

Gambling commission hears Sugar Creek casino proposal - Kansas City Star

Written by Administrator

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JEFFERSON CITY | Sugar Creek made its pitch today to the Missouri Gaming Commission for a new, \$107 million casino-resort on the banks of the Missouri River in eastern Jackson County.

The commission, meeting in Jefferson City, also heard presentations from two other cities vying for an available casino license, but took no action and offered little public comment on its plans for awarding the license.

The presentation offered the most extensive look yet at plans from the city of Sugar Creek and the firm that would develop and operate the casino there, Las Vegas-based Paragon Gaming.

The plans call for a 55,200-square-foot complex with 1,200 slot machines, 20 table games and a poker room, along with two restaurants, two bars, a cabaret and retail shopping. It would be located just east of Highway 291 along the Missouri Riverfront.

A proposed second phase eventually would double the casino space and add a hotel, movie theater and 6,500-seat arena.

Officials described it as a boon not only to economically-depressed Sugar Creek, but to all of eastern Jackson County.

"Everybody around us — the whole region — is for this project at Sugar Creek," said Stan Salva, the town's mayor.

The Sugar Creek site is competing against proposals in Cape Girardeau and St. Louis. A fourth applicant, from suburban St. Louis County, unexpectedly dropped out this week.

Two issues in particular arose as the proposals were outlined and the commission questioned the applicants.

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First was the possibility of market saturation in Kansas City and St. Louis.

The sponsors of a casino bid in Cape Girardeau, along the Mississippi River in southeast Missouri, argued that the gaming markets in Missouri's two largest cities were saturated, and that any new casinos would mostly "cannibalize" business from existing ones.

That concern was especially relevant for Kansas City, they said, because of the new casino now under construction near the Kansas Speedway in Wyandotte County.

Sugar Creek officials countered that a casino in eastern Jackson County would in fact expand the area's gaming market, by riding a wave of growing population, tapping new gamblers and improving competition among the casinos.

"If there's a little that comes from the other casinos, it's going to be offset by the huge amount of participation from eastern Jackson County," Salva said.

Sugar Creek and Paragon officials estimated the casino would generate \$97.4 million in annual revenues, of which \$34.6 million would be new to the market.

Commission Chairman Jim Mathewson raised the other issue: whether the sponsors could be trusted to secure funding and complete the project as planned in the difficult economy.

"That point I've made when inquiring of the applicants is that you'd better make darn sure your financial house is in order, because we're going to look very carefully at that," he said.

Mathewson has repeatedly held out the possibility that the commission will not award the license to any of the applicants this time around, noting that state law sets only a maximum on the number of casino licenses that can be awarded, not a minimum.

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He said the commission likely would make a final decision in four to six weeks.

To reach Jason Noble, call 573-634-3565 or send e-mail to jnoble@kcstar.com .

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