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Mayors laud casinos' contributions

NKC, St. Joseph officials cite economic benefits

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Missouri casino executives spent much of Wednesday collecting pats on the back from mayors of riverboat gambling communities.

"It's pretty hard not to say great things about our partner, Harrah's," said North Kansas City Mayor Gene Bruns at the **annual meeting** of the newly renamed Missouri Gaming Association, held at Harrah's North Kansas City Casino and Hotel.

Thanks to casino tax dollars, said Bruns, his 4.3-square-mile community "has virtually reinvented ourselves" with a long list of civic improvements ranging from a \$15 million community center to new police and fire equipment.

Statewide, the association noted in its **annual** state of the industry report, casinos had record revenues of \$1.5 billion in 2005 and a record \$414 million in Missouri taxes paid, including \$271 million for public education.

And in smaller communities, casinos' economic effects can be particularly noticeable.

Earlier in the day, St. Joseph Mayor David J. Jones urged the Missouri Gaming Commission to relicense Terrible's Casino in his city, bought last year by Herbst Gaming Inc., a subsidiary of privately held, Nevada-based Terrible Herbst Oil Co.

"We're very happy," said Jones. "They've done a wonderful job and kept their promises," he said of the Herbst group, which retained the casino's 272 employees while pouring an estimated \$12 million into a continuing remodeling and upgrade of the casino floor, restaurants and other nongambling amenities. The improvements have dramatically boosted revenues, turnstile admissions and the city's cut from tax dollars.

Improvements like those in St. Joseph are part of what the gaming association said was a record-setting and continuing 2006 casino building boom. By mid-2007, the association said, such projects are expected to add \$1.3 billion in capital investment to the \$1.8 billion already in the ground in Missouri since 1994.

When no one testified against the casino at the Wednesday morning session held in Riverside's new City Hall - also built with gambling tax dollars - the Gaming Commission voted unanimously to relicense both the St. Joseph casino and the Herbst-owned Terrible's Casino in LaGrange.

Gaming Commission director Kevin Mullally also praised the Herbst group for its reinvestment in the property and for bucking a statewide trend of flat and declining admissions at most riverboat gambling properties.

Though 2005 admissions were down a fraction at Kansas City's four casinos, Terrible's was up 31 percent in St. Joseph and 21 percent in LaGrange under Herbst management.

The industry's statewide building boom is topped by the \$775 million that Pinnacle Entertainment will spend to build two new casino properties in the St. Louis market.

Harrah's North Kansas City this month completed a \$126 million expansion, and the Isle of Capri in Kansas City recently announced an \$85 million expansion. Isle's sister casino in Boonville is adding a \$17 million hotel. Penn National Gaming, which owns the Argosy Riverside Casino, is in the midst of a \$75 million hotel, spa and parking garage addition while Ameristar Kansas City Casino and Hotel will complete a \$22 million hotel makeover this year, and its sister casino in St. Charles is adding a \$240 million hotel and entertainment pavilion.

Bill Keena, the association's 2006 president and president for Harrah's Missouri and Iowa operations, also noted industry strides in diversity.

Minority employment at the state's 11 casinos hit a combined 35 percent last year, up from 31 percent in 2004. "I think we're doing a pretty good job," said Keena, considering the state's minority population is around 15 percent.

Keena said the association's name change from Missouri Riverboat Gaming Association came as a concession to reality "to reflect the character of our industry," which has evolved from modest and quite real paddlewheel riverboats in many cases to sprawling real estate developments. "You can't tell you're on a boat," he said.

Association director Mike Ryan noted that Missouri became the last of the riverboat gambling states, including Illinois, Iowa and Mississippi, to drop "riverboat" from its trade association name.

Other highlights from the **annual meeting**:

More than 9,000 Missourians have registered in the state's assistance programs

for problem gamblers.

"The only downside to casinos is addiction to gambling" said Maryland Heights Mayor Mike Moeller, who simultaneously praised state and industry efforts to help those in need.

Noting the financial and civic contributions Harrah's has made to his community, Moeller said: "There's no question that the introduction of casino gambling was the most significant event" in his town's history. "The predictions of the critics ... crime, drugs, prostitution, corruption ... never came to pass."

The industry's 2005 survey of 4,000 of the state's 11,200 casino workers found 67 percent or more agreeing that their casino job offered equal or better wages, benefits and career opportunities than their last job.

Also, 59 percent of workers said they had worked in the industry for at least three years, up from 48 percent in a 2002 worker survey.

Dave Albrecht, general manager of Ameristar Kansas City, is the association's president-elect for 2007.

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Photo

TAMMY LJUNGBLAD/The Kansas City Star

The Argosy Riverside Casino is in the midst of an \$86.5 million upgrade that includes this recently opened parking garage. Work continues on a hotel.

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