

The Indiana Casino Gaming News

A Monthly Publication of the Casino Association of Indiana

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Note from the President

Every month, we at the Casino Association of Indiana put out the Indiana Casino Gaming News. And in each issue, we include a running total of the tax dollars Indiana and its communities have received from the casino industry.



What we don't talk about enough, though, are the things that come from those tax dollars. In some cases, the benefits can be seen in education. In others, they are in various capital projects that couldn't happen without casino dollars.

So when Kentucky's governor, Steve Beshear, approached his legislature last month and said only expanded gaming could save his state from massive budget cuts, we thought it would be interesting to take a look at some of the individual projects in Indiana that have been aided by casino dollars.

The result is the story to your right. As always, you can find our total taxes paid on Page 4 - and if you want to see more, visit our Web site at www.casinoassociation.org.

- Mike Smith, President

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Cash to state tops \$875 million

Indiana's casinos paid more than \$875 million in taxes last year.

That means that, on average, each of the 13 casino properties - 11 riverboat casinos and two casinos paired with Indiana's horse tracks - paid nearly \$67 million in taxes between July 1, 2008 and June 30, 2009. It also brings the total amount of taxes paid in Indiana's 14-plus years of casino gaming to \$8.3 billion (\$7.1 billion in wagering taxes and \$1.2 billion in admission taxes).

That's \$8.3 billion that has gone into capital projects. Education. It's money that has gone to the state of Indiana to help ease budget woes, or to local governments to help complete projects that would have languished without casino dollars.

Examples of such projects abound in Evansville, the site of Indiana's first riverboat gaming facility, Casino Aztar. Here, casino tax dollars have largely been used for capital projects - projects like the nature center at Wesselman Woods Nature Preserve. The nature preserve is a National Natural Landmark and a state nature preserve, with more than 190 acres of virgin bottomland hardwood forest.

Recently, the city of Evansville opted to renovate the nature center - to improve classrooms, exhibit space, and office space. Overall, the projects will cost about \$850,000; without casino tax dollars, it would be nearly impossible. Using funds from Ca-



An artist's rendering of the new Evansville Events Center, which will be located in Downtown Evansville. More than \$11 million from Casino Aztar is being used to build the arena.

Rendering Courtesy of Populous

sino Aztar, construction will begin this spring.

Meanwhile, work is already underway on the new Evansville Events Center - a multi-use indoor arena under construction in the city's downtown. Due to open in 2011, the arena will replace 50-year-old Roberts Stadium, and be used mainly for basketball, ice hockey, and concerts. And according to estimates by Convention Sports & Leisure and The Gateway Group, Evansville's revenues from Casino Aztar will make up the largest private contribution toward the projects funding, accounting for about \$11.6 million.

That money, however, is not exclusively tax revenues from Aztar. In addition to the \$31 million Aztar paid in taxes last year, it also pays a lease agreement with the city of Evansville - a lease agreement that, in this case, provided the city with more than \$11 million to go toward the new arena.

This is another reason why casinos prove a finan-

cial boon - not only because of the tax dollars, but the other associated fees the state and communities receive for their operation. Take the new Indiana Live! and Hoosier Park casinos, both of which opened in the summer of 2008. In order to even open their doors, both casinos had to pay \$250 million in licensing fees - another \$500 million to the state of Indiana.

Overall, Indiana's 13 casinos pay approximately \$105 million in local development agreements annually.

All of these are reasons why casino gaming benefits our state, our citizens, and our communities. And they are reasons why, as we prepare to face competition from Ohio and possibly Kentucky (see page 3), we need to work together to ensure Indiana's gaming industry is the strongest and most attractive gaming destination in the region.

Casino employees find new homes for pets

Indiana Live! Casino and Indiana Downs employees enjoyed a barking good time – and helped find loving homes for 23 four-footed friends – during a “phenomenal” Shelby County Dog And Cat Holiday Cheer Adoption Fair last month.

The Holiday Adoption Fair also netted \$150 in cash donations and an estimated 300 pounds in donated food, cat litter and pet supplies.

“That’s phenomenal. That’s one of the best,” said Chris Browder, Administrative Assistant/Technician for the Shelbyville/Shelby County Animal Shelter. “We’re used to one, two, maybe three animals (being adopted). We never estimated it would be this overwhelming as far as the turnout.”

As part of Indiana Live! Casino’s year-long commitment to the Animal Shelter, casino employees are volunteering their time and donating food to pet owners facing



financial difficulties. Indiana Live! Casino employees donated five truckloads, more than 1,000 pounds, worth of pet products through January 29 and will continue donating throughout the year.

“It’s been incredible. The timing has been so perfect, it’s been such a good flow of things,” Browder said.

Browder praised the performance of the volunteers, many of whom spend time walking dogs.

“The volunteers coming in are a hearty group. They want to help and they care. It’s good to see that the people that are here want to be here,” Browder added.

The flurry of adopted pets eased an overcrowding problem at the animal shelter. In the days leading up to the Holiday Adoption Fair, the shelter was forced to house dogs in crates after filling all 25 of its dog kennels. Many of the shelter’s 18 cat ken-

nels were also full.

After the Holiday Adoption Fair, there was needed space for new dogs and cats.

“This has been an outstanding adoption,” said Keith Barrett, Coordinator for the Shelbyville/ Shelby County Animal Shelter. “This just gives us so much more breathing room at the shelter. It’s really helped us out quite a bit.

Richard Kline, Indiana Live! Casino’s General Manager, paid half of the adoption fee for casino and track employees who adopted pets at the event. Kline also purchased 20-pound bags of pet food that were given to casino employees who adopted pets.

Free dog and cat food was provided with each adoption. Goody bags and care brochures were also available. Approximately 20 volunteers, many of whom work at Indiana Live! Casino and Indiana Downs helped run the event.

Horseshoe Casino Hotel Southern Indiana now has new leader

Horseshoe Casino Hotel Southern Indiana last month announced Eileen Moore as its new senior vice president and general manager.

Moore, who spent the last three years as assistant general manager of Harrah’s New Orleans, officially took the position in November. She is now the second-youngest vice president at Harrah’s Entertainment.

“Eileen’s experience over the last 10 years in both corporate and property roles has prepared her for this next step in her career,” said

John Payne, Harrah’s Central Division president. “I am confident she will prove as successful with her new responsibilities as she has been in her previous roles.”

Prior to her position in New Orleans, Moore was the vice president of Slot Revenue Management for Harrah’s Entertainment. In that capacity, she increased overall slot floor profitability and oversaw the strategic direction and policy as it relates to the selection, pricing and placement of slot machine product across all properties.



Before joining Harrah’s in 1999, Moore was the national director of revenue management for Fairmont Hotels LP in San Francisco. She has also held several

revenue management and hotel operations roles with Hilton Hotels, including the Waldorf-Astoria in New York City.

A native of Chicago, Moore is a graduate of Cornell University with a bachelor’s degree from the School of Hotel Administration. She also holds an Executive MBA from the Kellogg School of Business at Northwestern University.

Eileen, her husband Edward and four-year-old son Eddie reside in Floyds Knobs, Ind.

Kline vows to make Live! ‘the best of the best’

Richard Kline is an extremely goal-oriented man.

Whether he's on the golf course, out taking a jog, or at work running the Indiana Live! Casino, Kline always finds himself driven by the goals he's set for himself. And right now, his goal is to make Indiana Live! the best casino around.

“My primary goal is to be the best of the best,” Kline said. “Not only in Indiana – I'd like to be the best casino in the Midwest. I see opportunities to expand this casino into more of a full-service casino that has a hotel, an events center that could be used for some conventions or can be converted for entertainment.

“And obviously, getting live table games would be very important to give us that full-service capability.”

Kline, who has been the general manager at Indiana

Live! since August 16, is a graduate of West Point and a 26-year veteran of the United States Armed Services (where he held command posts in Washington, D.C., Korea, Vietnam, and Germany).

After leaving the military, he gravitated toward the industry, he said, because of the chance to work with people – and the opportunities to use his military skills.

“I think the thing that I enjoy about the casino industry the most is dealing with people; I'm very much a people person,” Kline said. “I also saw an opportunity in the casino industry to use my skills from my military days to assist me in building good teams. That has always been something that I think is lacking in the casino industry: a team of people working together for common goals.”

His arrival at Indiana



Live! came after a five-year stint running Native American casinos on the west coast (first in Oregon, then California). He made the move, he said, because of the challenge inherent in leading an organization that is “growing and changing.”

Now that the property has its legs underneath it, though, Kline finds his goals expanding – to becoming the best in the region, to con-

tinue to strengthen customer service, and to get his team members more involved in the community.

It's those kinds of challenges that keep Kline in the casino industry. Because even when he meets one goal, there's always another around the corner.

“It's a very dynamic industry; there's never two days that are the same,” Kline said. “It's exciting to come in and face so many different challenges every day, and being able to not only accomplish things but also to meet these challenges and be able to see things through to the end in a very short period of time.

“It's not something that is drawn out for long periods. It's being able to make a decision and see the results of those decisions immediately. I think that's very exciting.”

Gaming revenue is key to Kentucky's future, Beshear says

Kentucky Governor Steve Beshear is again betting on expanded gaming for his state – this time going so far as to use revenue from the as-yet unapproved expansion to balance his budget.

Last month, Beshear unveiled his proposed budget for the upcoming fiscal year, including \$780 million in revenue from expanded gambling. That money, Beshear said, is the state's only hope to avoid making major cuts to education and human services; without it, he told the Louisville *Courier-Journal* that Kentuckians

would face about \$850 million in budget cuts.

“Gaming revenue is the only practical option to begin funding long-term priorities with recurring revenue,” the *Courier-Journal* quoted Beshear as telling legislators.

In the past several years, Kentuckians have repeatedly refused to sanction expanded gaming. In spite of Beshear's election – which came largely on a platform of expanded gaming – the Kentucky legislature in 2009 refused to even introduce a bill to bring either slots or full-blown casinos to their state.

“Gaming revenue is the only practical option to begin funding long-term priorities with recurring revenue.”

— Gov. Steve Beshear

Now, legislators are threatening to force Beshear to start from scratch on the \$18.4 billion budget – and this time to do it without any funding from sources that have not been approved.

According to the *Courier-Journal*, Beshear will have to

cut 2.3 percent out of the budget across the board in 2011 without expanded gaming, and another 7.5 percent in 2012 – all on top of the steep cuts many agencies already have seen over the past several years.

“If the legislature chooses not to go in that direction in terms of gaming revenue they have other options,” Beshear told the *Courier-Journal*. “There are tax increases, there are more cuts, there is hoping and praying that we get more (federal assistance), but that's about it.”

Indiana's casinos team up to aid Haiti

In the weeks since a 7.0-magnitude earthquake struck Haiti on Jan. 12, Indiana's casinos have joined the worldwide effort to aid the devastated nation.

From clothing drives to fund-raising efforts to campaigns designed to help employees with families affected by the tragedy, several of Indiana's casinos have stepped to the plate to help offer relief to Haiti. At Ameristar East Chicago, officials are taking multiple avenues to aid Haitians in need – both by helping team members whose loved ones were directly affected by the tragedy, and by teaming up with organizations to aid Doctors Without Borders and the Miami Global Institute.

"The Executive Committee and I would like to express our deepest concern and sympathy for the people suffering in Haiti, and for our team members who have been directly impacted by this horrific tragedy," said Ameristar General Manager



A Horseshoe H.E.R.O.s stacks jeans for the Jeans for Teens initiative

Pete Savage. "A disaster of this magnitude affects each of us ... we will continue to monitor the situation and look for local opportunities to provide support and assistance."

Along with using its "Sunshine Fund" to help team members in need, Ameristar also is offering counseling with its Employee Assistance Program counselors to those who need help coping with the tragedy. And the property hosted a live broadcast campaign with Power 92.3 FM to raise money for aid efforts.

Meanwhile, Grand Victoria Casino has teamed with the Rising Sun Church of Christ to offer aid to victims of the tragedy. Along with the church, Grand Victoria is collecting canned and dry goods for families in need, as well as personal care items.

Officials at Grand Victoria are encouraging team members and the community to contribute on site. They also are asking for cash donations, though they are not accepting those on site, instead asking that they be taken directly to the Rising

Sun Church of Christ.

And at Horseshoe Casino in Hammond, Ind., officials are joining in a clothing drive that will benefit not only victims in Haiti, but also homeless teens in the Hammond area. After the earthquake, Horseshoe's H.E.R.O.s (Harrah's Employees Reaching Out) partnered with a local retailer for the Teens for Jeans drive, which is aimed at benefiting locally and abroad.

"The crisis in Haiti made us painfully aware that help is needed not only in our own backyards, but in communities everywhere," said Horseshoe "That's why, as part of this effort, Teens for Jeans will match the first 100,000 pairs of jeans donated with 100,000 new pairs of jeans."

In total, 200,000 pairs of jeans will be donated to victims of the earthquake in Haiti, and the rest of the jeans collected will go to homeless shelters in the Hammond area.



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Admission and Wagering Taxes

Admission Tax, January '10	\$ 6,343,339
Wagering Tax, January '10	\$ 68,773,295
Admission Tax, Fiscal YTD	\$ 46,480,996
Wagering Tax, Fiscal YTD	\$403,575,455
Total Admission and Wagering Tax	\$450,056,451
Total Paid Since Inception	\$8,352,984,231

*Fiscal Year Defined as July 1 to June 30

The Casino Association of Indiana (CAI) was formed to support the Indiana casino industry. Currently, there are 12 member properties in the CAI. We will utilize the highest standard of ethics and integrity to promote and protect the interests of the Indiana Casino Gaming Entertainment Industry through advocacy, communications and education.