

PITG drops plan for temporary casino on North Shore

Harrisburg – PITG Gaming LLC has ditched plans for a temporary slots parlor on the North Shore and instead will seek to build a permanent casino in 14 months if awarded the Pittsburgh license.

Detroit businessman Don Barden, who heads PITG Gaming, told the Pennsylvania Gaming Control Board yesterday the move will enable his company to generate more slot machine revenue faster for the state than either of his two competitors, Isle of Capri Casinos Inc. and Forest City Enterprises.

His announcement came a day after Forest City, in its own bid to get gambling revenue rolling, took the exact opposite tack, announcing plans to build a temporary slots parlor with 1,500 machines in a warehouse on the east side of Station Square. It previously had no plans for a temporary facility.

Mr. Barden's disclosure came during the second day of licensing hearings held by the gaming board over the hotly contested Pittsburgh slots license that has generated USD 1 billion plans by all three of the competitors.

PITG Gaming took center stage yesterday. Mr. Barden produced his own surprise by abandoning plans for a temporary slots parlor, a riverboat that would have been docked at his North Shore casino site near Carnegie Science Center.

Like Forest City, he also found himself fending off concerns about possible traffic congestion on the North Shore despite his insistence that his location was the best in terms of access.

Mr. Barden said he was ready to roll with construction of the USD 450 million casino with 3,000 machines to start – and the

capability to expand to 5,000 – as soon as he got the state license.

In scrapping plans for the temporary casino, he said he was motivated in part by competition and in part by practicality – the riverboat would have required on-shore infrastructure as well as various Coast Guard approvals.

The 14-month timetable for the permanent casino would be only five months more than it would take to get the temporary parlor up and running, he said.

„It just did not make good business sense to do a temporary casino,“ he said.

Asked by gaming board Chairman Tad Decker how he could build in 14 months what other operators have said would take at least 18 to do, Mr. Barden said he would „fast track“ the project, with two construction shifts a day, six days a week.

The accelerated pace also would increase construction costs, but Mr. Barden brushed that off, saying the casino would make that up by generating revenues quicker than otherwise would be the case.

By opening in March 2008, PITG Gaming officials said they would be able to generate USD 22 million more tax revenue for the state than Isle of Capri and USD 65 million more than Forest City, neither of which will open permanent facilities until 2009. Both are planning temporary sites with 1,500 slots.

At full operation, the North Shore casino would generate USD 450 million to USD 475 million a year in revenue, according to Mr. Barden’s estimates, which are slightly lower than the USD 482 million a year that the gaming control board task force said could be expected of a Pittsburgh casino.

The change in plans did nothing to diminish potential traffic

concerns, however.

Mr. Barden and other PITG Gaming officials insisted during their presentation that they had the best access of the three casinos sites with the close proximity of Interstate 279, routes 65 and 51, and links to the Parkway West and Parkway East. The operator also plans to make USD 10 million to USD 11 million in traffic upgrades, including improvements to Reedsdale Street intersections.

Stuart Anderson, traffic analyst for IBI Group Consulting, PITG Gaming's consultant, said the existing North Side highway network is under utilized for the most part, except for the morning rush hour and game day traffic. He said it should be more than able, with the upgrades, to accommodate 30,000 casino visitors over a 24-hour period.

Albert Federico, project manager for McCormick Taylor, the board's independent traffic consultant, said the Reedsdale changes would involve „nontraditional intersection configurations“ that „could tend to complicate the situation“ rather than improve it.

He added he did not think the changes would adequately address potential traffic volume, with up to 3,470 trips at peak times.

Mr. Barden pledged to work with the board to rectify the concerns. He also is planning to build a 4,100-car garage as part of his proposal, and said some spaces might be dedicated for Steelers parking on game days.

He added he has been trying to reach out to the team, which has opposed the project, along with the Pirates and Equitable Resources and Del Monte, both with North Shore office buildings.

Near the end of almost three hours of testimony, he said he saw the Pittsburgh casino as the crown jewel of his Majestic

Star chain.

„It’s the thing that we do that defines us for many years to come. I want this project to be my legacy, the thing I can leave to the people of Pittsburgh and Pennsylvania,“ he said.

His proposal includes a USD 350 million redevelopment plan for the Hill District, mimicking a similar endeavor by Isle of Capri. Mr. Barden said he is working with an unnamed national developer on the venture and plans to provide USD 3 million in seed money over three years if awarded the license.

The board expects to award the Pittsburgh license Dec. 20.

Mr. Decker said he was impressed with all three plans. „They’re all very good,“ he said.