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Picking Up The Pieces

Decimated by Hurricanes Katrina and Rita, the Gulf Coast gaming market begins the arduous tasks of healing and rebuilding

THE STORM • THE SURVIVORS • THE RECOVERY EFFORT • THE FUTURE

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STORM OF THE CENTURY



LORI BETH SUSMAN, MISSISSIPPI GAMING NEWS

AP/WIDE WORLD PHOTOS

LORI BETH SUSMAN, MISSISSIPPI GAMING NEWS

Hurricane Katrina dealt a crippling blow to the Gulf Coast and its \$1 billion-plus gaming industry

BY ANDY HOLTMANN

The week of Aug. 22 began like any other for residents who lived and worked along the southern U.S. shoreline of the Gulf Coast. In the Mississippi communities of Biloxi, Gulfport and Bay St. Louis, it was a typical seven day summer period—sunshine and slightly balmy, with a lot of activities to enjoy at the area's 12 operating casinos.

In New Orleans, tourists and French Quarter enthusiasts intermingled with gaming patrons at Harrah's New Orleans, while a little further north on Lake Pontchartrain, local gamblers were enjoying the action at Boyd Gaming's Treasure Chest Casino.

All seemed calm...all seemed well.

By mid-week, however, a handful of Gulf Coast residents began paying attention to a tropical storm off the eastern coast of Florida that the National Hurricane Center in Miami had just given its official name—Katrina.

Katrina was the twelfth such storm the National Hurricane Center had tracked this year. In fact, the last two years have kept weather watchers and residents along the eastern and southern U.S. shorelines alike busy, as an unusually high number of powerful hurricanes formed, wreaking havoc on the areas they passed through. In 2004, four hurricanes—Charley, Frances, Ivan and

Jeanne—devastated parts of Florida, causing billions of dollars in damage.

While unsettling to watch their neighbor states get pounded by these storms, most Gulf Coast residents, by their own admission, paid little attention to the storm systems brewing in 2005. After all, the Gulf Coast is used to storms, and since many of the residents of communities in Alabama, Mississippi and Louisiana who weathered the Gulf's most memorable storm in recent history—Hurricane Camille in 1969—were still around and unfazed by the recent hurricane seasons, there seemed little reason to panic.

"The reason I stayed here was because I, like most everybody else that was here when Hurricane Camille hit, used it as a benchmark," said Beverly Martin, executive director of the Mississippi Casino Operators Association. "The water didn't get in the house during Camille. This area didn't flood during Camille. People based their decisions on whether to stay or leave on what kind of damage they got during Hurricane Camille.

"But we were wrong. We were just dead wrong."

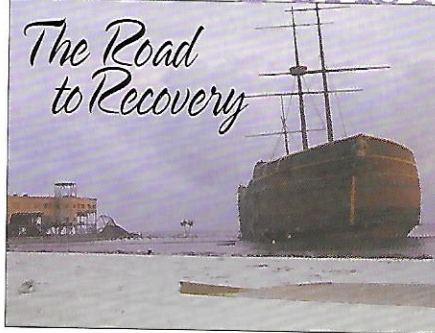
A developing concern

On Aug. 25, Katrina, now a Category 1 hurricane, made landfall in southeastern Florida, pummeling densely populated communities like Miami and Ft. Lauderdale.

The storm killed 11 people there, but forecasters predicted that, like most hurricanes that make it to land, it would weaken once inland. Weaken it did, but Katrina had enough steam and determination to make it over Florida's peninsula and straight into the warm waters of the Gulf Coast.

Once there, it picked up more energy, and steering itself in a western path that had forecasters predicting it to make landfall anywhere from southern Texas to Florida's

THE GULF COAST



Panhandle. By 5:00 p.m. on August 26, Katrina had been upgraded to a Category 3 hurricane, and forecasters were now predicting it could make a northern turn—straight for New Orleans and Mississippi's beach communities.

Louisiana Gov. Kathleen Blanco and Mississippi Gov. Haley Barbour both declared pre-emptive states of emergencies for their respective states. By the next morning, voluntary evacuation orders were given to all residents in low-lying areas along Katrina's projected path.

By the early morning hours of Aug. 28, it became abundantly clear to nearly every weather forecaster that Katrina would hit Louisiana and Mississippi—and hit hard. Katrina had been upgraded to a Category 4 storm. Seven hours later it was upgraded again to a category 5—the most dangerous hurricane classification.

Larry Gregory, executive director of the Mississippi Gaming Commission, said the decision was made to close Mississippi's 12 coastal casinos and evacuate people from the area. This is a process that's not unfamiliar to casino operators there as storms in the Gulf of Mexico are taken seriously.

"When the hurricane enters the

gulf area my computer goes up and we start monitoring it. Once I get a read that it is heading in the general direction of the Gulf Coast, we're put on alert and the casinos are put on alert," Gregory said. "Then we start having our casino enforcement agents and our gaming auditors in each property assisting them and notifying the casinos that there may be a possibility of closure. When we know for a fact that a storm is imminent and is heading for the Gulf Coast it becomes a fine line of when to close the casinos."

Also at issue this time around was the area's soon-to-be 13th casino, the Hard Rock Biloxi, which was just putting the finishing touches on its \$235 million property that included a hotel, casino, entertainment venue and a host of other amenities. Workers and employees who were working at the property had to be evacuated, and plans for a massive grand opening celebration were scrapped.

New Orleans Mayor Ray Nagrin soon issued a mandatory evacuation order for his city. Several communities in Mississippi soon follow suit.

"We knew we were going to be on the wrong side of the storm, but that if it kept going west it wouldn't be so bad," Martin said. "In the beginning they thought it might be going into Alabama. It finally became apparent about three days prior that it looked like it was going to the west of us which would put us in the very bad side of the storm. It wasn't until late Saturday, early Sunday that we realized it could possibly hit us as a Category 4. Not until Sunday afternoon did we realize it was coming right for us and it would be a full-fledged 5. At that point the casinos were already closed. We actually shut down at 2:00 a.m. on Sunday and the predictions were that it would hit on Monday around noon." >>

Hurricane Katrina T I M E L I N E

Editor's note: The following timeline attempts to show the moments leading up to and shortly after Hurricane Katrina's impact on the Gulf Coast. These events and approximate times were gleaned from media reports, interviews and on-the-scene experiences.

AUGUST 23

5:00 p.m. EDT – The National Hurricane Center in Miami reports that observations from the Bahamas and passing ships in the Atlantic Ocean provide enough data to classify a growing weather system as "tropical depression twelve."

AUGUST 24

11:00 a.m. EDT – The National Hurricane Center upgrades the storm to Tropical Storm Katrina, with a projected path that would hit somewhere along Florida's eastern coast.

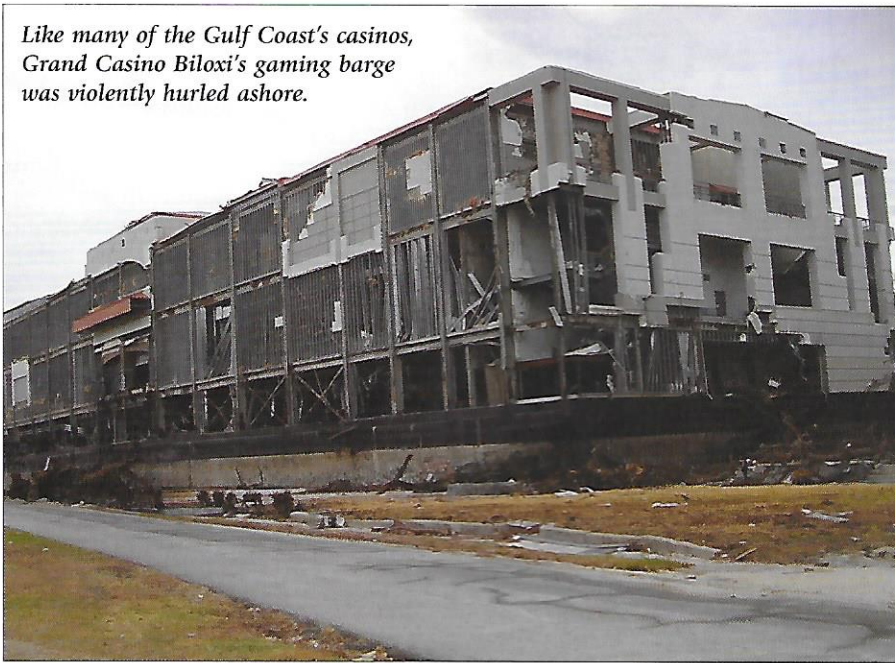
AUGUST 25

5:00 p.m. EDT – The National Hurricane Center upgrades Katrina to hurricane status as a Category 1 storm.
7:00 p.m. EDT – Katrina makes landfall in Florida, causing damage and taking the lives of 11 people.

AUGUST 26

Early morning hours EDT – Katrina weakens to tropical storm status as it passes over inland portions of Southern Florida.
11:30 a.m. EDT – As Katrina reaches the Gulf of Mexico, it picks up steam and is reclassified as a Category 2 Hurricane, with winds in excess of 100 mph.
5:00 p.m. EDT – The National Hurricane Center advises that Katrina will soon become a Category 3 storm, now with projections that the storm could turn toward eastern Louisiana and Mississippi's beach communities.
5:00 p.m. CDT – Louisiana Gov. Kathleen Blanco and Mississippi Gov. Haley Barbour each declare states of emergency for their respective states.

Like many of the Gulf Coast's casinos, Grand Casino Biloxi's gaming barge was violently hurled ashore.



LORI BETH SUSMAN, MISSISSIPPI GAMING NEWS

Day of disaster

Getting the casinos in Mississippi and New Orleans shut down and the residents that chose to evacuate out couldn't have come a second sooner. Hurricane Katrina—though downgraded to a Category 4 immediately before impact—rushed ashore ahead of most forecasters' predictions.

Outer bands of the storm began battering parts of Mississippi in the early hours of Aug. 29 with heavy winds and rain. At 6:10 a.m., Katrina made landfall near Buras, La., close to the Louisiana-Mississippi border. Storm surges in some areas are well over 20 feet high and began to level and/or wash away nearly everything close to shorelines.

Soon after the storm hit, residents in Mississippi knew this was no

Hurricane Camille...this was far worse.

"The whole storm was about 12 hours," Martin said. "But with no communications nobody knew when it was going to end. Finally about four hours before it ended we were like 'damn, is this ever going to stop?' I mean there was no communication whatsoever. We were in a news blackout."

Homes, businesses, museums, city and government buildings, casinos—all of it took some sort of hit. In Biloxi alone, more than 5,000 structures—one quarter of the city's buildings—were leveled.

"(Katrina) came in like a ton of bricks" said Gov. Barbour.

Bridges that connected Biloxi to Ocean Springs and Bay St. Louis were

demolished.

"Highway 90 is destroyed," said Biloxi Mayor A.J. Holloway. "I saw a disaster. Water did not get this high for Camille...this is our tsunami."

Many areas of Biloxi and Gulfport were under as much as 10 feet of water, even long after Katrina had passed.

In New Orleans, the city was battered by wind and rain, but structurally nearly everything appeared to be holding up—that is until rising waters caused by Katrina broke through a levee. The result was an uncontrollable surge of water into the city, leaving much of the city underwater.

By the following morning, after the storm had finally subsided, a second levee had been breached in New Orleans, leaving more than 80 percent of the city underwater.

Thousands of people had converged on two of New Orleans' key gathering places, the Superdome and the city's convention center. But thousands more were left trapped in their homes, attics, rooftops or in trees as the water continued to rise.

Death was going to be imminent, and Mayor Nagrin said he expected the number of dead to exceed 10,000—a figure that was later deemed an overestimate, though the number of dead for both Louisiana and Mississippi is still expected to be in the thousands by the time all areas are searched.

In Mississippi, daylight offered for some the first glimpses of the "hell on earth."

"This is a devastating hit—we've got boats that have gone into build- >>

Hurricane Katrina T I M E L I N E

AUGUST 27

Late-morning hours CDT — President Bush declares a state of emergency for Louisiana

4:00 p.m. CDT — Louisiana Gov. Blanco orders highways leading into New Orleans "counter-flowed" allowing more room for evacuee traffic.

5:00 p.m. CDT — New Orleans Mayor Ray Nagrin issues voluntary evacuation orders for his city, adding that he is looking into legal guidelines for issuing a mandatory order. Nagrin issues a state of emergency for his city.

AUGUST 28

1:00 a.m. CDT — Hurricane Katrina is upgraded to a Category 4 storm, now moving in a westerly direction toward New Orleans and the Mississippi Coast.

2:00 a.m. CDT — The Mississippi Gaming Commission orders casinos in Biloxi, Gulfport and Bay St. Louis closed because of the storm. The casinos' money is accounted for and sent to banks in other communities. Casino guests are evacuated.

8:00 a.m. CDT — Hurricane Katrina is upgraded to a Category 5 storm, with winds in excess of 160 mph.

10:00 a.m. CDT — New Orleans Mayor Ray Nagrin orders mandatory evacuations of his city.

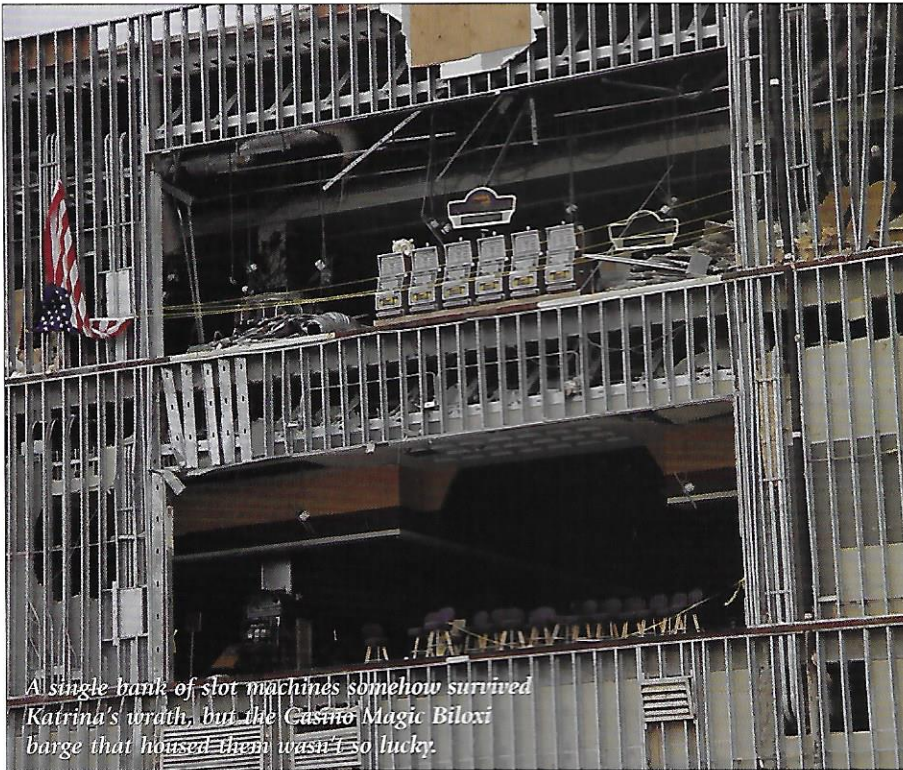
Late-afternoon CDT — Several neighboring Louisiana towns and some communities in Mississippi follow suit and issue mandatory evacuations of their own. President Bush declares states of emergency for Mississippi and Alabama, as well as declares parts of Florida a federal disaster area.

AUGUST 29

Early-morning hours — Communities from New Orleans, La. to Mobile, Ala. start feeling the effects of Katrina's outer bands, with heavy wind and rain.

6:10 a.m. CDT — Katrina, now downgraded to a Category 4 hurricane, makes landfall near Buras, La. In Mississippi, communities there are pounded with heavy winds, rain and storm surges of 20 feet or more. Those in Mississippi said Katrina hovered over their communities for more than 12 hours in some areas. Homes, businesses and the 13 casinos along Mississippi's Gulf Coast sustain extensive damage or are destroyed. In New Orleans, heavy wind and rain pound the city, but damage at the moment seems to be minimal considering the size of the storm.

Mid-day to early evening CDT — In New Orleans, more damage from Katrina becomes apparent with the Superdome—housing thousands of people who couldn't evacuate in time—suffers severe damage to its roof. Meanwhile a levee breaks, flooding parts of the city. In Mississippi, power is out throughout most of the area and high flood waters force people onto roofs or into attics.



LORI BETH SUSMAN, MISSISSIPPI GAMING NEWS

A single bank of slot machines somehow survived Katrina's wrath, but the Casino Magic Biloxi barge that housed them wasn't so lucky.

ings," Gulfport Fire Chief Pat Sullivan told the *Biloxi Sun-Herald*. "What you're looking at is (Hurricane) Camille II."

Casino damage severe

Casinos on the Mississippi Gulf Coast took a direct hit from Katrina. With all gaming activities required by state law to be on floating barges, these properties had little defense against a storm the size of Katrina.

"Some of these casinos are as large as cruise ships," Gregory said. "But they still were flung all over the place."

From east to west along the Gulf Coast, damage to casinos was severe. Along Biloxi's "Casino Row," all three properties there—Isle of Capri Biloxi, Casino Magic Biloxi and Grand Casino Biloxi—took major damage.

Grand Casino's gaming barge was violently thrown across Highway 90, as was Casino Magic's. Isle of Capri's barge took severe damage and its parking structure collapsed.

Just to the north, the Palace Casino sustained severe damage. The area surrounding the property, known as Point Cadet, was obliterated.

Further west, the Beau Rivage, aside from major flooding of its first two floors, structurally withstood the storm. But the adjacent Hard Rock Biloxi, scheduled to open in early September, saw its gaming barge completely destroyed.

On Biloxi's Back Bay, the Imperial Palace Hotel & Casino also withstood the storm, though not without damage of its own. The nearby Boomtown Casino suffered much more severe damage, mostly associated to

wind and flooding.

Further west in Biloxi, the Treasure Bay Casino's signature pirate ship tore away from its moorings and was tossed about in the Gulf of Mexico. Wind and Katrina's storm surge gutted the boat, while the property's land-based amenities also suffered damage. The nearby President Casino, which was soon slated to become the Silver Slipper Casino, was blown across Highway 90 and finally came to rest atop a Holiday Inn. The barge was completely destroyed.

In Gulfport, where storm surges were reportedly at their highest, the Copa Casino was thrown up the beach and onto Highway 90. It was torn apart and is considered a complete loss. Just yards away, the Grand Casino Gulfport received the same fate.

Further west in Bay St. Louis, Miss., the Casino Magic casino also suffered extensive damage, but fared better than its surrounding community, which was among the hardest hit by Katrina.

In New Orleans, Boyd Gaming's Treasure Chest Casino weathered the storm fairly well, and Harrah's New Orleans, on slightly higher ground than the rest of the city, survived with some minor wind and water damage.

"Viewing the devastation is something I'll never forget," said MGM Mirage Chairman and CEO Terry Lanni. "What happened to this community is just unimaginable, but we are committed to our employees and neighbors."

Deep impact

Immediately following Katrina's wrath, Gulf-area casinos and their parent companies' first focus was on their employees—whether they were safe, how to help those displaced by

Hurricane Katrina T I M E L I N E

AUGUST 30

Early-morning hours CDT — Residents who can make it out of their homes in Mississippi get their first real look at the damage Katrina created on the Gulf. Nearly all of the 13 casino properties are completely destroyed, all sustained heavy damage. A second levee is breached in New Orleans, sending more flood water into the city.

Mid-day CDT — The reported death toll in Mississippi climbs to over 100. In New Orleans, Mayor Nagin estimates that approximately 80 percent of the city is underwater. Harrah's Entertainment reports that its Harrah's New Orleans property near the city's French Quarter has sustained water and wind damage, but that it weathered the storm. Boyd Gaming reports its Treasure Chest Casino has also largely weathered the storm in New Orleans. Louisiana Gov. Blanco said the estimated 50,000 to 100,000 people stranded in New Orleans need to be evacuated. Crowds of Katrina refugees swarm at both the Superdome and New Orleans Convention Center.

Early evening CDT — Nearly every gaming company with properties affected by Katrina (and many that had no properties in the area) have already announced relief efforts for employees and plans for other aid. Most with properties in Mississippi have not made it into the area to survey damage yet.

August 31 to September 27 — With relief efforts in full swing, the focus for cities and communities affected by Katrina now turns to recovery efforts and clean-up. For the gaming industry, efforts lie with helping displaced casino employees find jobs elsewhere as estimates for casinos in Mississippi reopening at full capacity range from several months to several years, depending on who you ask. Focus also shifts to a legislative push to approve land-based, or shore-based casinos in Mississippi, abandoning the current law that casinos must float on fixed barges in the Gulf of Mexico.

the storm and ensuring continued pay, benefits and other assistance (see story on page 18).

"Once I had secured some water and a place to live, and I could get my family taken care of, by that point four days had passed and I started focusing on the casino industry and touching base with all of my guys

Casino Gross Gaming Revenues

Gulf Coast Counties

2005

JANUARY	.....\$118,790,205.28
FEBRUARY	.....109,052,869.58
MARCH	.....117,781,093.90
APRIL	.....100,918,858.30
MAY	.....113,062,691.54
JUNE	.....107,484,265.94
JULY	.....101,673,142.63
AUGUST	.....61,401,731.68
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	
TOTALS	.....\$830,164,858.85

2004

JANUARY	.....\$109,603,128.76
FEBRUARY	.....114,173,723.74
MARCH	.....109,804,545.85
APRIL	.....100,720,515.02
MAY	.....108,229,628.64
JUNE	.....99,213,390.79
JULY	.....113,693,879.34
AUGUST	.....108,104,490.04
SEPTEMBER	.....86,504,548.85
OCTOBER	.....92,161,450.81
NOVEMBER	.....99,125,361.81
DECEMBER	.....85,540,147.98
TOTALS	.....\$1,226,874,811.64

2003 TOTALS \$1,173,314,319.92

2002 TOTALS \$1,158,158,105.43

2001 TOTALS \$1,151,112,775.02

2000 TOTALS \$1,110,445,712.86

1999 TOTALS \$1,029,919,576.09

1998 TOTALS \$813,668,601.17

1997 TOTALS \$757,568,500.89

1996 TOTALS \$749,339,087.86

1995 TOTALS \$716,016,553.62

1994 TOTALS \$727,326,700.61

1993 TOTALS \$789,835,710.40

1992 TOTALS \$121,807,970.29

Source: Mississippi Gaming Commission/
Mississippi State Tax Commission

and seeing who was alive," Martin said. "Thankfully, the general managers and all presidents that I work for were still alive. A lot of them had evacuated but a lot of them hadn't."

But there was also concern of Katrina's impact to business—both directly to the gaming industry and to supporting businesses—and how to best recover and rebuild.

In all likelihood each of the 13 casinos in Mississippi directly affected by Katrina will be closed or otherwise non-operational for months, perhaps even years. The earliest inkling of a Mississippi casino reopening came from officials with the Imperial Palace, which said they hoped to be back up and running by Christmas.

Mississippi's coastal casinos generated over \$830 million in gross gaming revenues for this year before Katrina hit. In 2004, those casinos generated over \$1.2 billion. With casinos remaining closed and millions of dollars in revenue lost, the State of Mississippi and the communities that rely on gaming to fund infrastructure are losing an estimated \$450,000 to \$550,000 per day in gaming tax revenue.

"That's just the gaming tax revenue, when you throw income tax and all the rest in you're talking probably \$1 billion for the counties alone," Martin said. "We figure the local government budgets are going to come in at 40 percent less than they did before Katrina. Just from this one industry. The coast market here was about 40 percent of all gaming revenues in the state."

Gregory added, "With all the millions of tourists that come through (Mississippi), and you start losing \$500,000 a day in your state budget, you're going to notice it. That adds up pretty quickly. The state depends on that money to help the rest of the state and its budget process. But it's not just the state with its 8 percent, the local budget takes 4 percent of gaming revenues. They're getting a heavy hit down there also. That's how they pay for their police department, their fire department and sewage, transportation...it goes on and on. That money is being sorely missed."

Among the impacts: the loss of nearly 14,000 casino jobs, and thousands more jobs lost in ancillary businesses that are connected with or supply to casinos.

Mississippi Tax Revenues from Gaming

Note: Figures are statewide totals. Gulf Coast casinos account for approximately half of the state's gaming tax revenue.

FY 2006

JULY	.....\$27,040,522.10
AUGUST	.....30,438,607.35
TOTALS	.....\$57,479,129.45

FY 2005

JULY	.....\$27,520,272.74
AUGUST	.....33,301,457.31
SEPTEMBER	.....24,773,445.13
OCTOBER	.....22,234,463.30
NOVEMBER	.....28,998,266.11
DECEMBER	.....22,919,839.93
JANUARY	.....29,866,879.48
FEBRUARY	.....22,330,479.39
MARCH	.....35,922,564.25
APRIL	.....27,847,002.94
MAY	.....31,846,161.74
JUNE	.....27,064,969.90
TOTALS	.....\$334,625,802.22

FY 2004

JULY	.....\$26,629,903.33
AUGUST	.....25,984,668.22
SEPTEMBER	.....30,076,457.94
OCTOBER	.....24,345,178.84
NOVEMBER	.....23,839,720.22
DECEMBER	.....28,085,531.53
JANUARY	.....26,710,184.43
FEBRUARY	.....26,375,475.29
MARCH	.....34,982,623.71
APRIL	.....26,860,880.42
MAY	.....25,188,010.55
JUNE	.....33,150,053.28
TOTALS	.....\$332,228,687.26

FY 2003 TOTALS \$329,433,967.65

FY 2002 TOTALS \$327,392,161.90

FY 2001 TOTALS \$320,498,573.79

FY 2000 TOTALS \$314,464,859.67

FY 1999 TOTALS \$281,509,967.76

FY 1998 TOTALS \$250,345,674.72

FY 1997 TOTALS \$233,658,351.91

FY 1996 TOTALS \$213,713,855.43

FY 1995 TOTALS \$189,289,451.41

FY 1994 TOTALS \$128,769,795.89

FY 1993 TOTALS \$44,441,629.10

GRAND TOTALS \$3,300,342,778.71

Source: Mississippi Gaming Commission/
Mississippi State Tax Commission

Insult to injury

Just weeks after Katrina, Hurricane Rita blows through Louisiana and Texas, temporarily closing more casino properties

Slightly more than three weeks after Hurricane Katrina caused in excess of \$100 billion in damage to Louisiana, Mississippi and Alabama and crippled the Gulf Coast casino market, Hurricane Rita swept through eastern Texas and southwestern Louisiana as a powerful Category 3 storm.

In Lake Charles, La., Rita dealt the casino industry another devastating economic blow. All four state-licensed casinos in the Lake Charles area, as well as the Coushatta Indian Casino Resort in Kinder, temporarily closed their doors in anticipation of the storm.

The largest property in the region is the L'Auberge du Lac casino resort, owned and operated by Pinnacle Entertainment. That massive new facility that cost \$365 million to build opened to the public just weeks before Rita hit.

Pinnacle released a statement that no employees or guests were injured at L'Auberge du Lac. The casino, 26-story hotel and restaurants sustained relatively minor damage, according to the statement. Most of L'Auberge's approximately 750 hotel rooms are currently occupied by utility, law enforcement and emergency workers who are laboring to restore power and services to the region. More than 600 workers from Entergy Corp., as well as members of the Louisiana State Police and other regional agencies, are being housed and fed at the property, the company said.

"We're relieved that Hurricane Rita did not cause the tremendous damage and loss of life seen with Hurricane Katrina just a few weeks ago," Daniel R. Lee, chairman and CEO of Pinnacle Entertainment, said in the statement. "We're focused on helping to restore the properties and the communities, and on providing ongoing employment for our staff in Lake Charles and New Orleans. We are also continuing to analyze our situation in Biloxi, Miss., following the severe damage to our Casino Magic property there last month.

"We believe that L'Auberge will be ready to reopen soon, pending the restoration of regular power and services to the surrounding area and the approvals of state and local officials."

Lee added that Pinnacle's financial results in the second half of 2005 would be adversely affected by the back-to-back hurricanes.

Isle of Capri said it had made a preliminary inspection of their two riverboat casinos in the region and found that they appeared to "have weathered the storm fairly well" and the company currently expects both to be fully operational when the facility is reopened.

Harrah's Lake Charles includes a 257-room hotel and two

"That's approximately \$450 million a year in salaries," said Mississippi House Gaming Committee Chairman Bobby Moak (D-Bogue Chitto).

According to figures from the Travel Industry Association of America, the overall losses from Katrina include 260,000 travel industry jobs and nearly \$50 million a day in visitor-generated revenue.

Katrina's shockwaves are being felt outside of the affected areas as well. Gaming stocks took a tumble shortly

after Katrina's impact on the Gulf. Three weeks following the storm, even as most operators vowed to rebuild and debate over approving land-based casinos was heating up (*see story page 28*), shares of most corporate gaming companies affected by Katrina—Isle of Capri Casino, Harrah's Entertainment, Pinnacle Entertainment, MGM Mirage, Penn National Gaming and others—continued to fall. Of course it didn't help matters that another powerful storm—Hurricane Rita—was also

Status Report on Hurricane Damaged Louisiana Casinos

As of October 1, 2005

LAKE CHARLES AREA

Isle of Capri: Minimal damage reported to hotels and pavilion. No reopening date announced.

Harrah's: 14 barges leading to its riverboats were destroyed or damaged. No reopening date announced.

L'Auberge du Lac: Reports of minor damage. No reopening date announced.

Delta Downs: The facility suffered roof and water damage. No reopening date announced.

NEW ORLEANS AREA

Harrah's New Orleans: Minor damage due to flooding. The facility remains closed, with no reopening date announced.

Boomtown: The casino reopened on September 30.

Treasure Chest: Reportedly has electricity and is in the process of being cleaned up. No reopening date announced.

Source: *The Shreveport Times*

casinos totaling 60,000 square feet. Approximately 1,400 people work at the property. Harrah's plans to resume normal operations at Harrah's Lake Charles, the company said, "as soon as it is safe and feasible to do so."

As a safety precaution, Harrah's closed its Information Center and employee shelter in Lake Charles. Employees who were staying there were redirected to nearby shelters further from the area where Rita was expected to make landfall.

The nearby Coushatta Casino Resort, just outside Lake Charles, reported that the property was "temporarily closed due to power outages and road closures."

Hurricane Rita, at one point, was a Category 5, with a forecasted path of hitting Houston and Galveston, Texas head-on. Had Rita hit those communities directly, it might very well have further affected casinos throughout the South by taking away one of the most important feeder markets to Louisiana and Mississippi casinos. Instead, Rita's outer bands inflicted more damage on New Orleans, as heavy rains caused more of the city's levees to breach, adding more floodwater back into areas of the city that had already been pumped dry.

Rita did cause significant damage to areas closer to the Gulf in Louisiana, wiping some towns completely off the map. Damage is estimated to be several billions of dollars.

—Andy Holtmann & Matt Connor

chugging its way through the Gulf of Mexico and headed toward Texas and Louisiana (*see sidebar*).

Gregory said the exact economic impact is impossible to determine at this time, and it could take months to figure.

"We are all in a large barrel right now," he said. "They're still looking at all the damage and churning numbers. We've not been given any numbers on the economic impact as of yet. It's in the billions. How many billions is unknown." **CJ**