

The Indiana Casino Gaming News

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State's casino employees in a giving mood

Across Indiana, Hoosier casinos celebrated the holidays by giving back to the communities they call home.

In Orange County, the French Lick Resort Casino hosted this year's Koatz For Kidz program, collecting and distributing coats to less fortunate children around the area. Horseshoe Hammond donated toys to local hospitals, to the children of an employee stationed in Iraq, and to the Haven House, a domestic violence shelter in the Hammond area (see photo on Page 4).

Many of the properties were like the Majestic Star casinos in Gary, Indiana, hosting multiple holiday events. Majestic Star's holiday season kicked off with its eighth annual Holiday Party for Little Stars. For the event, Majestic Star hosted 90 members of the Northwest Indiana Boys & Girls Club for food, educa-



Above: Kids play Wheel of Wisdom.



Left: Casino employees spread holiday cheer!

tional games like Wheel of Wisdom (similar to *Wheel of Fortune*), and prizes. Over the

course of the day, the staff of the Boys & Girls Clubs also selected children from various

clubs to receive gifts purchased on behalf of team members from Majestic Star.

The season also saw Majestic Star host 120 local students enrolled in the Barden Gary Foundation's Scholarship Program. The party, held in conjunction with the Scholarship Program's Black History Contest and its Book Club, allowed students to receive books as gifts, along with a presentation for the Black History contest.

Finally, the Majestic Star casinos visited three local medical facilities, spreading holiday cheer by distributing toys to the children in the hospitals.

Throughout the holiday season, events like these took place across Indiana, as the members of the Casino Association of Indiana did their part to give back to the community.

Economic picture brings good news and bad news to states

Casinos across America – including Indiana – are beginning to feel the crunch of the nation's economic crisis.

End-of-year statistics brought both good and bad news for Indiana's casinos. The bad news was a statewide drop in attendance; from 2007 to 2008, casino attendance dropped 6.3 percent, from 27.1 million visitors in 2007 to 25.4 million last year.

On the flip side, casino revenue actually increased by 1.3 percent, to nearly \$2.7 billion. The increase is partially attributed to the two newest members of the Casino Association of Indiana, Indi-

ana Live! and Hoosier Park Casino & Racetrack; after subtracting those two locations from the equation, the 10 Indiana casinos that operated in both 2007 and 2008 saw a 13.2 percent collective dip in revenues from 2007.

Of course, Indiana is not alone in feeling pressure from the economic downturn. Recent reports suggest the financial crisis is wreaking havoc on two of America's largest gaming regions as well.

According to year-end financial reports, both Nevada and Atlantic City are facing significant revenue dips entering the new year. For the

Focus On Economy

month of November, Nevada reported a 15 percent drop in gross revenue at its casinos, while Atlantic City posted an 18.7 percent dip in December – the largest monthly drop in its history.

In Nevada, the dip – from \$982 million in November 2007 to \$836.8 million in the same month of 2008 – represents a problem both for the casinos and for the state itself. Taxes from casino wins constitute a significant slice of the

state's revenue; with the drop in casino income, the state earned only \$44.4 million from that tax in November 2008, down 27 percent from a year earlier.

"It's the economy, the big decline in the stock market and people tightening up on their spending," Control Board analyst Frank Streshley told *Fox News*. "The state is having a difficult time with (tourist) visitation and the amount of money being spent by those who do come."

Meanwhile, Atlantic City now has seen two consecutive years of revenue drops after 28 years of consistent growth.

Let's talk about responsible gaming

The new year is supposed to be an optimistic time.

Unfortunately, this January seems to be filled with bad news about our nation's economy. And, as you will see while reading this issue, the casino industry has not been immune to the economic downturn. Revenues were down in 2008 - particularly toward the end of the year.



The state was fortunate to see a slight uptick in casino revenues last year, thanks largely to the opening of our two newest members, Indiana Live! and the Hoosier Park Casino. But even with their opening, our increase was slight; and now, in the new year, even reports of good news are tempered with a splash of bad. In Las Vegas, for example, gaming revenues increased in the week between Christmas and New Year's; in order to make that happen, though, many of the casinos had to offer vastly reduced room rates and drink specials to entice visitors.

Now, a new report by The Innovation Group shows that 2009 likely will see another dropoff in attendance for casinos. According to their survey, those making less than \$35,000 a year plan to make fewer trips to casinos this year; casual visitors also plan to make significantly fewer trips to casinos.

Tightness in household budgets is the reason most frequently cited for these plans; according to most economic forecasts, that may not change in 2009.

Taxes from Indiana's casinos are a significant source of revenue for our state - which means that the fewer people visit our casinos, the fewer tax dollars are sent to Indianapolis. So we, like Las Vegas, need to continue creating new reasons for guests to come to our casinos.

In these difficult economic times, investment in restaurants, spas, golf courses, and other non-gaming amenities is more important for our casinos - and for Indiana's budget - than ever.

Because once our visitors come for one reason, many stay for others. Which means revenue for Indiana - at a time when we couldn't need it more.

- Mike Smith, President



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Inside Our Casinos



Horseshoe SI awards grants

Last month, the Horseshoe Foundation of Floyd County awarded its fall grants to organizations across the community.

During the ceremony on January 10 at the YMCA in New Albany, the Foundation awarded \$365,000 in grant money to 34 organizations in Floyd County. Awards went to organizations ranging from local baseball teams and Boy Scout programs to church

charity programs and cancer support groups.

The Horseshoe Foundation of Floyd County was founded in 1999 with the goal of providing an additional funding source for community organizations in Floyd County.

To date, the Foundation has awarded \$16.5 million to non-profit organizations in Floyd County.

Hammond executive among Top 40

One of Horseshoe Hammond's top executives was honored this month as one of the "Top 40 Under 40" by a prominent Chicago magazine.

Crain's Chicago Business named Kevin Kline, Horseshoe Hammond's assistant general man-

ager, as one of the top 40 executives younger than 40. The honor came in the magazine's annual list of the same name — a celebration of the men and women who have made it to the top of their fields before celebrating their 40th birthday. Congratulations, Kevin!

Admission and Wagering Taxes

Admissions, December '08	1,911,833
Admission Tax, December '08	\$ 5,820,303
Wagering Tax, December '08	\$ 62,589,241
Admission Tax, Fiscal YTD	\$ 38,597,361
Wagering Tax, Fiscal YTD	\$334,024,157

Total YTD Admission and Wagering Tax:	\$372,621,518
Total Taxes Since Inception:	\$7,404,723,856

Competition Update

10th casino license finally lands in northeast Illinois

The battle for Illinois' long-dormant 10th casino license ended in late December, with the state Gaming Board's decision to award the license to Midwest Gaming and the city of Des Plaines.



and not more than 25 of the neediest communities in Cook County, Illinois.

Before any of that can happen, though, the state still must complete

a six- to 12-month review to make sure all of the company's investors and key employees pass state regulatory measures. Once that happens, it is expected to take about 15 months to build the casino, which will be located at I-294 and Devon Avenue.

Illinois' 10th gaming license has been dormant since 1997, when plans to move that casino to Rosemont were derailed.

The location beat out other proposals to launch casinos in two other areas near Chicago – Rosemont and Waukegan. The new casino is projected to bring in about \$25 million in tax revenue each year; \$10 million of that will be paid to the state for the next 30 years, with 40 percent of the remaining (estimated at \$6 million) earmarked for distribution to at least 10

Gaming may make it to governor's agenda

The governor of Ohio appears to be considering a change of tune on casino gaming.



Gov. Ted Strickland, whose anti-gaming stance has been "one of his core philosophies," according to Cincinnati TV station WCPO, now says he is willing to entertain proposals to expand gaming for increased revenue.

Ohio currently is facing a \$7 billion deficit in its next two-year budget. And while Ohio voters have repeatedly – including in the 2008 election – voted against putting slot ma-

chines at race tracks and allowing casinos, Strickland said that he wouldn't close his mind to ideas about expanded gaming.

He also, however, noted that it would not be his preferred course of action in tackling the budget deficit.

Expanded gaming in Ohio – particularly in the Cincinnati area – would create additional competition for casinos located in the southern half of Indiana, as well as the two racetrack casino located near Indianapolis, Hoosier Park and Indiana Live!

New legislation to consider only slots; revisions may pick up more support

A bill pre-filed in the Kentucky House of Representatives aims to bring the state's expanded gaming debate back to life this session.



roulette wheels, the whole thing," he told radio station WFPL. "We're talking just about slots at the tracks and so forth,

and that would be somewhat less."

As currently written, the bill would give 15 percent of the machines' revenue to state and local governments. Many believe that the bill may have a greater chance of being heard on the floor – and, therefore, of getting and passing a vote – after pro-gaming Rep.

Greg Stumbo won the Kentucky Speaker of the House post from Rep. Jody Richards. Stumbo publicly stated his support for allowing slot machines at the state's racetracks.

The bill, authored by Democrat Tom Burch of Louisville, would allow individual counties to decide whether to allow video lottery terminals to be placed in certain locations, including horse tracks. If passed, it would create a situation where the state treats slots the same as it does alcohol.

According to Burch, the bill is different from the one that died in the Kentucky legislature last year because it deals only with slots – not entire casinos.

"(At a casino), there's the

Congratulations!



Arlene Pearson of Majestic Star Casino shows off her award as the property's Community Ambassador of the Year

Indiana Live! to have job fairs

Indiana Live! will host multiple job fairs over the next two months for positions at its Shelbyville casino. The dates and locations are listed below; for more information, please contact Sheila Olson, Indiana Live's director of human resources, at (317) 421-8880, or by e-mail at sheila.olson@indy-live.com.



Employees at the Grand Victoria Casino took part in the property's Hoxworth Blood Drive this December. Each year, the holiday season brings the most critical service levels to the Hoxworth Blood Center, with an average need of 350 donors per day. After hearing that, Grand Victoria General Manager Steven Jimenez set up a day for employees to give, and encouraged all to get involved.

Larry Garrett of Indianapolis was the final winner in the Very Merry Mustangs promotion at Hoosier Park Racing and Casino. The promotion offered eight 2008 Ford Mustang V-Coupes or \$15,000 in cash each Friday.



Horseshoe Hammond recently held its annual Employee Toy Drive, benefiting Haven House (above), a domestic violence shelter; the children of a Horseshoe employee stationed in Iraq; children in two local hospitals; and a program for victims recovering from the Region's summer floods.

Tuesday, January 27

11 a.m. to 1 p.m.

The Art Institute
Indianapolis, Indiana

Friday, February 6

1 to 6 p.m.

Indiana Downs Racetrack
4200 N. Michigan Ave.
Shelbyville, IN 46716
Second floor

Wednesday, February 25

Noon to 4 p.m.

Diversity Job Fair
Indianapolis Convention Center
Indianapolis, Indiana

All updated job postings for positions at Indiana Live! are available on the property's Web site at www.indy-live.com. Additional job fair dates may be announced and also will be listed on the Web site.