

The Indiana Casino Gaming News

A regular update of issues regarding Indiana casinos

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Casino Quick News

- Argosy Gaming Company's \$2.1 billion acquisition by Penn National Gaming Inc. won U.S. antitrust clearance to create the third-largest U.S. operator of gambling properties.

- An investigation stemming from October 2004 led to the arrest of an Indiana man who was selling illegal slot machines over eBay. Louisiana issued the warrant for his arrest.

Barden—Entrepreneur of the Year

The Indiana Black Expo recently celebrated 35 eventful years during its Summer Celebration. Don H. Barden, Chairman and CEO of the Majestic Star Casino LLC received the "Entrepreneur of the Year" award during the 10 day event. The award was presented at the RCA Dome in Indianapolis during the Indiana Black Expo corporate luncheon.

President George W. Bush and Governor Mitch Daniels also attended the award ceremony.

Barden received the

award because of his commitment, dedication and lifetime achievement. Majestic Star Casino is 100% owned and operated by Barden, who is the only African American to own and operate a national casino entertainment company.

Since opening in 1996, Majestic

Star Casino, located in Gary, has donated millions of dollars to various charities. It has a long history of community involvement which includes volunteerism, community sponsorship and charitable contributions.



Governor Mitch Daniels, Don Barden and Mayor of Indianapolis, Bart Peterson

Aztar Lease Extension

Casino Aztar of Evansville, has committed \$40 million to invest in non-gaming attractions enabled by its new five-year lease extension. This massive investment will be used to develop a seven-acre downtown entertainment district on the casino's waterfront property. Project plans include an upscale 100-room boutique hotel, a multi-venue entertainment complex that will contain Jillian's Billiard Club, Ri Ra Irish Pub & Restaurant and two other restaurants to be named later. All of the project components will be linked together and will surround a new riverfront park.

The project will create almost

80 temporary construction jobs and more than 300 permanent jobs with average earnings of \$32,500, representing an additional \$11 million in annual payroll. The additional indirect impact of the project is more than 400 permanent jobs and almost \$17 million in new wages.

According to Jim Brown, General Manager of Casino Aztar Evansville, "Our vision for this project is to create an exciting, energetic multi-venue entertainment and leisure destination..."

Mayor Jonathan Weinzapfel hopes that Evansville will become a

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Buffington Harbor Access Road Opens

A new \$6 million access road is now open for the two Buffington Harbor Riverboats - Majestic Star Casino and Trump Casino. This access road allows guests the convenience of driving directly onto the third level of the parking garage and also avoiding lengthy train delays.



This is the first of a six-phase, \$30 million marina access road project. Once the entire project is complete, Buffington Harbor's parking garage will be conveniently accessible directly from Cline Avenue.

The second phase of the project, scheduled to begin this month, will include 1.2 miles of new roadway connecting to Cline Avenue. All road signage is also being upgraded as part of the project.

Aztar Lease Extension

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destination city, or a "regional hub" and Casino Aztar is committed to making his goal a reality. "I think everything that we've seen in the last 10 years, as far as capital investment in the city, a lot of that has occurred because of, or in partnership with, Casino Aztar."

Groundbreaking is expected to occur this month with completion expected within a year.

Getting to Know... Tim Fesko

Timothy Fesko was appointed to the Indiana Gaming Commission in March 2005 by Governor Mitch Daniels. The Schererville resident served five terms as a Republican state representative from Lake County. Fesko held office in 1993 when gambling was legalized in Indiana. He resigned his House seat in 1999.

"He's not a stranger to gaming issues", said Ann Bochnowski, a fellow commission member. "He's a fine person, an honorable person," Bochnowski said. "He's somebody who has impeccable standards."

Fesko currently works in real estate development and commercial insurance. His strong background in the insurance business will certainly help him when it comes to making decisions on complex issues. Fesko's decade-long history in the General Assembly also makes him a good pick for the job, said Bochnowski. "He's somebody who's going to be able to take an objective look at all the facts," she said.

He is currently serving on the Board of Advisors of Indiana University Northwest and is active in many civic organizations.



ADMISSION AND WAGERING TAXES...

Admission Tax - August 05	\$ 6,871,188
Wagering Tax - August 05	\$ 39,856,247

Admission Tax Fiscal YTD	\$ 14,516,088
Wagering Tax Fiscal YTD	\$ 75,046,493

Total FY Admission and Wagering Tax	\$89,562,581
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Fiscal Year Defined as July 1 to June 30

Competition Creeping Closer Kentucky Proposes Expanded Gambling

Momentum is building to expand gambling in Kentucky. In the past, attempts to add slot machines and casino games at racetracks have repeatedly failed. However, supporters have built a foundation for pursuing gambling legislation in the 2006 session.

State Rep. Tom Burch is pre-filing a plan that would allow Kentucky to have up to 21,000 slot machine terminals. Horse tracks and selected hotels near conference centers would be allowed a share of 10,000 slot machines.

Senator David Boswell agrees that it's an opportune time to pass gambling legislation and has pre-filed bills to let Kentucky voters decide whether to amend the state constitution to allow casino-style gambling.

Meanwhile, Burch says that Indiana is getting Kentucky's money with its \$25-26 billion riverboat gambling industry. Also, Kentucky's racing industry says it needs racinos (which are casinos at race tracks) in order to compete with casinos and racinos in nearby states. Kentucky racetracks have been complaining for years about competing with Indiana's riverboat casinos and competing for horses with tracks whose purses are en-

hanced by slots. The horse industry definitely wants racinos and several developers have expressed interest in building a casino in Northern Kentucky.

House Speaker Pro Tem Larry Clark has also proposed a bill, which would be filed in January for the 2006 General Assembly session, to legalize casino gambling. However, Clark said Kentucky's horse industry – track owners, breeders and others – has to be unified behind the bill or he won't pursue it.

Even some legislative leaders opposed to casino gambling admit that the issue will come up in the 2006 session. Most agree it will be put to voters in the form of a constitutional amendment that, if passed by the legislature, would be on the statewide ballot in November 2006.

Kentucky is feeling pressure from Ohio's pursuit to legalize gambling. According to Rep. Jon Draud, "If we wait so long that Ohio finally enacts something, then all of this we're talking about will be a moot point."

Sources include the AP, The Cincinnati Enquirer and The Louisville Courier-Journal

Grand Victoria Donates Land to SAY

For the past eight years, Grand Victoria Casino & Resort has generously donated land adjacent to The Links at Grand Victoria to the Southeastern Indiana Soccer Association for Youth (SISAY). Soccer teams of both boys and girls, of pre-school age through the eighth grade, use and enjoy these soccer fields.

This year, Grand Victoria is going one step further by donating \$500 for new equipment and 50 cases of water to be sold at the concession stand.

"The SAY soccer program provides structured fun to a lot of children in this area," said Scott Cooper, Grand Victoria's general manager. "We are very pleased to provide continued and additional support to a wonderful community organization that benefits our area's young people."



Caesars Foundation helps Scribner Place

The Caesars Foundation of Floyd County, funded primarily by the Caesars riverboat casino, has committed \$20 million to the Scribner Place development project. This commitment includes \$2 million towards building the YMCA

of Southern Indiana, which is estimated to cost \$8 million.

The facility will include the YMCA and an indoor swimming complex, thereby providing recreational opportunities and health programs for county residents of

every age.

The Caesars Foundation has donated \$6 million over the last five years to nonprofit organizations.



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**Is Your Gambling Out of Control?
Help is available. 1-800-994-8448.**

Changing of the Guard

The plan is in motion for transitioning from Indiana State Police troopers serving as Indiana Gaming Commission enforcement agents to a Commission-directed and -maintained force. Currently, 117 officers conduct background investigations and police the casinos.

This new Division of Enforcement and Integrity will be about 113 strong and will be led by Kevin Mahan, 35, the former Sheriff of Blackford County. The change in enforcement will allow for more specially trained agents at the casinos. All agents will be required to graduate from the police academy. About half of them will have a law enforcement investigation background and the other half will have experience in the financial realm to help audit records.

Indiana Gaming Commission Executive Director Ernest Yelton is hoping that this change will shift the focus from general law enforcement to regulatory activity. He hopes that this change "will allow casino security to focus more on gaming-related crime."

Under the current system, the casinos must reimburse the state for all related enforcement costs. These costs include training and

MESSAGE FROM THE DIRECTOR:

Hurricane Katrina slammed into the Gulf Coast decimating miles of coastline near the Louisiana-Mississippi state line. This particular region, which includes Biloxi, Gulfport and Bay St. Louis, is the nation's third largest casino market behind Las Vegas and Atlantic City.



Up until this time, it's been difficult to completely assess the damage, but early reports estimate that at least 6 casinos in the hurricane region have been totally destroyed. Harrah's Entertainment has three casinos in the hard-hit region which are "closed indefinitely" according to their website. Harrah's, MGM Mirage, which has two casinos in the region, Pinnacle Entertainment, Boyd Gaming and Isle of Capri Casinos are all expected to have big daily losses.

The financial implications could be devastating for both the local and state economies as well. According to the American Gaming Association, Mississippi's 30 casinos generate \$2.8 billion in revenue and contribute \$330 million in state and local taxes. Casinos on the Gulf Coast employ about 14,000 according to the Mississippi Gaming Commission. It is estimated that Mississippi could lose a staggering \$400,000 - \$500,000 per day in lost gambling taxes.

Despite the enormous economic impact, the casino companies emphasize that their first priority is to help their employees. Many of the companies have set up hotlines for employees to give contact information so they can receive paychecks in a timely manner. Many companies have also guaranteed payment for at least 90 days.

So what happens next? Will the casinos rebuild? At least three casinos in Biloxi were ripped from their moorings, sending the casinos hundreds of yards inland. Though many of the casinos have expressed an interest in rebuilding, it begs the question: should the law change in order to allow land-based casinos? There's no doubt that this topic will be heavily debated in the coming months.

Mike Smith, Executive Director

equipment along with salaries and benefits, which alone cost the casinos almost \$6.2 million in 2004. Along with that, the casinos fund patrol cars for all of the state troopers stationed at the boats.

The transition is expected to occur within a year and is expected to be smooth. Troopers currently assigned to the gaming commission may apply for the new jobs or they can return to traditional state police duties.