

Gov't Pursues Deal With Isle of Capri

It appears that a deal of some sort has been struck between the owners of the Isle of Capri Casino on Grand Bahama and the Government of The Bahamas for a „new type of relationship“ between the casino operator and the government, the Journal understands.

In fact, Tourism Minister Obie Wilchcombe spoke with the Journal on Tuesday at the Churchill Building downtown. He confirmed that the representatives of the Isle of Capri met with the government last week, and that the government is „considering several new developments.“

„We are considering several new developments that I am not at liberty to talk about right now, but over the next three or four days we should be able to speak more authoritatively as to where we're headed, but we had very good meetings with them last week,“ Mr. Wilchcombe said.

„We heard about the changes made in the organization and what they intend to do, and how they are hoping to create a new experience in Pompano and how that could in fact have some relation to The Bahamas, but all is being looked at, what's proposed is at the table now and we're discussing.“

Pompano Park, in Pompano Beach, Florida, has become known as the „Winter Capital of Harness Racing,“ according to Isle of Capri. On the company's website, the casino operator noted that it intends to transform the site into a state-of-the-art „racino“ (racetrack-casino), featuring live harness racing, poker, simulcasting and the most entertaining slots in the world.

Isle of Capri plans a hotel, fine dining, great shopping and convention facilities for the site, which it said would make

Pompano Beach „a hub of excitement for residents and visitors alike.“

Mr. Wilchcombe reiterated that the casino operator served notice in 2006 that it intended „not to exercise their option to stay“ – in other words, the company gave notice of its intent to pull out – and said that this was what was still „technically“ on the table.

„But they wanted to brief us as to what they are doing now and the changes made at Isle of Capri Corporate, and having discussed that, they also raised with us the possibility of a new type of relationship that we are now considering.“

When the Journal last spoke to a representative of the Isle of Capri Casinos late last year Jill Haynes, director of Corporate Communications, said nothing had changed about the casino pulling out this year.

„We have notified the leaseholders that we are going to terminate our lease and beyond that, there really is not that much detail,“ she had said.

However, government representatives continued to try to convince the operators to change their mind about pulling out. The casino operation is considered crucial, especially at a time when the economy of Grand Bahama could use a much needed shot in the arm from the two year hiatus of the Royal Oasis Resort, declining business levels in once thriving districts and sluggish tourist activity.

When the casino initially communicated that it was pulling out of the Grand Bahama enterprise, executives had given the government a 12-month deadline, which would have meant that by June 2007, the operation would have been shut down.

In an attempt to placate worries about another major investor on the island pulling out, the government had said there was another casino operator waiting in the wings. However the

entity was never identified.

Earlier, Minister Wilchcombe explained that in a bid to keep Grand Bahama's only casino operator from pulling out, the government had agreed to offer further concessions. But he did not go into detail about exactly what those concessions were.

However, Minister Wilchcombe said that the tax structure was one of the areas.

„We wanted to ensure a couple of things; one that they're going to be here. I'm aware of other interests in the casino, but they're here now and we've got to work with them and because it involves Bahamian jobs we need the casino and amenities of the hotel and so they are here and we have to provide some assistance as they had requested,“ he said late last year.

Since its opening in December 2003 the casino has been operating at a loss which was further exacerbated by the effects of twin hurricanes in September 2004 and another in the following year.

The casino operator had asked the government to re-think the casino taxation system and had requested marketing and promotional dollars to keep the operation afloat since it was facing financial challenges.