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Skeptics question casino turnaround, impact

Slots winner stands by aggressive timetable

Pittsburgh Business Times - by [Dan Reynolds](#)

After winning Pittsburgh's lone slots license this week, Detroit businessman Don Barden stood by his self-imposed deadline to build a casino on the North Shore in 14 months -- more than a year faster than either of his two competitors had said they could build their own permanent gaming halls.

Barden said double work shifts -- and a positive attitude -- will produce a 400,000-square-foot casino by March 2008.

"If you can build a casino in two years with single shifts, you can build one in one year with double shifts. Why can't we do it?" Barden said after the **Pennsylvania Gaming Control Board** selected his company to receive the license.

But Barden has his skeptics among gaming industry analysts who have consulted on casino projects across the country.

"That's a fantasy," Jake Miklojcik, president of **Michigan Consultants**, a Lansing, Mich.-based gaming consulting company, said.

Miklojcik said the permitting process alone could take a year.

Barden, whose company beat out St. Louis-based **Isle of Capri Casinos Inc.** and Station Square Gaming LP -- a team that included Las Vegas-based **Harrah's Entertainment Inc.** and Cleveland-based **Forest City Enterprises Inc.** -- plans a \$410 million casino and amphitheater on a 12-acre parcel on the Ohio River, near the Carnegie Science Center. He also plans a \$49 million, 300-room hotel on an adjacent four-acre lot.

"Certainly, a motivated developer can build a casino in that time," Joseph Weinert, vice president of Northfield, N.J.-based **Spectrum Gaming Group LLC**, said. "How much else of the project gets completed remains to be seen."

Dennis Rudd, a professor of hospitality at **Robert Morris University** in Moon Township, said Barden's promise of a speedy turnaround might have been a key factor in the Gaming Control Board's decision to award him the license. The fact that an accelerated turnaround likely would require him to hire more construction workers probably didn't hurt either, he said.

"I think it probably played into it some because everyone else was talking about a temporary casino (prior to completing construction)," Rudd said.

Anne Swager, co-chairwoman of the **Pittsburgh Gaming Task Force**, said an aesthetically pleasing building is more important to her group than a fast turnaround.

"I think that's a great goal, but we're concerned about the quality of this," she said. "It is not that important whether this is built in 14 or 18 months. This is going to be one of the key pieces on our riverfront."

As the only majority African-American owner among the candidates seeking licenses statewide, analysts said Barden was probably aided by the section of the state's gaming law that required that a minority owner win at least one casino license in Pennsylvania. Barden disagreed.

"I think we won this on merit, and I am proud to have won it being an African-American," he said.

Weinert said Barden's quiet-by-comparison play for the Pittsburgh casino license also might have helped his bid.

"There was so much hubbub about Isle of Capri and the Penguins and Harrah's being one of the giants in the industry," he said. "Don Barden quietly went about his business and evidently wowed the gaming board."

Doug Harbach, a spokesman for the Gaming Control Board, said a written opinion regarding the board's decision won't be issued for a couple of weeks.

Barden's competitors for the Pittsburgh license will have 30 days to appeal the board's decision. Barden said his clock starts ticking after that time period expires.

In addition to his plans for the North Shore, Barden, who owns a **Majestic Star Casino** in Gary, Ind., and Fitzgerald's Casinos in Las Vegas, Black Hawk, Colo., and Tunica, Miss., has said he'll spend \$350 million to redevelop the struggling Hill District with a mix of residential and retail development. He's also committed \$7.5 million per year over 30 years to help build a new arena.

Hill community leaders said they expect Barden to work with them on delivering.

"We are excited about the possibility and are also ready to get into the realities of the situation," said state Rep. Jake Wheatley, a Hill District Democrat.

Evan Frazier, executive director of the Hill House Association, agreed.

"In order to make it work, he'll need to follow through on commitments that were made during the application process," Frazier said. "That means making sure that people see the progress not only of the development that is happening on the North Shore, but on the Hill as well."

Revenue from gaming is expected to be a key part of what Barden can deliver. Weinert said he thinks Barden's projection of his casino being able to generate \$478 million a year in revenue by its fifth year is realistic, since he has a monopoly in this market.

"(Barden has) a monopoly on Pittsburgh proper," he said. "And the demographics are attractive."

For his part, Barden said this week's win felt like vindication. In 1998, he lost a bid to build a casino in his hometown of Detroit.

"We beat out Harrah's and Forest City, two giants, and Isle of Capri, which was a larger company," Barden said of his Pittsburgh victory. "It just proves that in America if you are qualified and you practice high standards, that you can be successful."

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