

NEW ORLEANS City BUSINESS

Ante up

By: Christian Moises, News Editor | November 6, 2006 | 0



Florida residents from left, Andrew Baratta, Will Lang and Buck Davis battle in a game of Texas Hold 'em poker at Harrah's New Orleans Casino. (Photo by Tommy Santora)

Harrah's New Orleans Casino general manager Jim Hoskins points to a pile of suitcases stacked next to a \$1 slot machine as another sign of recovery in New Orleans. It also marks the gambling industry's recovery more than a year after Hurricane Katrina.

"We're very interested in driving the tourism resurgence and the ability to get out-of-towners into the city," said Hoskins. "Everything goes together and we're just part of the equation but the gamblers are coming back."

September revenues at New Orleans' three area casinos have all increased compared with September 2004:

- At Boomtown Casino in Harvey revenue rose to \$15.2 million, 73.1 percent above its September 2004 earnings of \$8.8 million.
- Harrah's revenue is up 30 percent to \$33 million compared with \$25.4 million in September 2004.
- Revenue at Treasure Chest Casino in Kenner increased 17.1 percent to \$10 million from \$8.6 million in 2004.

"We were the second boat to reopen since the storm and business has been tremendous in the past year," said Rob Stillwell, vice president of corporate communications with Boyd Gaming, parent company of Treasure Chest.

In September 2005, Katrina temporarily shut down all three establishments. Boomtown was the first to reopen Sept. 30.

The three casinos took in a combined \$58.4 million in September, down from \$59.3 million in August.

Statewide, gamblers lost \$209.1 million at Louisiana's state-licensed casinos, off from \$209.5 million in August.

"It's too early to tell what effect the Gulf Coast casinos will have because you can't really derive a trend off a month. But we've been very pleased with our results since reopening in February," Hoskins said.

According to Louisiana State Police figures, Louisiana's 12 riverboat casinos took in \$145.9 million in September, a 1 percent decrease from \$147.1 million in August. Harrah's took in \$33 million, up 1 percent from \$32.7 million in August.

The numbers don't include Louisiana's three Indian reservation casinos, which are not required to make winnings public.

Three riverboats remain closed, as the Belle of Orleans, which once operated in New Orleans as Bally's, moved to St. Mary Parish and Pinnacle Entertainment Inc. bought two boats once operated by Harrah's in Lake Charles. One of the Harrah's licenses will be used by Pinnacle for a second casino resort in Lake Charles.

Boomtown bumped

Boomtown Casino revenues dropped 2 percent in September, at \$15.3 million compared with \$15.6 million in August.

Charlie Frederick, director of community relations and governmental affairs for Boomtown, said the riverboat attracted people from 16 states when it reopened but business has leveled off.

Boomtown was the top grossing riverboat in the state in January with \$24.6 million but is now No. 3 behind No. 1 L'Auberge in Du Lac and No. 2 Horseshoe in Bossier.

"We knew we couldn't sustain those numbers forever," Frederick said. "We saw about a \$2-million drop when Harrah's reopened, and with the Gulf Coast industry returning and the influx of people doing work now leaving, we're starting to return to normal figures."

To stay competitive, Pinnacle Entertainment-owned Boomtown plans to overhaul the property with a \$200-million, 220-room hotel.

Mississippi gains

The post-storm gambling boom in Louisiana, especially in the New Orleans area, slowed as more casinos reopen along the Mississippi Gulf Coast. For example, in October 2005, with all 12 of the Mississippi market's casinos wiped out by Katrina, Louisiana casinos won \$178.9 million — almost as much money as in October 2004 even though five were closed.

Gulf Coast casinos took in \$109.8 million in September compared with \$66.8 million in August, according to the Mississippi Gaming Commission.

Mississippi does not report individual casino revenues.

"This was the best September we've had since gaming started on the Gulf Coast in 1992," said Larry Gregory, executive director of the Mississippi Gaming Commission. "If these numbers continue to rise as they have, we'll be back to the \$1.2-billion industry we had before Katrina."

Ten Mississippi Gulf Coast casinos have now reopened, including four in September, which accounts for a \$43-million revenue increase. The Hard Rock Casino will be the last to reopen since Katrina wrought varying degrees of destruction to the 11 licensed Gulf Coast casinos. The former operators of the President Casino will open the Silver Slipper Nov. 9 in Bay St. Louis, Miss.

Officials at Beau Rivage, which reopened in Biloxi, Miss., after a \$500 million overhaul, have been pleased with returns since reopening Aug. 29.

"Business has exceeded our expectations with a strong opening and a strong September," said Mary Cracchiolo, director of public relations. Parent company MGM Mirage renovated the complex and more than \$5 billion in casino investments are planned in the next several years.

Harrah's highlights

Citing high construction costs, a volatile marketplace and uncertainty over a proposed Choctaw casino, Harrah's postponed plans for its Biloxi complex last week. Hoskins said national visits to the N.O. casino have surged recently, an increase he credits to a quiet hurricane season.

Harrah's believes the Sept. 21 opening of a 26-story, 450-room hotel shows the casino's commitment to the area.

"We're bullish on the New Orleans market and will be around here forever," Hoskins said. "New Orleans is not going to go broke and the city's casino industry is healthy."*

