

Developer floats casino idea for downtown Minneapolis - Minnesota Public Radio

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by [Tim Nelson](#) , Minnesota Public Radio

St. Paul, Minn. — The Minneapolis developer who bought the Block E project last summer is floating the

idea of building a luxury casino on the downtown Hennepin Avenue site. The Alatus Co. thinks high-stakes gaming might revive one of the city's landmark and most notorious commercial blocks.

Bob Lux is best known for building the Carlyle and Grant Park condo towers in Minneapolis -- and for the faltering attempt to copy that success in St. Paul with the Penfield Tower.

But now he's apparently looking to Las Vegas.

After buying Block E last July, his company, Alatus, is thinking of building something like the renowned Bellagio or Wynn casinos -- in Minneapolis.

Lux wouldn't talk about the idea personally. But in a statement, Alatus described the idea as "a limited-footprint, sophisticated, best-in-class gaming component."

It's the latest in a recent string of gambling expansion plans that have been proposed in Minnesota. The state's horse tracks want to add casino gambling, bar owners want electronic bingo and video gambling, and even Gov. Mark Dayton pitched the idea of a Mall of America casino during his campaign for election last year.

Ted Mondale, the head of the Metropolitan Sports Facilities Commission, and former Met Council chairman, said he's among the officials that the developer has approached to gauge reaction to the idea. He said it isn't tied to a proposed Vikings stadium.

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"It was a three-story rendering of what the building would look like. They'd clearly done some work on it," said Mondale. "My guess is that they have three or four different concepts, but there would be some community-based things on the first and second floors, and a casino on the third."

Mondale said he couldn't tell what kind of construction the project would involve, but said he thought it would be yet another rebuild of one of the city's most prominent and difficult blocks.

"It does not look like the building does now," said Mondale.

Gov. Mark Dayton said Wednesday he's been aware of the proposal since last year.

"I've said I'll consider any possibility," said Dayton.

But after mentioning a Bloomington casino during his campaign, Dayton didn't include the idea in his state budget proposal earlier this month. And he didn't describe the downtown casino as imminent.

"I had a briefing on it months ago when I was still on the campaign, so it's not something that I've been actively engaged in," said Dayton. "Anything that can generate economic development, and particular revenues to the state -- that would have to be a major component of it, for any gaming. As I said, my interest is raising revenues that are going to go to benefit school children."

The idea is likely to face some long odds, nonetheless.

Minnesota already has 18 casinos, which are run by several Indian tribes in the state. John McCarthy, executive director of the Minnesota Indian Gaming

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Association, said he doesn't think there's a market for a high-end casino in Minneapolis.

He cites the weather, the lack of other amenities, and competition from places like Shakopee and Hinckley.

"If they think that the tribal casinos are going to just roll over, they're dead wrong," said McCarthy. They'll market the heck out of this to maintain their share as well. Which is unfortunate, because they'll hurt each other when they do that."

Minneapolis Mayor R.T. Rybak said he also preferred the status quo on gambling, but thought a new casino could work.

"If the governor and the Legislature move forward on opening up a new casino location, I think downtown would be a good location," said Rybak. "In part because think it would be very successful, and in part because I think it would have the least impact on existing tribal gaming operations."

Rybak also acknowledged that the plan is a long way off, "and people float ideas all the time."

The Legislature seems lukewarm to the idea. Republican Sen. Michelle Fischbach, who has already introduced a gambling bill, declined comment on the idea.

House Speaker Kurt Zellers said his Republican caucus is divided on the gambling issue. But he also downplayed the role it might have in the state's financial affairs.

"That's an extra revenue stream, but I wouldn't say it's reliable," said Zellers. "What we're going to deal with is what we know and what we can measure over time, and that's a budget forecast from our state economist."

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Senate Majority Leader Amy Koch said there had been no discussion about the matter that she was aware of.

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