

Beau Rivage to open a year after Hurricane Katrina hit

When Larry Gregory heard last fall that MGM Mirage planned to reopen the storm-ravaged Beau Rivage exactly one year after Hurricane Katrina laid waste to the Gulf Coast's casino industry, the executive director of the Mississippi Gaming Commission gave a private chuckle.

No way, Gregory thought, would the Las Vegas-based casino giant be able to make repairs to Biloxi's largest gaming property in such a short time.

Tuesday morning, Gregory will happily eat some serious crow.

The 1,740-room Beau Rivage reopens its USD 550 million renovation following a brief ceremony honoring the estimated 238 Mississippi residents who died when the Category 4 storm hit Biloxi and the surrounding areas last Aug. 29.

More than 3,800 MGM Mirage employees – about 60 percent who worked at the casino last year – will go back to their jobs and try to return some normalcy to the Gulf Coast region following a year of turmoil and rebuilding.

For Gregory, Mississippi's chief gaming regulator since December 2001, the Beau Rivage is more than a 32-story hotel-casino that opened in 1999; it's a symbol of the state's blossoming future and a signal that what had been the nation's third-largest producer of gaming revenue is on the road to recovery.

„(Beau Rivage) was our state's first true destination resort,“ Gregory said. „It's significant, and the reopening shows how truly the industry is getting back on its feet.“

Gregory traveled to the Gulf Coast from his offices in Jackson

one day after the storm hit, seeing firsthand the wrath of Katrina's 135-mph winds and an estimated 30-foot storm surge. Destroyed or heavily damaged were 12 operating casinos and a 13th that was set to open within days.

Thousands of residences and businesses in the communities of Biloxi, Gulfport and Bay St. Louis were demolished and the area's infrastructure was decimated for months.

The floating gaming barges that broke from their moorings and washed across Mississippi's Highway 90 a year ago took with them the jobs of 17,000 casino workers and annual gaming revenues of USD 1.2 billion. Among the piles of rubble and the lost revenue, an estimated USD 500,000 a day in state and local tax revenue disappeared from government budgets.

At the annual Global Gaming Expo in Las Vegas, taking place just days after the hurricane, American Gaming Association President Frank Fahrenkopf called the devastation in Mississippi the single-biggest catastrophe to ever strike the casino industry.

In the South, these were dark days. But Gregory was both realistic and optimistic.

„We flew down there and I couldn't believe the damage,“ Gregory recalled. „I didn't think anything would happen anytime soon, but this past year has been a great turnaround.“

Mississippi lawmakers, led by Gov. Haley Barbour, passed legislation in October that allowed casinos to rebuild their facilities off water, some 800 feet away from the Gulf of Mexico.

By the end of December, three Biloxi casinos – the Las Vegas-owned Imperial Place, the Palace and the Isle of Capri – had reopened. Business was so good at Isle of Capri that operators expanded the temporary casino to make room for 500 more slot machines this spring.

In June, both Boomtown and Treasure Bay opened small temporary land-based casinos in Biloxi.

On Aug. 18, Harrah's Entertainment reopened the Grand Casino Biloxi in a temporary land-based facility with 800 slot machines, 28 table games and a 500-room hotel.

The Beau Rivage reopening takes the Gulf Coast up another notch.

MGM Mirage redesigned the property's 85,000-square-foot gaming barge – which remained moored to Gulf of Mexico during the storm – to include 93 table games and 2,100 slot machines. New restaurants, bars and entertainment venues were added.

„We've been given a rare chance to do it all over again and we have embarked on an even greater vision," Beau Rivage President George Corchis said. „When we reopen, we intend for Beau Rivage to continue its legacy as a strong community leader.“

While some may view the Beau Rivage's re-emergence as a celebration, Gregory said all the casino reopenings have been kept low-key. On Tuesday, the somber mood of remembrance will be coupled with the joy that more than 3,800 Mississippi residents are returning to their jobs.

„All our reopenings have been symbols of hope and optimism," Gregory said. „The soul of the Coast is missing, but the rebuilding effort brings a little bit of it back.“

Gregory said the reopenings will continue through September. On Thursday, Penn National Gaming reopens the former Casino Magic in Bay St. Louis, renovating and rebranding the property as the Hollywood Casino. He cited at least four more new casino projects planned for the area.

„Everyday, a new potential casino project for the Gulf Coast seems to cross my desk," he said.

As the casinos have returned, so has gaming revenue. In July, the five operating Gulf Coast casinos reported USD 74.4 million in revenue, down 26.9 percent from USD 101.7 million reported by 12 casinos the previous year.

Gaming analysts said the Gulf Coast results were impressive considering the reduced capacity.

Gregory said his biggest fear never materialized.

It wasn't the locals who brought the casinos back, it was tourists. Residents weren't spending their own money at the gaming tables; construction workers weren't feeding paychecks into slot machines instead of working on rebuilding jobs.

„I can tell you I was concerned about who would be coming to the casinos,“ Gregory said. „I didn't want local people playing their (Federal Emergency Management Agency) checks. We wanted the tourists, and they've come back. We're getting visitors from Alabama, west Florida and even Louisiana.“

Tourism will be helped greatly once the 27-mile stretch of Highway 90 between Bay St. Louis and Biloxi is repaired. Two bridges that connected the peninsula with the rest of coastal communities will be partially opened next year.

Wayne Brown, southern district commissioner for the Mississippi Department of Transportation, said rebuilding the bridges will cost almost USD 600 million, which is being funded through federal tax dollars. Once the bridges are repaired, he said, the entire Highway 90 through the casino district will be refurbished.

„That highway is truly the lifeline of the coast,“ Brown said. „And the good people of the United States are making those repairs possible.“