

# The Indiana Casino Gaming News

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## Belterra hotel to be state's biggest

Officials at Belterra Casino & Resort recently announced a new hotel expansion, which would make the Belterra hotel Indiana's largest.

The project would be Belterra's second such expansion in the last two years, after roughly doubling its hotel size to 608 rooms in 2004. And, while no formal plans have been announced – or even officially taken to the state's Gaming Commission – Belterra's parent company, Pinnacle Entertainment, told the Cincinnati *Enquirer* that it intends to use an issue of 6 million shares of common stock to add 250 new rooms.

And, according to Belterra General Manager Larry Buck, that number could go up to 300, by the time Belterra finishes analyzing what the expansion would entail. He also told the *Enquirer* that the expansion could include expanded space for meetings, the

spa, parking, and possibly even a new restaurant.

He also stressed that no plans had been formally presented to either the Gaming Commission or the U.S. Army Corps of Engineers.

Currently, the Belterra hotel runs at about a 90 percent occupancy rate – well above the national average of 64 percent, and the Cincinnati area average of 58 percent. And, while the majority of Belterra's patrons live within two or three hours of the casino, Buck believes that the additional hotel rooms will "absolutely" increase business for the casino - specifically in the area of conventions and events.

The goal is to book more regional meetings, which will take more hotel rooms and meeting



space. Plus, female customers often are attracted to newer, more luxurious hotel rooms.

And, in many families, they are the decision-makers in travel planning.

Additional details of the project, including cost, size, and the exact number of rooms still to be added, remain pending. According to representatives from the casino's marketing department, those details will be released at a later time.

## Merger may create development, jobs in Gary

The purchase of Trump Indiana by Majestic Star, LLC owner Don Barden has created a flurry of new possibilities for the Gary waterfront.

Now that the sale is final, Majestic Star, LLC, owns both of Gary's lakefront casinos – along with the 175 acres surrounding the casinos – at Buffington Harbor. And while Barden's company has not committed to any new capital projects, plans for future development may be in the works.

Yvette Gawne, public relations manager for Majestic Star, recently told the media that the company's management team "has evaluated the operations of Majestic Star, Majestic Star II (formerly known as Trump Casino), and Buffington Harbor, with the goal of developing a strategy to create a

premier gaming and entertainment complex in northwest Indiana and Chicagoland." But so far, the company has only committed to consolidating its workforce.

In mid-January, Trump Casino filed notice with the Indiana Department of Workforce Development, noting plans to consolidate about 400 positions because of the merger. Gawne's statement noted that this consolidation likely will happen in the first three months of 2006.

But Gawne also noted that future projects would likely offset those layoffs.

"While workforce reductions are a necessary part of the process," she said, "we believe, in the long term, our investment in the Buffington Harbor area and the City of Gary will allow us to create future employ-

ment opportunities for the residents of the City, Lake County and northwest Indiana."

That future employment also will mean greater entertainment opportunities for the people of Gary. Already, Buffington Harbor is the only Indiana site that allows visitors to choose which of two casinos they want to enjoy.

But with the help of management, casino team members, and the City of Gary, this consolidation now will allow Majestic Star to bring the underdeveloped waterfront to life, with new projects ranging from a new marina to a state-of-the-art convention center.

These new developments also could create as many as 700 new jobs.

"I believe we are looking at a very exciting and dynamic future, she said, "both for our company, and for all the residents and visitors of Gary!"



# Building on our successes

Our family just keeps growing!

In this issue of *The Indiana Casino Gaming News* alone, there are no fewer than three stories detailing planned additional investments by Indiana casinos. On the cover, you'll find (or, perhaps, you've already found) our lead story, about Belterra Casino & Resort adding up to 250 more rooms to its hotel. That is the second hotel expansion Belterra has done since 1994, and it will give it the impressive distinction of being Indiana's largest hotel.



Right below that, there is a story about Majestic Star, and the newly-anointed Majestic Star II, where owner Don Barden has hinted at developing the 175 acres of lakefront property surrounding the two casinos. And here on page two - just a bit to the right, in fact - is a brief about the investment at Blue Chip Casino.

And all of that is only the tip of what's happening with Indiana's casinos right now. As we speak, Casino Aztar is developing a \$40 million Entertainment District project, and Argosy Casino has announced plans to replace its boat with a brand-new gaming facility.

There also is a new casino currently under construction in French Lick, Indiana. At press time, the brand new Orange County casino remained on schedule to open its doors in December, bringing all the fun, excitement - and investment - of casino gaming to yet another Indiana community.

Plus, I suspect that, by this time next issue, we'll have yet another expansion project to discuss.

All of these projects, representing hundreds of millions of dollars, are examples of the good things riverboat gaming has brought to Indiana. Along with the fun and entertainment created, each project also brings new tax dollars, jobs, and opportunities to this great state.

The casino industry is proud to partner with Indiana in creating these opportunities.

*-Mike Smith, Executive Director*



## In Brief...

### French Lick casino brings housing boom

Almost a year before their new riverboat casino opens, residents of French Lick already are seeing its effect.

According to WFIE-NBC14 in Evansville, the Orange County community and adjoining West Baden Springs—which combine for a population of about 2,500—have already seen a land boom in anticipation of the French Lick Springs Resort and Casino's December opening.

Compared to the same time two years ago, home sale prices are up 25 to 30 percent; the article cited

some developers getting "up to twice what they paid for properties." And those prices are expected to continue climbing as the casino's opening nears.

The new casino is expected to be 80,000-84,000 square feet, making it the second largest casino in Indiana. Only Caesars Indiana, at 86,500 square feet, would be larger. Argosy Casino & Hotel is next at 78,000.

Original plans for the French Lick Spring Resort and Casino had the facility at approximately 50,000 square feet.

### New Blue Chip casino opens doors

Hundreds gathered in Michigan City on January 31, to see the grand opening of Blue Chip Casino's new 65,000-square-foot riverboat.

The vessel, which replaced the old, 42,000-square-foot boat, moved into place Jan. 28, and was christened three days later. It is the centerpiece of a \$170 million expansion for the entire Blue Chip property.

"Over the course of the last six years, we were at maximum capacity," said Rob Stillwell, a representa-

tive of property owner Boyd Gaming Corp.

In all, the new facility houses 2,200 slot machines – up 450 from its previous incarnation – and 51 table games. The 102,000-square-foot pavilion adjoining the casino also was expanded, by 15,000 feet, early in the process, making room for more food and beverage services.

The new boat is expected to create about 100 permanent jobs in Michigan City.

## Admission and Wagering Taxes

Admission Tax, Jan. '06	\$ 6,853,137
Wagering Tax, Jan. '06	\$ 68,361,095
Admission Tax, Fiscal YTD	\$ 46,744,758
Wagering Tax, Fiscal YTD	\$360,905,243
Total Admission and Wagering Tax	\$407,650,001
*Fiscal Year Defined as July 1 to June 30	



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## Resorts celebrates black history

Citizens from all walks of the East Chicago community came together in early February to celebrate Black History Month – and to discuss some of the issues facing the city’s African-American community.

Resorts East Chicago served as the corporate sponsor for the annual Black History Program, held by the Black History Committee of East Chicago on February 4. The program, held at Carrie Gosch Elementary School, featured food, socializing, and a youth symposium on current issues.

A number of teenagers and young adults, ages 13 to 22, participated in the symposium, offering their views on topics that included drug and crime prevention, community responsibility, and a commitment to uplift the lives of troubled youths in the area. Their audience for the open-forum event included a wide range of East Chicago citizenry, from a large number of senior citizens to numerous publicly elected officials.

All in attendance also were treated to a “Taste of Soul” dinner, which included several dishes associated with African-



Resorts East Chicago sous chefs Wendell Peterson (senior sous chef) and Steve Watkins pose with Ida Halliburton, a member of the East Chicago Black History Committee.

American heritage. Members of Resorts’ Executive Culinary team donated their time and talents to prepare the dishes, and also were on hand to serve the food.

Resorts also took part in a second event February 18 at Central High School, to pay tribute to all pastors and clergy who have served at least 20 years in East Chicago’s churches.

The Rev. J.C. Wade Jr., pastor of the Zion Missionary Baptist Church in East Chicago, was that event’s keynote speaker.

## Caesars Foundation hands out annual grants

*More than \$300,000 in financial aid goes to local non-profit organizations*

Several New Albany and Floyd County organizations recently got a financial boost for their respective causes from the Caesars Foundation of Floyd County.

This month, the foundation – which is affiliated with Caesars Indiana, located in neighboring Harrison County – awarded \$338,000 in

grants to local non-profit organizations serving the community. The awards brought the Foundation’s total awards to almost \$7.4 million since its creation in 1999, when Caesars Indiana first opened to the public.

In all, the Foundation’s seven-member board awarded grants to 30 organizations, with amounts ranging anywhere from \$1,490 to \$25,000. Among the recipients

were Habitat for Humanity, Repair Affair/ New Directions Housing, the Hispanic Connection of Southern Indiana, the Tri-County Healthy Coalition, the Ogle Center and Indiana University Southeast.

The Foundation Board that awarded the grants consists of four elected officials from New Albany and

Floyd County, as well as three representatives of Caesars Indiana, appointed by the casino. It is one of two foundations funded by Caesars Indiana; the other, the Harrison County Community Foundation, serves Caesars Indiana’s host county.

For more information about the foundation, look on the World Wide Web at: [www.caesarsfoundationfc.org](http://www.caesarsfoundationfc.org).



## A little Smokey by the fireside

Majestic Star Casino celebrated Black History Month with an icon when music legend Smokey Robinson came in for a “fireside chat.”

Robinson came to the casino February 6, at the invitation of old friend and Majestic Star Owner Don Barden, to talk about his own life, overcoming the challenges of an urban Detroit upbringing, and the challenges facing today’s African-American community.

After receiving a key to the city from Gary Mayor Scott King – who jokingly promised not to change the locks – Robinson took a moment to speak about the recently-deceased Rosa Parks and Coretta Scott King.

“I am deeply proud to have known those people, and others like them,” Robinson said. “They made so many things possible.”

Robinson then settled in for an interview.

About 200 people attended the event, including a variety of retired athletes, radio personalities, and elected public officials. And, along with offering anecdotes about his own childhood – he grew up near Diana Ross, the Four Tops, and the Temptations (“You either sang or were in a gang,” he said) – Robinson encouraged attendees to be positive role models for young African-Americans.

Otherwise, he noted, the only role models many see are pro athletes, musicians, and other famous people – making many believe that fame is the only path to success.

“They see me, they see Stevie Wonder and Samuel L. Jackson and Michael Jordan, and they see that we are successful,” Robinson said. “But successful African-American men like Don Barden are invisible to them.

“The inner-city kids need to hear their stories; they need to hear that there is no impossible dream.”



Mayor King presents Smokey Robinson with a key to Gary.

# Kinser: From craps tables to the top

Larry Kinser entered the casino industry as a craps dealer in 1969.

"I was finishing undergraduate school, and was starting graduate school," Kinser said. "It was great summertime employment in between school years."

Now, it's a great career for Kinser. As vice president and general manager of

Argosy Casino & Resort in Lawrenceburg, Kinser has come a long way from the Lake Tahoe craps tables. He's at the top of the industry he fell in love with as a college student.

Kinser was born in San Manuel, a small copper mining



town in Arizona. After getting bachelor's and master's degrees from the University of Arizona, Kinser entered the casino industry.

He worked his way up the food chain, holding jobs at about every level in the casino business. In all, he worked at casinos in Lake Tahoe; Mississippi; and Council Bluff, Iowa, before going to work for Argosy. His first Argosy job was in Kansas City; but after 4 1/2 years, he and Sue, his wife of 17 years, came to Indiana, where they have stayed four "tremendous" years.

"The Argosy experience has been tremendous," he said. "Doing business, at one of the largest casinos in the country, has been very enjoyable."

town in Arizona. After getting bachelor's and master's degrees from the University of Arizona, Kinser entered the casino industry.

He worked his way up the food chain, holding jobs

## Kentucky groups battle gaming law

Opposition to legalized gambling in Kentucky has become more vocal in the past month, pushing the state's legislators to reject any bill that would allow gaming in the commonwealth.

In late January, the Lexington *Herald-Leader* reported that a group representing as many as 40 Christian denominations united in Frankfort to meet with Governor Ernie Fletcher about their opposition to gambling. At the time, Ken Ostrander, head of the Family Foundation in Lexington, told the newspaper that such a show of unified support was "unprecedented."

"I don't go back 200 years, but I've not seen it in my 20 years around Frankfort," he said. "I don't know of another issue where all of the heads of the churches could come together and agree."

Elsewhere in Kentucky, newspapers have had no difficulty finding residents willing to voice opposition to the measure.

In early February, with a bill to legalize gambling in legislative committee, the Maysville *Ledger Independent* interviewed multiple residents who, while not against playing cards at

home or with friends, said they would vote against a law that legalized casino gaming.

Many cited fears of corruption, crime, or – in the case of church leaders – fear that gambling is "a rampant vice on our community."

"When you invite gambling, you invite other crimes," said Rev. Mike Canada.

Those in favor of the legislation, however, have pointed out that the bill does not necessarily make gambling legal – it simply creates a ballot initiative, which would give Kentucky's voters the opportunity to go to the voting booth and decide whether they want legalized gambling.

And, in the same *Ledger Independent* article, the newspaper cites an informal Internet poll where 93 percent of people said they favored letting voters decide.

"We want the people to decide," said Jim Navolio, executive director of the Kentucky Equine Education Project, which has lobbied extensively in favor of the ballot initiative. "I find it very curious that (the gaming opposition) doesn't want the people to decide."

	Total Admissions	Admissions Tax	Wagering Tax	Total Tax
2005	26,697,045	\$80,091,135	\$694,783,046	\$774,874,181
2004	26,545,058	\$79,635,174	\$662,485,554	\$742,120,728
2003	24,344,749	\$78,868,953	\$591,762,089	\$670,631,042

## 2005 a record year for gaming revenues

For the 10<sup>th</sup> straight year, Indiana's governing bodies saw an increase in revenue paid by the state's riverboat casinos.

The gaming industry paid a total of \$774,874,181 in taxes during fiscal year 2005 – an increase of 4.4 percent over the FY 2004. And, while the number didn't quite live up to some estimates, it was the most Indiana ever has received in such taxes.

The increase coincided with a jump in FY 2005's admissions, which increased by more than 150,000.

