

Louisiana board to decide casino license next week - Bloomberg

Written by Administrator

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BATON ROUGE, La. (AP) — State gambling regulators will choose next week among three companies seeking Louisiana's 15th and last available riverboat casino license. The new boat will be in either Jefferson Parish or Lake Charles.

The Louisiana Gaming Control Board will listen Wednesday

to the companies and state officials who reviewed their applications to make sure they meet the standards to hold a casino license with the state. Its decision is expected Feb. 17.

"We have done our homework, and I just wish we had three licenses to give," said Velma Rogers, vice chairwoman of the board.

All three companies met the suitability requirements for state licensing.

St. Gabriel Downs LLC, owned by Louisiana businessman William Trotter II, is seeking to build a \$167 million Hard Rock Hotel & Casino in Lake Charles.

Also proposed for the Lake Charles market is a \$400 million casino called Mojito Pointe, by Creative Casinos LLC, owned by former Pinnacle Entertainment Inc. chairman Daniel Lee.

In the New Orleans suburbs, Penn National Gaming Inc. — which operates 23 gambling houses around the country, including the Hollywood Casino in Baton Rouge — is proposing the \$145 million Hollywood Casino in Harvey.

Company leaders on Wednesday reassured gambling board members that they could pull their financing together and explained why their projects were the best.

"We believe St. Gabriel Downs is the winning hand for the state," said Deborah Harkins, a lawyer for the company.

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"We will get this financed, and if you let us, we will get this built," Lee told the board of his proposal.

After the board awards a license, voters on April 30 would have to approve the addition of a casino before construction could start.

St. Gabriel Downs estimates its casino could open in May 2013, while Creative Casinos says Mojito Pointe could be complete by December of that year. Penn Gaming projects its Hollywood Casino would open by April 2012, because it will move an existing riverboat that had been used in Indiana to the Harvey site.

Board members asked St. Gabriel Downs whether a federal lawsuit involving the use of the Hard Rock name could create problems for licensing plans in Louisiana. Harkins and other St. Gabriel officials said they don't see the litigation undermining the brand and could choose another naming partner if problems arise.

Meanwhile, Lee's ongoing legal battles with his old company Pinnacle also were questioned.

Pinnacle claims that Lee violated his separation agreement terms after he left and that he disclosed confidential company information.

Lee denies the accusations, saying Pinnacle filed the litigation and another lawsuit involving the Lake Charles port to create a cloud over the 15th riverboat licensing process and attempted to stifle competition in that market where Pinnacle has a casino.

The gaming board put the 15th license up for applicants after it was returned to the state last year by Pinnacle. Pinnacle had planned to use the license for its second casino-resort complex in Lake Charles but canceled the plan.

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State law limits the number of riverboat casinos to 15.

Thirteen riverboat casinos currently operate in Louisiana: five in Shreveport-Bossier City, three in Lake Charles, two in the New Orleans area, two in Baton Rouge and one near Morgan City. Pinnacle is developing a 14th casino in Baton Rouge.

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