

# The Indiana Casino Gaming News

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## Gaming Celebrates 10th Anniversary

Riverboat gambling in Indiana turned 10 years old last month, when the state's first riverboat casino, Casino Aztar, celebrated its first decade on the Ohio River.

Across the state, newspapers, magazines, and other publications noted the anniversary, with most noting the positive impact riverboat gaming has had on the Hoosier economy. Even in Evansville, where Aztar's gaming initiative originally passed by less than 4 percent, local officials quoted in the Evansville *Courier & Press* spoke overwhelmingly in favor of gaming's impact on the state.

"I've had people comment, 'I wasn't sure this was going to be a good idea, but look what it has brought to the community,'" Vanderburgh County Convention & Visitors Bureau Director Marilee Fowler told the *Courier & Press*. "The community has begun to appreciate (casinos' contribu-

tions)."

In the last 10 years, the gaming industry has "given back" more than any other industry in the state of Indiana. Our 10 casinos have paid \$3.9 billion in wagering taxes, and another \$898 million in admission taxes, to the state of Indiana, its counties, and



host cities. They have created 16,000 permanent jobs, spent millions of dollars with local vendors, and invested millions more in economic development projects within their host communities.

Those jobs and dollars have helped lift the state from its economic funk of the early 1990s, when legislators approved riverboat gaming as a way to improve Indiana's economy. And they did it without the increase in crime

and delinquent behavior that many predicted would follow the gaming industry to Indiana.

Problem gaming hotline calls and state exclusion numbers also have been lower than predicted; even so, casinos have been proactive in attempting to prevent problem gambling. Signs and hotline numbers are visible on every property, and several programs - including a self-exclusion program that allows gamblers to ban themselves from Indiana casinos for one year, five years, or life - offer help to problem gamblers.

Overall, our first decade has been a success, both for the gaming industry and the state of Indiana, thanks to the support of our legislators, local officials, and the people of Indiana.

Now, as we enter our 11th year, we look forward to working with the state, our host cities, and all our fellow Hoosiers for many decades of continued success!

## Revenue Challenges Possible From Ky., Ohio

These days, when folks in Lexington, Ky., proclaim that "Indiana Sucks!," they aren't talking about college basketball.

A new ad campaign mounted by Kentucky's gaming proponents has billboards towering above Lexington's highways - as well as several others across the state - proclaiming "Indiana Sucks" in large letters. In smaller letters below lay the reason: "\$600 million out of Kentucky each year."

This is the latest tack taken by the Kentucky Equine Education Project (KEEP), which is attempting to convince state legislators to let Kentuckians vote on a casino gaming initiative. The subject is likely to generate significant debate in this year's Kentucky legislative session, with several proposals - including legalizing video slot machines, gambling at racetracks, and/or awarding a limited number of gambling

licenses in parts of Kentucky that don't have racetracks.

Legislators in Ohio also are beginning to feel pressure on the issue, after pro-gaming rallies began in Columbus during this year's legislative sessions. Buckeye lawmakers have seen a push to allow slot machines at racetracks, and also are discussing a move that would allow American Indian tribes to operate casinos in Ohio.

With a significant percentage of Indiana's gaming revenue coming from out of state, legalized gambling in Kentucky or Ohio would present us with a challenge. Last year, Kentucky residents spent \$671 million in casinos in Indiana and Illinois; much of that revenue could be lost if Kentucky or Ohio legalized gambling.

Indiana's casinos also could be looking



at challenges from inside the state. Legislators in Indianapolis have discussed legalizing "Cherry Master" machines in several establishments, or legalizing slots at tracks.

While the Indiana legislation was not filed in time for the 2006 session, we likely have not heard the end of these potential homegrown challenges - nor of those coming from out of state.

# Challenges for the New Year

In recent weeks, much has been said about the slowing growth of casino gaming revenue.



While it is noteworthy, this certainly doesn't represent a reason to panic. Because, while some believe the dip means Indiana's casinos have tapped as much of the market as we can, I don't believe that's true.

A recent survey noted that 65 percent of Hoosier adults have never set foot in a casino. That's a tremendous number, and it tells me our market isn't flattening out; in fact, there still is tremendous room for growth.

But we now have significant competition. Many casino companies are upping their investments and marketing pushes in Illinois, where casinos do not have to pay local development agreements.

This competition has particularly affected our casinos in Northwest Indiana, because there is a crowded field of boats competing for the Chicago-area market. But again, it isn't a reason to panic.

Many of Indiana's casinos are constantly improving their non-gaming amenities - the golf course at Grand Victoria, the spa at Belterra, and the new entertainment district project being undertaken by Aztar. These are the projects that can set Indiana's casinos apart from others, and bring revenue back to the Hoosier State.

And ideas already on the table, like tax incentives for these non-gaming expansions, could help make Indiana a more attractive place to do business.

A decade into our existence, I believe the Hoosier gaming industry still has tremendous room to grow, and will continue providing job opportunities and investments in the communities of Indiana. And, with a little help from the state, I believe we can make the next decade even stronger than the first!

- Mike Smith, Executive Director



## In Brief...

### Trump Sale Final

The sale of Trump Indiana, Inc., and the Trump Casino to The Majestic Star Casino, LLC, and its affiliates was officially completed December 21.

For a price of \$253 million, subject to certain adjustments, Majestic Star took control of its second casino vessel, as well as the Trump Hotel, on the Buffington Harbor in Gary, Indiana. Majestic Star owner Don Barden now owns five casino properties nationwide.

In a release issued on the sale date, Barden noted that the acquisition, which also includes more than 300 acres of land, creates a large development opportunity, as well as the opportunity for the casinos to achieve significant cost savings and synergies through integration.

The former Trump Casino now is known as the Majestic Star II, and will focus on middle-income gamers, while the Majestic Star I focuses on more upscale gaming.

### Poker Craze Ending?

The worldwide obsession with poker may be starting to wane, according to a recent article published by Reuters.

"It's a pop fad," Bill Thompson, a professor of public administration at the University of Nevada, Las Vegas, told Reuters. "Fads pass."

Signs cited for this fad passing include the sight of boxed sets of cards and chips sitting on discount racks in stores, the fading ratings of many poker-themed television shows, and a slump of poker-linked stocks.

Stations like ESPN still are drawing decent ratings - better than in past years - for their poker-themed shows, the article stated. But the ratings aren't growing like they had been, and the retail sales of poker chips are either disappearing, or moving to less-prominent displays.

"It may be reducing down to the niche market, which would be people in their 20s - macho-men type of people," Thompson told Reuters. "Parents aren't looking to buy little (poker) sets."

## Admission and Wagering Taxes

Admission Tax, Dec. '05	\$ 6,044,979
Wagering Tax, Dec. '05	\$ 57,805,401
Admission Tax, Fiscal YTD	\$ 39,891,621
Wagering Tax, Fiscal YTD	\$ 292,544,149
<b>Total FY Admission and Wagering Tax</b>	<b>\$ 332,435,770</b>



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# Aztar Takes Care of Tornado Victims

Glen Reed found the career he loved at Casino Aztar.

A casino dealer for 13 years, the 54-year-old Reed joined Casino Aztar's team shortly before opening, and spent a decade dealing on the riverboat. Over time, he'd brought his family on board; to this day, his daughter and her husband work at Aztar.



Glen Reed

But on Nov. 6 – three weeks before his 10-year anniversary at Aztar – Glen Reed's life was cut short when a tornado swept through the Evansville area. In all, 25 people, including Reed, were killed, with hundreds more injured. Among the injured and affected were Reed's wife, Anna Louise Reed, and 40 other members of the Aztar team.

Along with caring for Reed's family, including transportation and lodging for out-of-town family members who wanted to attend his funeral, Aztar has taken care of those employees injured or turned from their homes by the tornado. President and General Manager Jim Brown donated \$20,000 to the American Red Cross, and established a fund within Aztar for any employees' tornado-related needs. Brown donated the first \$10,000 to that fund, and is matching every dollar given by employees (so far, about \$2,000).

Aztar's contribution to its affected team members went beyond the financial, though. Crew members were offered hotel rooms, to stay in as long as they needed. While renovating its suites, Aztar offered

victims their pick of the furniture being replaced – beds, bedding, chairs, tables, sofas, and lamps – with the casino storing the furniture until victims had a place to take it.

***“These are people we care about. Their tragedy has become our tragedy.”***

*- Aztar President and General Manager Jim Brown*

And Casino Aztar hosted a drive within the company, asking employees to bring in clothing, toys, home furnishings, linens, and whatever else they could bring in for distribution to the tornado victims.

Employees who volunteered to help with on-site rescue and cleanup efforts also were paid for their time while

doing so.

“These are people we care about,” Brown told the Evansville *Courier & Press*. “They are our co-workers, our friends; we see them every day. Their tragedy has become our tragedy.”

## Majestic Star Plays Santa Claus

The little stars were shining bright this December, when Majestic Star Casino hosted its fifth annual Holiday Party for Little Stars.

Along with 40 local not-for-profit organizations, Majestic Star turned the Lake County Convention & Visitors Bureau into a winter wonderland December 14, and turned more than 100 children loose for a day of holiday celebration.

The children, selected by the Boys & Girls Clubs of Northwest Indiana, represented areas from all across the region. During their holiday celebration, they were treated to numerous games, won several prizes, and were provided pizza donated by Miller Pizza. All also had the opportunity to have a photograph taken with Santa Claus.

Gifts, purchased and presented on behalf of the Majestic Star team, were provided for all children in attendance.

“Our team members enjoy helping to make these children's wishes come true,” said Chareice White, corporate director of community relations for Majestic Star. “To see the expressions on their faces while they opened their gifts – it truly made a difference in their little lives.”



And that was just one day of Majestic Star's turn as Santa Claus.

For the first 12 days of December, Majestic Star played host to the “12 Days, \$12,000 Holiday Slot Tournament,” which gave all Club Majestic members the opportunity to win prize money. But, along with giving those people a chance to win, Majestic Star also made local children into big winners.

During the tournament, the casino collected more than 600 toys and \$1,300 in entry fees, all of which were donated to Toys for Tots. Those toys, picked up December 14, were distributed in the Lake County area children the week before Christmas.

## New Brochure Helps Teach The Odds

A second edition of the American Gaming Association's popular brochure *The House Advantage: A Guide to Understanding the Odds* is garnering public praise shortly after its release.

The publication, aimed at educating patrons about the probabilities of winning and losing at casino games, is published by the AGA as part of its Code of Conduct. Since first publication in 2004, it has become a popular informational tool among AGA member companies and their patrons, as well as a good public relations tool.

The new edition is receiving similar praise, with one Kansas City writer offering “applause for the industry's leading trade group, for such honesty in explaining the true nature of its product.”

Copies can be purchased at: [www.americangaming.org](http://www.americangaming.org).

# Gaming Gets Its Groove Back

According to the song, the holidays are “the most wonderful time of the year.”

But many casino owners beg to differ.

Whether they’re decking the halls, flocking to malls, or taking all their relatives’ calls, most people tend not to make gaming a priority during the holiday season. In fact, the closest many come to gambling during the holiday season is buying that shirt that just *might* make their significant other look a bit portly.

That’s why, according to the state’s Gaming Commission, casinos in Indiana saw a 50,000-headcount drop in admission from November to December of 2004.

The 2005 headcount is not yet available.

“Casino executives across the country often comment that they may as well close up from the Monday after Thanksgiving until just before Christmas,” Belterra Gen-

eral Manager Larry Buck told the Cincinnati *Enquirer*. “That’s an overstatement. But it’s substantially slower; people have other things to do with their time.”

But the people come back. They always do. And when they come back, it’s usually for the best party in the area: the New Year’s Eve party at their local casino.

This year, Indiana’s casinos brought some of the hottest entertainment to New Year’s Eve. Across the state, revelers had the chance to win big bucks, like the \$25,000 in cash drawings at Argosy; they had the chance to see musical performances, like Gladys Knight at the Belterra, and other musical acts like local favorites The Monarchs at Caesars Indiana. And they had the chance to play



Revelers kick off 2006 at the Resorts East Chicago New Year’s Eve bash.

their favorite casino games - often with party hats and New Year’s favors!

“A lot of planning goes into New Year’s Eve, said Alexis Santel, marketing agent for Argosy. “This year, it was big, and it went off without a hitch.”

## Horseshoe rocks the vote

*Employees register to vote from the comfort of their own dining room*

Several employees at Horseshoe Casino recently used their lunch hours to register to vote.

And they did it without ever leaving the office.

Recently, Horseshoe employees were given the chance to register in the employee dining room, as part of the company’s “Winning Together” campaign. The campaign’s goal was to raise awareness about the importance of voting.

Employees from both Indiana and Illinois were provided the opportunity and paperwork to become registered voters. Almost 80 took advantage, either registering for the first time, or changing their names, addresses or other information to renew their voting eligibility.

“Employees could complete a new application registration, or they could change their name or address,” said Shelby Curry, marketing director for Horseshoe. “We had the voter forms available in both English and Spanish, to make it



Horseshoe Casino Hammond employees Lydia Ramos (left) and Lilia Segura served as volunteers during the casino’s employee voter drive.

convenient for all of our 2,000 employees. And when they were finished, we mailed them directly to the local election board.”

It was all part of Winning Together, a political grassroots effort started by Harrah’s Entertainment. Along with addressing the importance of voting, the campaign aims to keep employees abreast of legislation that affects the gaming industry, and to educate vendors, customers, and local citizens about the industry’s economic benefits.

## Ferrying to Grand Victoria?

While some Kentucky residents are lobbying to take gaming business from Indiana, at least one Kentucky city is helping its residents get to an Indiana casino.

Florence, Ky., is teaming with Rising Sun, Indiana and the Grand Victoria Casino for a proposed Ohio River ferry, which would make it easier for Kentucky residents to get to Rising Sun and its riverboat casino. It also would help Rising Sun’s 2,400 residents reach Florence for a variety of other reasons.

The ferry, which would hold 10 to 12 cars, tour buses, or even a tractor-trailer, would run year round from Kentucky 18 in Boone County to a landing about a mile north of Grand Victoria. It would cut a 45-60 minute drive in half.

It also would help motorists avoid increased traffic due to road construction in Lawrenceburg and Aurora, Ind.

“We thought this would be a great idea,” Gary Brett, president of the Port Authority, told the Cincinnati *Enquirer*. “We’d be real close to Florence, and people could use it for shopping, doctors, hospitals and so on.”

The ferry is expected to be about a \$500,000 project, with costs split among Rising Sun, Ohio County, Ind., and a foundation funded by Grand Victoria.

