attraction to the bidders, according to reports, in addition to company's casino properties, is its 34 acres of prime real estate along the Las Vegas strip.

A few days ago, things seemed to have come full circle, with reports that the deal would be consummated with Pinnacle. However, in the latest report, Pinnacle announced that it has amended its merger agreement with Aztar raising its bid to \$45 which matches the latest offer of Ameristar. Pinnacle has the right of final offer per their agreement in the beginning which includes an amended breakup fee of almost \$66M (up from \$55M in the original agreement). In addition, consideration is still being given to the \$47 bid from Columbus Sussex.

This is another example of the casino entertainment industry's continued consolidation, which mirrors what many other industries have done in the past several years. It makes for strong companies that can provide an unparalleled entertainment experience.

Stay tuned for more information.

- Mike Smith, Executive Director



In Brief...

Majestic Star lays out plans for Harbor growth

At a meeting last month, Majestic Star owner Don Barden outlined his plans for Buffington Harbor, where he plans to build around his Majestic Star casinos.

In praising the new, expanded Blue Chip Casino Hotel, Barden told Gaming Commission members that, "This is a dream I have for Gary in the future."

The first step in achieving that dream, he said, will be a series of condominiums, a hotel, a clinic, and

other improvements along the Harbor.

Barden's tentative plan is to begin work on 24 condominiums near Lake Michigan, and to break ground on a new hotel, by the end of this year. If this first project goes well, he indicated that more condominiums would come in the future.

Barden purchased Trump Indiana last year, and re-dubbed it the Majestic Star II.

Survey shows that Americans love to gamble

A recent survey shows that more than 50 percent of Americans now support organized casino gambling.

The study, a joint venture between Scripps Howard and Ohio University, indicated that 53 percent of those asked supported the idea, up 10 percent from the same time 10 years ago. People who had placed bets in a casino also jumped, from 47 percent to 58 percent.

An article by the Scripps Howard News Service quoted experts as saying that the increased availability

of casinos has led to the change in attitudes. Several gaming opponents were quoted as agreeing.

But whatever the reason, American Gaming Association President Frank Fahrenkopf told Scripps Howard that Americans have embraced legal gambling.

"The American public has accepted legalized gambling as a means to spend their money for entertainment," he said. "People no longer have any problem with organized gambling."



One North Capitol, Suite 520
Indianapolis, IN 46204
Phone: 317-231-7030
Fax: 317-231-7035

Email info@CasinoAssociation.org
Problem Gambling Hotline: 1-800-994-8448

Admission and Wagering Taxes

Admission Tax, Feb. '06	\$ 7,261,851
Wagering Tax, Feb. '06	\$ 77,438,866
Admission Tax, Fiscal YTD	\$ 60,981,555
Wagering Tax, Fiscal YTD	\$511,914,602
Total Admission and Wagering Tax	\$572,896,157

Horseshoe Employees Recognized

Hammond resident and Horseshoe employee Lydia Ramos, Revenue Auditor, has been named the 2006 Harrah's Entertainment Chairman's Award winner in the category of Community Service. The Chairman's Award is the highest employee honor presented by Harrah's Entertainment.



Lydia Ramos

Those who receive this prestigious award are dedicated to providing exceptional service to our customers, co-workers or communities and are those who continually make significant contributions toward creating a culture of success.

The Chairman's Award was established in 1987 and has become a time-honored tradition that recognizes and rewards employees who perform at levels everyone

should strive to achieve. Property winners in seven different categories move on to the Division level, and Division winners advance to the Companywide level, where the most outstanding nominees are selected as Companywide Chairman's Award winners.

This year three Horseshoe employees advanced to the division level. They were Ami Reese, Graphics Manager, Carolyn Hamilton, Slot Attendant; and Lydia Ramos. Ami won in the category of Innovation and Carolyn for Superior Guest Service.

As Horseshoe Hammond's first-ever company Chairman's Award winner, Lydia will receive \$1,000 for winning the Property level, and commemorative gifts valued at \$1,000 for winning the division level. She



Ami Reese

also won an all-expense paid trip to Las Vegas, \$2,500 cash and up to \$5,000 in company stock for being named companywide winner.

Lydia is well known in the communities of East Chicago, Hammond and Gary as one who cares a lot about the quality of life in areas where Horseshoe employees live and work. She is a vocal and active advocate for people with disabilities. She is affiliated with the following community groups: Northwest Indiana Hispanic Women's Forum, Diversity Coalition of Hammond, Hammond Housing Authority, East Chicago Women's Commission and the Hammond Mayor's Commission on Disabilities.



Carolyn Hamilton

Hefner wins Gary service award

Majestic Star Employee's 'dedication and vision' cited in 2006 Ambassador Award

When Majestic Star Casino officials created the Ambassador Award, for an employee's dedication to the community, they were thinking of someone like Chris Hefner.

Now, because of Hefner's "dedication and vision," the Majestic Star Count Department employee - a team member since 2001 - has been named winner of the 2006 Ambassador Award. Over the years, he has been involved with the Red Cross and numerous other programs in the Gary community.



Chris Hefner receives the Ambassador Award from Chareice White.

"I was very surprised and honored to receive this award," Hefner said. "I have been active in the community since I was 9 years old; I enjoy helping my community any way I can."

Of course, he is not the only Majestic Star team member to make a difference - which was why the selection process was so difficult. Members of the Community Ambassador program first were asked to vote, narrowing down nominees before casino executives made the final decision.

"It was a very difficult decision," said Chareice White, corporate director of community relations for Majestic Star Casino, LLC. "The Community Ambassador program consists of many devoted, passionate individuals."

Including Hefner, who said he simply enjoys being involved. "My main goal," he said, "is to help make a difference."

Help for problem gamblers?

The executive director of Indiana's Council on Problem Gambling used the recent Problem Gambling Awareness Week to praise the legislature for funding treatment - and to decry shortfalls in the state program.

According to *Indiana Gaming Insight*, Executive Director Jerry L. Long hailed the General Assembly's dedication of \$4.2 million annually "to support problem gambling awareness, prevention and treatment."

Unfortunately, though, much of that money isn't reaching its target. Because of "a restrictive income means test that disqualifies many Hoosiers who are employed," the funds don't always go where they are needed.

Furthermore, Long added, more than half of the money is going to treatment of other addictions.

"Available dollars are frequently inaccessible to Indiana families with gambling addictions," he concluded. "And unless these monies are available without a means test restriction, many Indiana families will remain ineligible for assistance."

And even when assistance is available, he said, the state still lacks credentialed gambling treatment counselors and gambling treatment providers. At the moment, there are only 30 of the former, and less than 30 of the latter.

Fortunately, "the Division of Mental Health and Addiction has implemented a number of positive problem gambling initiatives," he said. "This includes working to improve access to treatment by funding counselor training to increase the number of credentialed counselors."

And, once more of those counselors are trained, and awareness of the dangers of unchecked gambling addiction increases, "our prevention activities will also increase."

Buck juggles four kids, Belterra

When Larry Buck entered the casino industry almost 25 years ago, it was almost an accident.

"I sort of stumbled into the (casino) industry after school," said Buck, the general manager of Belterra Casino Resort & Spa. "The industry was relatively young, and there was a lot of opportunity."

So Buck, who had grown up in Cherry Hill, N.J. - about an hour from Atlantic City - took a job in the cashiering department of Harrah's. He stayed there a few months, then transferred across town to Golden Nugget for a job in accounting.

Gradually, Buck climbed the ladder, until moving into the vice president/GM position at Belterra in February 2004 (he had also served as GM at three other casinos, including Grand Victoria in Rising Sun, Indiana). But, what kept him in the game long enough to keep moving up?

"The industry is growing and constantly evolving," he said. "Technology has enabled the marketing efforts and operational departments to be more effective, which I have found interesting to be a part of."

So now, Buck and his family make

their home near Belterra, where the GM spends most of his free time chasing after his four children. He and his wife have two sons, ages 13 and 10, and two daughters, 11 and 3.

Buck still finds time for the occasional leisure activity.

"Most of my free time is spent with my children and their activities," he said. "But I still enjoy stamp collecting, home improvement, and watching movies and sports."

And he still enjoys Belterra, as well.

"Belterra has continued to grow in both size and profitability," he said. "And I enjoy sharing our successes with the staff, and watching members of our team learn and grow."



New gaming agents taking their posts

Before the end of this month, new gaming agents will replace the Indiana State Police troopers at Majestic Star and Majestic Star II, marking the beginning of a new security era for Indiana's casinos.

The 17 new agents began on-site training at the Majestic Star casinos the last day of March, after becoming the first class to graduate from the Gaming Commission's eight-week security training course. Now, they must complete on-site training; the first step in that process came March 31, when representatives of a slot machine manufacturer taught them all about the machines.

In the coming days, the new agents will receive on-site training in all other areas of casino security. They then will be assigned to take over for the State Police troopers before the end of the month.

In the meantime, notice will go out for another 30 trainees, who will go through the training course before taking over security at Indiana's other eight casinos and

- eventually - the state's newest casino, the French Lick Casino & Resort in Orange County.

State troopers have patrolled Indiana's casinos since they first opened in 1995. But, Governor Mitch Daniels recently decided those troopers would better serve the state in "more traditional law enforcement capacities."

The new gaming agents will report directly to the Gaming Commission.



Majestic Star's new gaming agents receive training from the Indiana Gaming Commission.

House committee OKs anti-online gambling bill

The U.S. House of Representatives took the first step last month toward making online gambling illegal.

The bill, co-sponsored by Indiana Congressman Mike Pence (R) and Mark Souder (R), would prohibit gambling businesses from accepting credit cards, checks, wire transfers, or electronic funds transfers. The clear goal is to wipe out the \$12 billion online gambling industry.

The bill does allow for a few exceptions - namely, horse racing and fantasy sports. But most sports gambling, including the NCAA Tournament, would fall under the bill's purview - a move that drew support from most professional sports organizations.

After the vote, Major League Baseball and the National Football League issued a joint statement hailing the bill, and denouncing gambling as "threatening the integrity of our respective sports."

Other groups, including Concerned Women for America and a consortium of states' attorneys general from across the country also applauded the bill.

"Internet gambling is an illegal and destructive activity," said Lanier Swann, CWA's Director of Government Relations. "People have bought into the lie that because it is done in the privacy of their own home, it is acceptable. Nothing could be further from the truth."

But the bill also has several opponents, including the Poker Players' Alliance, as well as the House committee's ranking Democrat, Rep. Barney Frank (D-Mass.), who said that adults should not be told how to spend their money.

And the U.N. ambassador from Antigua, which has tried to develop an online gambling industry to build its economy, blasted the move for ensuring that his state could not rebuild its fragile economy.

The bill still has to go before the full House of Representatives for passage, after which it would move on to the Senate for approval.