

La. gambling board hears riverboat casino pitches - Bloomberg

Written by Administrator

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BATON ROUGE, La. (AP) — Three companies applying for the state's last available riverboat casino license made their pitches Thursday to the Louisiana Gaming Control Board for projects in Jefferson Parish and Lake Charles.

Penn National Gaming Inc., which operates 23 gambling

facilities around the country, is proposing a second casino in the New Orleans suburb of Harvey, called Hollywood Casino, with a first phase costing \$145 million.

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

The largest proposal is by Creative Casinos LLC, owned by former Pinnacle Entertainment Inc. chairman Daniel R. Lee, targeting the Lake Charles market with a proposed \$400 million project called Mojito Pointe.

Gambling board members asked questions about financing proposals, legal issues and the proposals' impact on existing casinos as they heard lengthy presentations from each applicant. A decision isn't expected for several months, and after the board awards a license, voters in a local election would have to approve the addition of a casino.

"This is the introduction to your projects. The board will have a lot of interesting reading, and we look forward to having you back again before the board before we make any decisions," said Dane Morgan, chairman of the gaming board.

Penn National Gaming, which owns the Hollywood Casino in Baton Rouge, offered to fund a \$75 million escrow account to show its commitment to the casino plans.

"We can assure you this project is financed from the very first. We can write a check and we will," said Peter Carlino, chairman and CEO of the company.

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The competing applicants of Creative Casinos raised questions about whether it could finance its larger proposal in the current credit climate.

But Lee said, "We think we can grow the market. We think we can stimulate people's imaginations. We think we can bring people in from other states."

St. Gabriel Downs representatives pitched their concept as an established brand that could attract younger gamblers and live entertainment.

The Louisiana Gaming Control Board put the license up for applicants after it was returned to the state in April by Pinnacle. Pinnacle had planned to use the license for its second casino-resort complex in Lake Charles but canceled the plan.

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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