

„Resort“ casino a long shot for Palace Inn owner

Perhaps Craig Cozza knows something that Rand McNally doesn't.

Mr. Cozza, the developer whose Cozza Enterprises LLP owns Monroeville's Palace Inn, is one of four applicants statewide for the two casinos licenses that have been reserved for resort hotels.

The „resort“ casinos are permitted to operate up to 500 slot machines, as opposed to the 5,000 that will be permitted at racetrack and stand-alone casinos. The eligibility requirements: The hotel must already have 275 guest rooms, it must offer some combination of amenities such as tennis courts and spas, and it must be at least 15 „linear“ miles from a stand-alone casino.

By most any map, the Palace Inn is between 13 and 14 linear miles – as the crow flies – from the site where Detroit developer Don Barden intends to build his Majestic Star Casino near the West End Bridge.

And yet Mr. Cozza's company has spent more than USD 100,000 in preparing its application, a dollar figure that includes the application fees that must accompany each casino bid.

Why bet that kind of money on such long odds?

„It's kind of like gambling, isn't it?“ Mr. Cozza said. „We have a one-in-four shot.“

He said he believes the Palace Inn, a Monroeville landmark that closed in June 2004 after three decades of hosting wedding receptions and concerts, indeed meets the mileage requirement within the state's gaming law.

„It's really open to interpretation. You have to look at how

you define linear," he said.

True enough, but the Pennsylvania Gaming Control Board defines „linear“ as a straight line, not driving mileage. By car, you could argue that it's more than 15 miles from the West End Bridge to the intersection of Routes 22 and 48, the site of the Inn.

With 278 rooms but no one staying in them currently (besides the workers who are gutting the hotel), Mr. Cozza is looking for a way to drive the occupancy rate, which was at 55 percent when the hotel closed. Squirrel Hill's Cozza Enterprises took over the hotel last year for USD 7.6 million, before the news that Westinghouse would be moving its campus from Monroeville to Cranberry, Butler County.

„That really hurt our hotel projections," Mr. Cozza said, since Westinghouse's conferences and visitors boosted occupancy rates at nearby hotels. „We're even more in need of a generator“ for the hotel, which could reopen by the end of this year.

And that generator, he hopes, is a casino, that could be complemented by a new indoor water park, similar to the one at Splash Lagoon near Erie. But, unless he somehow convinces the gaming board that the Inn is 15 miles away from the Pittsburgh casino, Mr. Cozza would need lawmakers to change the statute, something they don't seem inclined to do.

Chad Amond, president of the Monroeville Area Chamber of Commerce, said his members haven't voted one way or another on the idea of a casino in their midst, but said he is personally encouraged by any activity at the site.

This time last year, it appeared that both resort casinos would end up in Western Pennsylvania. But both Nemacolin Woodlands in Fayette County and Seven Springs Mountain Resort in Somerset yanked their applications, meaning the competition for the two resort casino licenses was reopened to other

applicants.

That opened the door for the Palace Inn, as well as the three other applicants that submitted bids by the June 29 deadline. Those applicants are all in the east: Fernwood Hotel and Resort in Pike County; Valley Forge Convention Center in Montgomery County; and the Resort at Split Rock in Carbon County.

There also was talk that a Gettysburg outfit might try to open a resort casino, since the proposed Gettysburg stand-alone casino lost out to competitors last year, but those plans were scotched. Two New Jersey investors had hoped to buy the Eisenhower Inn & Conference Center in Gettysburg and convert it into a casino, but a death in the family meant the applicants couldn't meet the postmark deadline.

That application would have faced an uphill battle, since the hotel doesn't have 275 guest rooms, and because the opposition to opening a casino so close to the town's historic battlefields was so great last time around.