

State's last riverboat casino license could go to Harvey Canal project - NOLA.com

Written by Administrator
Wednesday, 09 February 2011 22:20 -

Published: Wednesday, February 09, 2011, 10:15 PM

Louisiana's last riverboat casino license could be awarded next week by the state [Gaming](#) Control Board to a project on the Harvey Canal or to one of two Lake Charles projects after all three license applicants passed State Police background checks

Wednesday.

Board members indicated their Feb. 17 vote will be influenced by a variety of factors, including the applicants' ability to secure financing and willingness to hire Louisiana construction firms.

But the decision might boil down to whether they believe Lake Charles, which could face increased competition if Texas legalizes casinos, can support a fourth riverboat casino better than the West Bank market can sustain [a second casino](#) .

[Penn National Gaming](#) [has proposed](#) a \$145 million Hollywood Casino Harvey on [an old industrial site](#) on the Harvey Canal about three miles north of Boomtown Casino.

Creative Casinos, owned by former Pinnacle Entertainment chairman Daniel Lee, is proposing the most ambitious project, a \$400 million casino-resort called Mojito Pointe that would include an 18-hole golf course and a 400-room hotel along the Calcasieu River in Lake Charles.

St. Gabriel Downs, owned by Louisiana businessman William Trotter II, wants to build a \$167 million Hard Rock Hotel & Casino on the shores of Lake Charles.

State Police said Wednesday at a special Gaming Control Board meeting that background checks revealed nothing that would disqualify any of the applicants.

However, an official linked to the St. Gabriel Downs project owes federal income taxes and is in settlement talks with the IRS, according to State Police, who said the matter would have to be resolved within 60 days if St. Gabriel were awarded the license.

Written by Administrator
Wednesday, 09 February 2011 22:20 -

Officials for the two Lake Charles projects said they hope to draw more gamblers from Houston, which is a two-hour drive from Lake Charles and has 6 million residents, about 1.5 million more than Louisiana.

But Penn Gaming officials said the Lake Charles gaming market is already saturated and could start to dry up if Texas legalizes casinos.

Steve Snyder, a senior vice president with the Pennsylvania firm, said the Harvey casino would generate about \$120 million in annual gambling revenue. He said a consultant concluded 64 percent would come from other casinos in the region, with the rest representing growth in the market.

Snyder touted his firm's ability to self-finance its project, which would include as many as 1,500 slots machines, 44 table games, a steakhouse, a buffet and a parking garage.

He suggested the two Lake Charles applicants presented overly rosy assessments of their ability to secure outside funding following a national economic downturn that hit the gaming industry particularly hard.

Lee said he has a commitment for \$300 million in funding if he is able to line up other sources for the first \$100 million for Mojito Pointe, which would be adjacent to Pinnacle's \$750 million L'Auberge du Lac casino-resort that he helped develop before leaving the firm in 2009.

Pinnacle has filed a lawsuit against Lee, accusing him of violating terms of a separation agreement while pursuing a rival casino.

Lee dismissed it as a "nuisance suit," noting that a Nevada judge denied a Pinnacle motion that would have prevented him from applying for the casino license.

Pinnacle had been awarded the state's 15th and final casino license for a project on the same

property that Mojito Pointe would occupy. But the firm canceled its plans and returned the license in April.

St. Gabriel Downs officials said the Hard Rock brand would attract a younger demographic to help expand the Lake Charles market, though they acknowledged Hard Rock has yet to sign a licensing agreement.

The firm's casino complex, including a 200-room hotel and 3,000-seat outdoor amphitheater, would sit on 24 acres, including about 14 acres to be reclaimed from Lake Charles.

Board members questioned whether the project would be delayed by the Army Corps of Engineers permitting process and a 180-day dredging schedule. But company officials said both matters were factored into projections that the casino would be completed by May 2013.

Lee said Mojito Pointe would be done by the end of 2013. Penn Gaming provided the quickest timeline, saying the proposed Harvey casino would be ready to open in April 2012.

After the gaming board awards a provisional license, voters in the affected community would have to approve the casino in an election, likely to be held April 30.

Gaming board members declined to tip their hands about how they might vote, but Chairman Dane Morgan said the state was fortunate to get three quality license applications.

"I wish we had three licenses to issue, but, unfortunately, we only have one," he said.

There are 13 riverboat casinos in Louisiana: two in the New Orleans area, three in Lake Charles, two in Baton Rouge, five in Shreveport-Bossier City and one near Morgan City. Pinnacle holds the 14th license and is developing a casino in Baton Rouge.

State's last riverboat casino license could go to Harvey Canal project - NOLA.com

Written by Administrator

Wednesday, 09 February 2011 22:20 -

.....

Paul Rioux can be reached at prioux@timespicayune.com or 504.826.3785.

[Powered By WizardRSS](#)

Source: http://news.google.com/news/url?sa=t&fd=R&usg=AFQjCNEdgen5sEnR36tSoIXnl8O9E2s3ZQ&url=http://www.nola.com/politics/index.ssf/2011/02/louisiana_gaming_control_board.html