

## What Could Have Been: Did Floyd County miss the boat with 'no' votes

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November 16, 2008 08:34 am

— Barely a roll of the dice away from the Floyd County line, Harrison County's riverboat celebrates 10 years of business this weekend.

Prizes and great odds are scooped up during the celebration by people who likely traveled down Ind. 111 through New Albany. They may have cut through a few city streets after exiting Interstate 64 along their way.

Floyd would undoubtedly have more revenue if Horseshoe Southern Indiana Casino and Hotel was located just a few feet northeast.

But when Floyd voters turned down the boat, Harrison was waiting to capture the tax incentives.

“Without question, New Albany would be much better off financially had the casino been located in New Albany and Floyd County,” New Albany Mayor Doug England said.

Not to mention jobs that could have landed in Floyd County, as there are more than 1,500 people employed at Horseshoe. In 2005, the average weekly wage was \$558 more for boat employees than the Harrison County mean, according to the casino's licensing renewal application.

The boat garnered \$70.4 million in gaming-related taxes a year from 2003 to 2005, according to the application. And it made \$66.3 million of local incentive payments.

The boat was defeated twice on referendum in Floyd County and England said the organized opposition was “motivated by the fear of the unknown — speculative increases in crime, problem gambling and other dubious assumptions that never panned out.”

Carl Malysz, deputy mayor and director of community development for the city, said “many beneficiaries of Horseshoe Foundation of Floyd County benevolence are entities that worked to defeat the riverboat referendum.”

“The rejection of the casino referendums was incredibly short-sighted, given the untold fiscal resources passed up by Floyd County and New Albany,” Malysz said.

Floyd County has hardly been left in the cold, as Saturday's opening of the Scribner Place/YMCA proved. The Floyd County foundation donated \$20 million to the Scribner Place project on behalf of Horseshoe, which was at the time Caesars Indiana.

The foundation will continue to pay grants worth \$1 million a year for Scribner Place during the next 14 years.

England said the city still needs more projects funded by the local foundation.

“Virtually all of the casino traffic flows through New Albany, but we do not reap the financial rewards that the host community, Harrison County, enjoys,” England said.

Scribner Drive southbound was closed for much of the summer during a 45-day experiment to keep drivers from cutting down the street as a route to the boat.

England believes the state or the casino should pay for milling and resurfacing the route.

“The surface condition of Scribner Drive has deteriorated significantly,” Malysz said. “This may be coincidental to the use of Scribner Drive by casino traffic.”

The preferred route for motorists is to use State Street to connect with Ind. 111.

Malysz added that the casino has not created the negative impacts some predicted. He said that the real damage is not to a street, but from revenue lost by the boat being located a county over.

New Albany City Councilman Steve Price said financial issues the city is dealing with could possibly have been avoided if the boat was in Floyd County.

“Revenue generated from gambling is unprecedented,” he said. “A lot of money coming in solves a lot of problems.”

Neil Walkoff, vice president and assistant general manager of Horseshoe Southern Indiana, said the casino has a great relationship with Harrison County.

He said Horseshoe officials sit on various boards and are active with organizations in Harrison County, including its chamber of commerce and hospital.

“I came here in 2005 and this was where the property sat,” Walkoff said. “My main focus was to make sure Harrison County was proud to have us as a partner.”

Harrison County has reaped benefits from its gambling partner, including more than \$101 million injected into the community through the Horseshoe Foundation of Harrison County.

Floyd County’s foundation has received over \$32 million to spread among community organizations.

Its president — Mark Seabrook, who is also a Floyd County Commissioner — said the scholarships handed out through the foundation are his favorite part.

“It’s amazing how many kids wouldn’t have the opportunity to go to school if the (scholarships) weren’t available,” he said.

The foundation funded community projects to the tune of \$3.4 million in 2007, according to its annual report. Grants were assigned to several schools and community groups through the foundation.

“It’s not just four or five people picking or choosing what they want. We evaluate where this money can be best used,” Seabrook said of the foundation’s seven-person board. It includes City Council members Kevin Zurschmiede and John Gonder, as well as Walkoff and England.

“We’re very proud of what those foundations have been able to do,” Walkoff said.

But there are setbacks to gambling, which fueled anti-boat sentiment when Floyd County voted down allowing the boat.

According to the National Coalition against Legalized Gambling, or NCALG, the national lifetime compulsive gambling population has grown by at least 50 percent since the 1990s.

NCALG’s Web site, [www.ncalg.org](http://www.ncalg.org), also references a study which claims adults living within 50 miles of a casino have double the probability of pathological or problem gambling.

NCALG claims electronic gambling machines are the most addictive.

Boat and the economy

Horseshoe committed \$53 million for rebranding and renovating the boat after taking over for Caesars in July.

Horseshoe is owned by Harrah’s Entertainment, which runs several casinos across the country.

Walkoff said it symbolizes the casino’s commitment to the community, but added Horseshoe is not immune to the economy.

“Like any business right now, the economy is impacting us in a negative way. We’ve had to make some tough decisions with how to bring our expenditures in line with our revenue,” he said.

The French Lick Resort Casino has taken away some business from the Harrison County boat due to convenience for some people, Walkoff said.

But he added that Horseshoe’s \$53 million investment for improvements and focusing on satisfying customers should keep the boat in business despite competition.

He believes Horseshoe Southern Indiana is one of the best gaming facilities in the state, both to work and play. Of 1,500 employees, 437 have been with the boat since it opened.

## **ABOUT THE BOAT**

- According to its 2006 license renewal application, Caesars Indiana generated \$70.4 million of local gaming-related tax and revenue from 2003 to 2005. During the same period, it produced \$66.3 million of locally negotiated incentive payments.
- Gaming tax and incentive revenue received by Harrison County and local community foundations totaled \$73.7 million in economic impact.
- The Horseshoe Foundation of Harrison County has distributed over \$101 million for community projects since 1998. The Horseshoe Foundation of Floyd County has dispersed \$32 million.

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Photos



New carpeting adorned with horseshoes is one of many renovations made to the casino recently. Staff photo by Kevin McGloshen