Port agrees to discuss casino plan

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Officials of gaming boat hopeful Lady Luck Baton Rouge Casinos Inc. sought a letter from the Baton Rouge Port Wednesday showing the two groups are discussing a cooperative agreement for constructing docking facilities.

Lady Luck is presenting updated information on its riverboat gambling proposal to the state Riverboat Gaming Commission today.

Officials wanted the letter from the port to include in its Gaming Commission filing, said Gary Pruitt, director of the Port of Great Baton Rouge.

Port attorney T. Barry Wilkinson said the letter being delivered today will say that the port commission has authorized Pruitt to enter discussions with Lady Luck officials, but makes no commitments.

Pruitt has sent letters in the past to prospective gambling boat operators offering assistance in bond financing for docking facilities under an arrangement that would benefit the port financially.

Lady Luck officials discussed their interest in such an arrangement with the port commission's executive committee Wednesday under “other matters” on the committee's agenda. Lady Luck's proposition did not reach the port in time to be published as a regular agenda item, Pruitt said.

Pruitt said he met Monday with Lady Luck officials.

Among them was Robert S. Miller, a market research consultant and former port commission president. Miller resigned from the commission in 1991 to represent gaming boat clients and avoid any conflict of interest with the port. Miller did not attend Wednesday's port meeting.

Other Lady Luck representatives making proposals Monday and Wednesday were developer and gaming operator Charles Lambert, project engineer John Graves and attorney Paul West.

Lady Luck proposes purchasing and renovating the old Capitol House hotel downtown for its gaming boat operations. The company plans to construct a walkway from the hotel to a dock on the Mississippi River in a multi-million-dollar project.

Pruitt has told prospective boat operators that the port could obtain bond financing to construct docking facilities for lease to a boat operator. Bond financing would be cheaper than normal financing.
used by a boat operator, allowing the port to lease out the facility at a reasonable rate and still make money on the deal, Pruitt said.

Lady Luck is seeking preliminary approval for a riverboat gaming license from the state Riverboat Gaming Commission. However, two other boat operators already hold preliminary certificates for Baton Rouge. They are Jazz Enterprises and Louisiana Casino Cruises Inc.

Both were sent letters offering port assistance in financing dock operations, but have not sought a cooperative agreement, Pruitt said.

In other action, the port’s executive and finance/administration committees received proposals for public relations/advertising services from four companies. The port has a $91,500 advertising budget this year, which may be pared to $75,000 in 1994.

The ad company proposals are being forwarded to the full commission next Wednesday with no committee recommendations, but reflecting a staff recommendation that the port retain Diane Allen & Associates. The firm has represented the port for five years.

Commissioner Lorri Burgess questioned staff members about the short time in which proposals were sought and the legalities of the process used in selecting an ad representative.

Under its legislative creation, the port is not required like certain other state agencies to advertise for proposals for professional services, but chose to follow that general process, port attorney Stephen Glusman said.

The companies were rated according to 16 different criteria, but judged primarily on five areas in which the port spends the most money, said Karen St. Cyr, director of economic development. She said the request for proposals used was patterned after one used recently by the state Department of Economic Development.

The difference in prices was not enough to justify changing agencies, St. Cyr said.

The port bowed unwillingly to a legislatively mandated process for selecting auditing services through the Legislative Auditor’s office. Postlethwaite & Netterville won the port’s three-year contract with a $56,800 low bid. Bids ranged as high as $77,500 for the three years.

The port hoped to keep Hannis T. Bourgeois & Co., its accountant for nine years, arguing that the port’s debt bonds require that a major national accounting firm be involved in the port’s annual audits. Bourgeois handled the account in conjunction with Arthur Andersen & Co.

Port financial officer Al Starns said the Legislative Auditor maintains that Postlethwaite has a widely recognized reputation and meets the bond requirements.

The finance/administration and executive committees recommended a 10 percent increase in hourly legal fees to $82.50 from $75 for Wilkinson and the separate firm of Glusman, Moore, Broyles, Arbour & Glusman. Carter said the attorneys’ legal fees have been $75 for eight years.