

New casino needs fresh amenities, expert says - Quad City Times

Written by Administrator
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Curiosity may draw new gamblers to a downtown Davenport land-based casino for a while, but keeping them or those loyal to other casinos coming back will be a challenge for the new facility, a national gaming analyst said.

The City of Davenport is considering a plan that would call for the construction of a minimum 30,000-square-foot, \$75

million land-based casino in downtown Davenport.

Jane Pedreira of Clear Sights Research said the novelty of a new facility would draw — at least temporarily — regular gamblers from other casinos and people who generally do not gamble.

In order to keep those gamblers, the casino will have to offer amenities that will bring in demographics not being addressed at other local casinos or offer incentive programs or other promotions that would pull in regulars from other casinos.

“You have to build a better mousetrap,” she said.

When Jumer’s moved out of its riverboat casino in downtown Rock Island and opened its land-based casino and hotel near Interstate 280 in December 2008, the casino’s monthly adjusted gross revenue topped \$5.5 million, more than double the December 2007 total of \$2.5 million.

Revenue at Jumer’s has continued to grow, and this year’s monthly adjusted gross revenue numbers at Jumer’s are outpacing the previous year’s numbers.

Bill Renk, vice president for sales and marketing at Jumer’s, said that given the current state of the economy, it isn’t clear whether the Quad-City gaming market can be expanded long-term, but he thinks Jumer’s will rise to the challenge in a more competitive market.

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The Wild Rose Casino and Hotel in Clinton opened in late June 2008 and saw its monthly adjusted gross revenue jump from \$2.5 million at the former Mississippi Belle II riverboat casino in Clinton in July 2007 to \$4.4 million at the land-based casino in western Clinton in July 2008.

Monthly revenues at Wild Rose have since leveled off and held steady but have not topped \$4 million since August 2008.

Tim Bollmann, Wild Rose general manager, said he would expect a new land-based casino in Davenport replacing the Rhythm City riverboat casino to see a four- to six-month bump in business, but it would be difficult to guess its long-term effect on the local gaming market.

Bollmann said he thinks the effect on other local casinos would be greater if the casino were built close to an interstate because downtown casinos are less convenient for gamblers.

“You have to want to go there,” he said.

Bollmann said part of Wild Rose’s success can be attributed to its location just off U.S. 30 in Clinton, making it easily accessible for local patrons and those traveling from communities in Illinois, who he said are crucial to his casino’s success.

Pedreira agreed that building a downtown casino is sometimes “fraught with issues,” including convincing people to fight through downtown traffic to get there.

“On the surface, I would say it sounds challenging,” she said.

A Davenport alderman on the negotiating committee with MSEG LLC, the company behind the land-based casino project, understands the risk in building a venue for gaming in today’s economy.

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“A casino is a type of discretionary entertainment,” Gene Meeker said. “When times are tough that’s one industry that declines pretty fast.”

In its current capacity, revenue for the Isle of Capri-owned Rhythm City Casino on Davenport’s riverfront is declining, Meeker said. That means revenue is declining to the city and Riverfront Development Authority, which awards funding to various community organizations and programs in the Quad-Cities.

“Other operations on land are gaining ground,” Meeker said. “We just felt we couldn’t continue losing money while other casinos were gaining market share.

“Some action needed to be taken. The Isle was not willing to go land-based or make changes to generate revenue.”

Gaming has taken a hit nationwide. Meeker saw this first-hand on a visit a year ago to the gaming capital, Las Vegas, where he and other aldermen were hoping to lure a casino developer to build in Davenport.

“We saw all kinds of construction cranes sitting idle in Vegas,” Meeker said. “The economy was in the tank.”

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