

# GAMBLING The business of

## Tribal casino earnings have soared recently

BY ERICA WERNER  
THE ASSOCIATED PRESS

WASHINGTON, D.C. — Indian gambling pulled in \$18.5 billion in 2004, nearly double the take for Nevada's gambling industry, as tribal casinos boomed ahead.

The 10 percent increase extended more than a decade of double-digit growth for the nation's Indian casinos, which have mushroomed since Congress passed a law creating the legal framework in 1988.

There now are 411 Indian casinos in the United States, operated by 223 tribes in 28 states. More than half the 341 federally recognized Indian tribes in the continental United States operate casinos.

Because tribes are sovereign nations, they don't have to pay state or local taxes and are exempt from most zoning and other laws, a special status that can cause conflict with neighbors. Tribal casinos have encountered opposition from some local communities that don't want the traffic or strain on resources.

To head off opposition, tribal leaders have grown more aggressive about asserting benefits. National Indian Gaming Association officials said Tuesday that tribal gambling has directly or indirectly created 553,000 jobs, mostly for non-Indians, and that it generated \$5.5 billion in federal taxes in 2004.

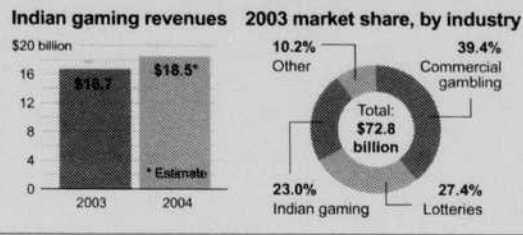
Tribal leaders say gambling has allowed them to lift their reservations out of poverty.

"We had to overcome insurmountable odds to turn our economy around. We looked to casino gaming as a way to do that," said Dee Pigsley, chairwoman of the Confederated Tribes of Siletz, which has a casino in Oregon. "No other development could return the kind of profits that a casino could offer."

Major Nevada resorts took in \$9.88 billion in gambling revenue in the 2004 fiscal year. Overall, revenue at Nevada resorts, including from hotels and restaurants, was

### Indian gaming gets some action

Revenue at Indian casinos grew by 10 percent last year compared to 2003, according to the National Indian Gaming Association.



SOURCE: National Indian Gaming Association

\$19.59 billion in 2004. That figure for Indian casinos was \$21 billion.

"We are creating economic activity that benefits our communities and surrounding communities," said Mark Van Norman, executive director of the National Indian Gaming Association.

The growth of the industry has been "completely unexpected and spectacular," said I. Nelson Rose, who teaches gambling law at Whittier Law School in Costa Mesa, Calif. He and other experts predicted it could continue at the same level for some time.

"At a certain point it may level off because we'll have more of the tribes built out," Van Norman said in an interview. "But we're still seeing tribes that are looking to develop new projects so we're going to see continued strong growth for some time."

Tribal officials said the biggest growth areas are California and New York. California Gov. Arnold Schwarzenegger has sought to tap tribal casino revenue to close the state's budget deficit, while Gov. George Pataki wants to bring five Indian casinos to the Catskills.

## Mall of America makes plans for \$1 billion casino addition

BY PATRICK CONDON  
THE ASSOCIATED PRESS

BLOOMINGTON, Minn. — The owners of the Mall of America have proposed adding a casino as part of a \$1 billion expansion, although it faces long odds right out of the gate.

Minnesota lawmakers, and possibly voters, would have to sign off for a casino to be built there. Republican Gov. Tim Pawlenty, who has proposed a new Twin Cities casino that would bring the state and northern Indian tribes extra cash, hasn't endorsed the mall casino but hasn't ruled it out, either.

Nader Ghermezian, president of the family business that developed and controls the 4.2 million-square-foot mall, said Tuesday night that plans to double the mall's size could hinge on the casino. The expansion also calls for a hotel, a concert hall, an ice skating arena, an indoor golf course, public gardens and high-end retail shops.

The expansion would make the mall the world's largest, surpassing the West Edmonton Mall in Canada, also owned by the Ghermezian family. The Mall of America opened in 1992.

"When the Mall of America becomes doubled, it becomes a New York or an L.A. by itself," Ghermezian said. "You won't have to fly to Rodeo Drive or New York or

Paris — it's all under one roof."

Minnesota's existing casinos are operated exclusively by Indian tribes, and they aren't required to share profits with the government.

Pawlenty has proposed that the state partner with three northern Minnesota Indian tribes on a casino. The deal would divert hundreds of millions of dollars to the ailing state budget while also allowing the White Earth, Red Lake and Leech Lake tribes to tap the lucrative Twin Cities gambling market.

The governor hasn't identified a favored site, but has said he wouldn't force one on an unwilling host community.

State legislators from Bloomington, where the mall is located, are united in opposition to adding a casino to the Mall of America. They said they would insist on a citywide vote before a casino could go forward.

Bloomington resident Steve Buck said he is not a fan of more gambling in Minnesota, but he said if it's going to happen, his city might as well benefit from it.

An attorney for the Mall of America told about 250 residents at a town-hall forum Tuesday that the Ghermezians won't proceed without the city's support.

## Atlantic City, gambling mecca, turns to retail projects to stave off rising competition

BY JOHN CURRAN  
THE ASSOCIATED PRESS

ATLANTIC CITY, N.J. — It used to be names like Bally's, Trump and Caesars that drew the people here.

These days, it's Brooks Brothers, Bass and Tommy Hilfiger.

Suddenly, this gambling mecca is getting into the retail game.

With two new shopping developments doing brisk business and a third set to open this summer, the city known for casino gambling and sandy beaches is rounding out its hand with upscale shops, boutiques and outlet stores.

Gamblers, conventioners and others who have long complained about the lack of non-gambling attractions now have some place beyond the beach — and the slot machines — to go.

"You need a break from

gambling," said Paul Kacsmar, 40, of Wall Township, carrying shopping bags through The Quarter during a recent shopping spree. "You need the shopping. That's what people do on vacation — go shopping, spend a little money, have some fun."

Despite its status as a major gambling destination with 35 million visitors a year, Atlantic City has never been known for its shopping.

The mom-and-pop clothing, electronics and shoe stores that line Atlantic Avenue serve mostly neighborhood residents, while the handful of jewelers and furriers who lease space inside the 12 casinos count mostly on high-rolling gamblers.

But the proliferation of shopping ventures in Las Vegas, the Borgata Hotel Casino & Spa's success in luring new customers to the city and the

### IF YOU GO

Atlantic City Outlets-The Walk. Located on Michigan Avenue, near the foot of the Atlantic City Expressway; 41 stores including Banana Republic, Oshkosh B'Gosh, Guess, Liz Claiborne, Izod, Tommy Hilfiger; www.acoutlets.com.

The Quarter. Located inside the Tropicana Casino and Resort, 2821 Boardwalk; 25 stores including Brooks Brothers, Cache, Mondri, Rittenhouse Gift & Home; www.tropicana.net.

The Pier at Caesars (opening early 2006). Located across the Boardwalk from Caesars Atlantic City Hotel Casino, 2100 Pacific Ave.; 90 stores including Gucci, Hugo Boss, Louis Vuitton, Bebe, Burberry, Armani; www.thepieratcaesars.com.

casinos' desire to broaden their offerings have driven the new developments. Giving visitors to Atlantic City more than just casinos also makes sense as competition grows from legal-

ized gambling in neighboring states.

First, it was Atlantic City Outlets-The Walk, a 41-store shopping area developed by The Cordish Company, of Baltimore. The shopping area, which opened in August in a two-block area close to the casinos, has big-name stores with factory outlet prices — Nautica, Banana Republic, Tommy Hilfiger, Guess and Kenneth Cole among them.

Next, Tropicana Casino and Resort opened its Havana, Cuba-themed expansion, which is called The Quarter. The project, which is a three-story indoor streetscape lined with 25 stores, mixes names like Brooks Brothers, Chico's, and Swarovski with an IMAX theater, nightclubs and restaurants.

Despite opening in November,

deep into Atlantic City's slow season, it has flourished, according to store owners and Tropicana officials.

And the biggest shopping project is yet to come.

Caesars Entertainment, the owner of three Atlantic City casinos, is spending \$175 million to renovate a former pier into a lavish shopping-and-entertainment adjunct to its flagship Boardwalk casino.

The project, dubbed The Pier at Caesars, will feature 90 high-end retailers, including Hugo Boss, Armani and Burberry. It is scheduled to open early in 2006.

Persuading retailers to roll the dice on Atlantic City wasn't easy, though. Some doubted the viability of the market, which is dominated by day-tripping senior citizens and slot machine players who typically stay only a few hours when they come.

<b>\$1 billion</b> Amount the Mall of America in Minnesota plans to spend to add a casino	<b>411</b> Number of Indian casinos in the United States	<b>35 million</b> Number of people who visit Atlantic City each year	<b>28</b> Number of states that have Indian casinos	<b>\$18.5 billion</b> Amount Indian gambling pulled in during 2004
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