



THE  
INNOVATION  
GROUP

*Understand. Innovate. Solve.*



## Client and Company News for May 2004

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### Managing to Grow in Another Direction



The staff at The Innovation Group brings together a unique mix of talents and expertise that make us not only adept at evaluating leisure projects, but also at guiding them. While our firm's early years were focused primarily on the feasibility and analysis of new projects and expansions, we've strategically moved in the direction of providing ongoing input as well. Drawing from a variety of backgrounds in the gaming industry, we're able to provide a multi-discipline approach to evaluating operations, implementing turnarounds, managing properties and developing business and marketing plans.

Examples of the services we offer in this area include our recent involvement with SunCruz Casinos, where we served as management advisors to the bankruptcy trustee. We've also recently been retained by Century Casinos to provide management advisory services in the areas of operations and marketing for their Womacks Casino & Hotel in Cripple Creek, Colorado. In addition, the Pueblo of Sandia has engaged us to provide hotel advisory services for their planned hotel, conference center, spa and golf course development near Albuquerque, New Mexico. These hotel advisory services include providing input into operational design aspects of the resort and development of a business/marketing plan.

Between Rich Rabin, Ernie D'Ambrosio and myself we have over 50 years of combined operating experience in the gaming industry. That collective ability gives us the solid footing we want as we continue to broaden the service capabilities of The Innovation Group.

- Stephen Szapor, COO

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**CLIENTS MAKING NEWS**

**Tulane to Teach Casino Management in Mississippi**



A university in Louisiana has consulted with one in Nevada on how to best establish a college program in Mississippi. Although gaming in Mississippi is a \$3 billion industry, state law prohibits publicly funded education geared to gaming employment. As a result, there are no

college-level courses training the casino executives who will one day be running the state's third largest industry. In neighboring Louisiana, however, Tulane University recognized the need and the opportunity. Tulane officials consulted with administrators at the Las Vegas and Reno campuses of the University of Nevada, institutions recognized for their leadership in this area. Tulane is now creating a satellite campus of its University College on the Gulf Coast to offer degree programs in Casino Resort Management. The Innovation Group's President, Steve Rittvo, sits on the Tulane Casino Resort Advisory Council that was behind this expansion. The program is set to begin this fall at a campus located in a shopping mall in Biloxi. Meanwhile, in anticipation that the Mississippi ban will be lifted, several state universities are already putting together curriculum offerings for degrees with an emphasis on casino management. "If we really want to help our area economically," said Steve Rittvo, "we need to start training our own kids in the careers that we're creating right here." [Back to "Clients Making News."](#)



### **Barstow Casino Just Down the Road**



A casino for Barstow, California, is inching closer to reality, but the competition is intense as three tribes are vying for approval. The Innovation Group worked on the feasibility study and site identification for the project with the **Chemehuevi Indian Tribe of Lake Havasu**. The Chemehuevi maintain that they have the most historical ties to the area that includes the proposed casino site at the southern entrance to Barstow on Interstate 15. Interstate 15 is the highly traveled artery connecting Los Angeles and Las Vegas on which an estimated 60 million cars pass through town every year. The representative for the Chemehuevi, attorney Les Marston of Rappaport and Marston, has already had talks with Governor Schwarzenegger's negotiator about the tribe's position. The tribe's application has also been submitted to the Department of the Interior. The two other tribes competing for the site are the Los Coyotes Band of Cahuilla and Cupeo Indians of San Diego County and the Big Pine Paiute Tribe of the Owens Valley. Complicating the issue even more is the fact that the Trimbisha Shoshone Tribe of Death Valley has recently received city approval to develop a casino in nearby Hesperia, also located on Interstate 15. The Barstow area stands to gain a much needed economic boost from the new jobs and other commercial development that a casino will bring. But whose casino it will be is still to be resolved. [Back to "Clients Making News."](#)



### **Texas Tries to Lure Back Texans**

While the states surrounding Texas have legalized racinos and other forms of gaming that draw Texans across the state lines, Texas' own state legislature has yet to move in that direction. The **Texas Racing Association** recently retained The Innovation Group to aid in their efforts to convince Texas legislators to legalize video terminals at horse and dog tracks

within the state. The change would put Texas tracks on a more competitive footing with neighboring states and generate additional revenue that would stimulate economic development and help to benefit Texas schools. [Back to "Clients Making News."](#)

### **Edmonton to Get First Nation Casino**

The **Enoch Cree Nation** has been given the go-ahead to develop the first nation-run casino in Alberta. The \$127 million complex has received approval for reserve land on the western edge of Edmonton. The Innovation Group did the feasibility study for development, helping to size the project and determine which additional components would be right for the market. The development will include a casino, nine-story hotel, retail stores, two skating rinks and two indoor soccer fields. The project is expected to generate up to 700 new jobs for the area. [Back to "Clients Making News."](#)



### **Seminoles Bring Hard Rock to Hollywood**



This month the **Seminoles in Florida** are celebrating the opening of their second Hard Rock Hotel and Casino. The new \$410 million development in Hollywood replaces the Seminole's existing 25-year-old casino with a 130,000-square-foot complex that includes a new casino, a 500-room hotel, restaurants, a shopping mall, a 6,000-seat concert hall, parking garage, cultural museum, gift shop and lagoon with water ride. The Innovation Group prepared the bond documents and did the feasibility studies for both this casino and the Seminole's Hard Rock Hotel and Casino in Tampa, which opened last month. The Hollywood property is projected to have 20,000 visitors a day and annual revenue of \$292 million a year from the casino's 2000 Class II machines. The Hard Rock image and the mix of amenities are expected to bring in a younger demo and spread revenue over other business units. [Back to "Clients Making News."](#)

### **Poarch Creek Adding to Atmore**

The **Poarch Band of Creek Indians** has hired The Innovation Group to estimate the potential revenues for a Class II resort and amenities to expand its current Poarch Creek Bingo Palace in Atmore, Alabama. The Poarch Band is the only federally recognized tribe in Alabama and also operates two other small Class II facilities located near Wetumpka and Montgomery. The Innovation Group is currently completing the assessments for a waterpark, convention/conference center, entertainment complex and golf course to complement the casino hotel. The tribe is also in negotiations with Harrah's Entertainment to develop and operate either Wetumpka or Montgomery properties. [Back to "Clients Making News."](#)



### **NAFTA Rules on US Interests in Mexico**



Steve Rittvo was recently engaged by the **U. S. Department of the Interior** as an expert witness to testify before a **NAFTA** tribunal, an adjunct of the World Court. At issue was a casino owned by U.S. interests that was shut down by the Mexican government. Steve gave testimony to provide a basis for the valuation of this skill game amusement center. While Steve has served as a witness in numerous legal matters, this is the highest court before which he's ever been called to testify. [Back to "Clients Making News."](#)

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## STAFF IN THE NEWS

### **The Times-Picayune Calls on Steve Rittvo for Outlook**

Oklahoma has recently allowed Native American casinos to offer a broader scope of gaming machines and Texas is considering racinos. The New Orleans

**The Times-Picayune** Times-Picayune recently called on **Steve Rittvo** to gauge the impact of this increased activity on Louisiana's gaming market. The article entitled "Rival states could deal Louisiana casinos a tough hand" by Laura Maggi can be seen in its entirety at: <http://www.nola.com/news/t-p/index.ssf?/base/news-1/108184654967680.xml>  
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### **Ernie D'Ambrosio Hits TheStreet.com**

TheStreet.com called on **Ernie D'Ambrosio**, The Innovation Group's Director of Strategic Planning, for his opinion on changes in the landscape of Atlantic City. In "Atlantic City Is Dealing With Growing Pains," by Eric Gillin, Ernie comments on the flood of new construction projects that are continuing to alter the look and the character of the city. You can see this article in its entirety at:

<http://www.thestreet.com/pf/markets/ericgillin/10152312.html>  
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### **Scott Fisher Quoted in Hartford Courant's ctnow.com**

The Hartford Courant recently quoted **Scott Fisher, Ph. D.**, The Innovation Group's Managing Director of Financial Analysis, in an article on the ballooning number of gaming devices around the country. Because electronic games are essentially computers, Scott drew parallels to the hard-to-predict growth and innovation in the computer industry. You can see the article in its entirety at:

<http://www.ctnow.com/news/local/hc-slotsgrowth.artmay11,1,5868713.story?coll=hc-headlines-local>. A free registration is required. [Back to "Staff in the News."](#)

### **Miami Herald asks Steve Rittvo**

**Steve Rittvo** was enthusiastic in expressing his opinion about the new Seminole Hard Rock Hotel and Casino in Hollywood, Florida. The Innovation Group prepared the bond documents and did the feasibility study for the resort, which Steve feels has great market potential. The article was entitled "Seminoles poised to hit the jackpot with new casino " by Christina Hoag and Jerry Berrios. You can see it in its entirety at:



[http://www.miami.com/mld/miamiherald/business/special\\_packages/business\\_m01c](http://www.miami.com/mld/miamiherald/business/special_packages/business_m01c)A free registration is required. [Back to "Staff in the News."](#)

### **Scott Fisher Gives The Straits Times the Story**

Following his recent presentation at the Asian Gaming Expo, The Innovation Group's **Scott Fisher, Ph. D.**, was interviewed about his views on the gaming market potential of Singapore. His positive outlook for the market got The Innovation Group referenced in The Straits Times. You can see the article, entitled "Consultant: Singapore Ought to Have Casino," in Casino City Times' Gaming News at:

<http://www.casinocitytimes.com/news/article.cfm?contentID=142808>

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## **THE INNOVATION GROUP NEWS**

### **Steve Rittvo Addresses Southern Gaming Summit**



Earlier this month, Steve Rittvo addressed the Southern Gaming Summit in Biloxi on the current state of gaming legalization in the country. He made the point that, while there is some forward moving legislative progress in various states, a clear message on the benefits of gaming is not getting across. Steve's conclusion was that the focus should not only be on gaming tax revenues to the state, but also on other positive impacts of gaming. [Back to "The Innovation Group News."](#)

### **Scott Fisher Presents to Asian Gaming Expo**

Scott Fisher, Ph. D., recently returned from Singapore, where he made a presentation to the Asian Gaming Expo. Scott spoke on the gaming market potential in the emerging



Asian markets, focusing in large part on Macau. An issue he brought up was the difficulty facing governments in drafting and enforcing gaming regulations while eliminating potential corruption. While Macau 's gaming revenues are vastly greater than all other Asian gaming markets, Scott feels that new gaming jurisdictions such as Japan and Singapore could have similar potential. [Back to "The Innovation Group News."](#)

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For more information on The Innovation Group, visit <http://www.theinnovationgroup.com/> or contact [Steve Rittvo](#) or [Stephen Szapor](#).

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