

**AP BUSINESS**

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**Iowa considers adding more state-licensed casinos****MIKE GLOVER**

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DES MOINES, Iowa (AP) - Iowa has 17 state-licensed casinos scattered throughout the state, but studies indicate there's room for more and residents seem eager to sign off on such expansion.

Voters in five counties have approved referendums supporting new casinos in Fort Dodge and Ottumwa as well as in Franklin, Lyon and Tama counties. Last week, the Iowa Racing and Gaming Commission began discussing the possibility of new casinos and is expected to make a decision this summer.

Even a leading gambling critic has largely given up his efforts to slow the expansion.

"It won't be until all corners of the state are covered," said Carlos Jayne, a retired lobbyist for the Methodist Church. "There's no way to stop this stuff until we're completely saturated."

Wes Ehrecke, president of the Iowa Gaming Association, said two studies have pointed to areas that could support more casinos, building on an industry that already generates \$1.4 billion in gambling revenue and pays \$300 million a year in gambling taxes to the state. That's not counting the three tribal casinos that operate in Iowa under different rules.

A study by the Colorado-based Innovation Group speculated Polk County could support another casino, even though the county already is home to Prairie Meadows' casino and horse racing track. The study found that an additional casino could generate from \$100.7 million and \$159.6 million in gambling revenue.

And a study by consulting company GVA Marquette Advisors noted that the recession may be helping Iowa gambling operations, at a cost to places like Las Vegas and Atlantic City.

"Due to the economic recession, gamers are traveling less to such destinations and reducing their spending while there," the study said. "Meanwhile, some regional gaming markets have actually benefited as gamers are substituting more local and regional gaming trips for destinations such as Las Vegas."

Iowa House Speaker Pat Murphy, D-Dubuque, said many Iowa cities are looking to model the economic turnaround of his hometown. During the 1980s, Dubuque was among the hardest-hit cities in the country, with huge job losses that helped lead to a largely deserted downtown.

The opening of two casinos helped turn around the city's economy, and Dubuque now features a thriving riverfront and booming downtown, driven in part by the \$116.9 million in gambling revenue last year.

That number was a 5 percent increase over the previous year.

"We were pretty hard hit in the 1980s," said Murphy. "The gaming industry has been part of that turnaround."

Dubuque's casino fortunes were helped by its proximity to Illinois and Wisconsin, a factor in locating many of Iowa's casinos in border areas.

"Up to 65 percent of our business comes from out of state," said Ehrecke.

Similarly, Council Bluffs is among the most active gambling towns in the nation, with three casinos that draw largely from residents across the Missouri River in Omaha. Those three casinos offer 4,500 slot machines and just over 125 table games in all, generating gambling revenue of \$468 million last year.

Of the proposed casinos, the one in Lyon County would be expected to draw heavily from the much larger population in Sioux Falls, S.D.

Senate Majority Leader Michael Gronstal, D-Council Bluffs, said lawmakers avoid getting involved with decisions about where to build new casinos, but they pay close attention to protecting those already in operation. He credited state gambling regulators with moving cautiously.

"I think they are approaching it in a very rational way, not creating venues that prey on other venues," said Gronstal.

Despite the desire for expansion, Murphy said he thinks the state is nearing a saturation point.

But Jayne, the gambling opponent, said he's not expecting the expansion to stop anytime soon.

"I suspect that won't be until they are in every nook and cranny of the state," he said.

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