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Gambling in Delaware: Casinos push for site limits

Current owners build case against adding new venues

By *GINGER GIBSON*
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For the second year in a row, Delaware's three casinos will be at the center of a fight to add casinos in Sussex County and Wilmington.

<http://www.doverdowns.com>">Dover Downs, [http://www.delawarepark.com/](http://www.delawarepark.com)">Delaware Park and [http://www.harringtonraceway.com/](http://www.harringtonraceway.com)">Harrington Raceway have launched a public relations campaign -- including a Web site and a self-commissioned study -- condemning the idea of added venues and encouraging employees to pressure lawmakers.

The initiative comes ahead of the Jan. 12 start of the legislative session and provides a look into the looming battle over changes to the gaming landscape, which will likely pit longstanding lobbying powers against leadership in Dover.

<http://www.doverdowns.com>">Dover Downs CEO Ed Sutor said the casinos commissioned a poll that proves voters are on their side.

The poll, conducted in early December by Momentum Analysis and funded by the casinos, asked 600 residents about adding casinos and tied responses to their political affiliation, their likelihood to vote in 2012 and preference for candidates in state House elections.

The results, which found 52 percent of respondents said they think three casinos is the right number, were sent to lawmakers.

"We wanted to put together a poll of the people who are mostly likely to vote," Sutor said. "That's who the Legislature wants to hear about."

Expansion supporter and House Majority Leader Pete Schwatzkopf said the poll was slanted and included statements such as "gambling is a tax on the poor." He said the results should be tossed out when considering the issue and sees the poll and accompanying study as an attempt to scare lawmakers into siding with an entrenched lobbying group.

"My primary responsibility is not to make sure each of these casinos maximize their profit," Schwatzkopf said. "It's time that instead of looking at three casinos we look at the entire state."

Protecting their businesses

The casinos say new venues would greatly harm their businesses, and Sutor said their poll should carry great weight with lawmakers.

The poll asked: "As many as eight additional casinos have been proposed in Sussex, downtown Wilmington and elsewhere in New Castle County. Do you favor or oppose these proposals or aren't

you sure?" Fifty-nine percent responded that they either "oppose strongly" or "oppose not so strongly."

The problem, Schwartzkopf said, is that no one has proposed adding eight new casinos, not even half of that.

"If you called me and asked me, I would give you a negative response too," Schwartzkopf said. "I don't want eight additional casinos."

Schwartzkopf has proposed adding just one, DelPointe Resort and Racino in Millsboro. Several New Castle County lawmakers have proposed adding one casino in Wilmington.

The largest proposal was made by <http://governor.delaware.gov/>">Gov. Jack Markell last year when he recommended the state add up to three casinos. That proposal was scrapped; now a state commission is studying the issue.

The casino operators point to other results: 53 percent oppose a casino in Sussex County, and 63 percent oppose a venue in Wilmington.

Schwartzkopf said there are problems with those figures, as well.

The question about Sussex County asked if the respondent opposed or supported "additional casinos in Sussex County." Since there are no casinos south of Kent County, Schwartzkopf said that gives the idea that the southernmost county might be getting two.

The question about Wilmington also asked about venues "elsewhere in New Castle County," even though the only proposals are inside the city.

Sutor said the questions were formulated by Momentum Analysis, a D.C.-based company that, according to its Web site, conducts polls for Democratic candidates and "progressive" issues. He said the casinos had little influence.

Momentum Analysis conducted focus groups, Sutor said, and developed the questions from those responses.

The casinos also released a study recommending the state not authorize additional venues.

Out-of-state competition

The study found that Delaware casinos depend on a large out-of-state customer base, and that additions in Pennsylvania and Maryland will continue to hurt them.

"Adding new casinos in the state will only further cannibalize a decreasing market and add significant pressure to the financial health of the existing casinos," the report stated.

The report was conducted by Deloitte & Touche LLP, an audit and financial advisory company based in Toronto. The actual research was done by Maczka Marketing Research Consulting, a Los Angeles-based firm that does several different types of consumer research, including work for casinos.

The casinos also organized a Facebook.com Fan Page -- <http://www.facebook.com/pages/Three-Is-Enough/197787739810>">Three is Enough -- that includes a place for supporters to leave comments. Nearly every comment writer so far lists one of the three casinos as his or her employer.

The Three is Enough campaign also boasts other supporters, including the

<http://www.visitdover.com/>">**Kent County Convention and Visitors Bureau**, Delmarva Cleaning and Maintenance, the AmericInn Harrington and the <http://www.cdcc.net/>">**Central Delaware Chamber of Commerce**.

The casinos' effort comes ahead of a study due next week that state officials commissioned to look at the impact of adding new venues. Legislation last year that authorized sports betting created the commission to review the impact of adding venues.

The commission was asked to have a report by October, but it won't meet until Tuesday to review a draft.

It is unlikely there will be an official recommendation. Instead, the sharply divided group decided to release its findings and leave the decision making to lawmakers.

The <http://legis.delaware.gov/>">**Legislature** is also expected to take up legislation that will provide final authorization for the addition of table games at existing venues.

Senate Majority Leader Patricia Blevins, a member of the commission, said she had not looked at the casinos' findings and was planning to read them when the state's report became available.

Blevins said a lot of factors will impact people's opinions, and she expects a large debate over the issue.

"I really don't want to get into predicting where we're going to be on this issue," she said.

Opposition building

Last year, casinos made a goal-line stand in the House to keep a measure that would have authorized new venues from passing. The casinos brought employees in busloads to town hall meetings and Legislative Hall to protest the proposal.

Sutor said they're organizing a "grassroot campaign" again this year. Last year's effort included a large e-mail writing campaign by employees of the casinos and supporters of the state fair, which receives the bulk of its funding from owning a majority share in <http://www.harringtonraceway.com/>">**Harrington Raceway**.

The state fair sent letters to its stockholders on Dec. 22 warning them that additional casinos will "greatly diminish and compromise the Delaware State Fair's ability to maintain all of the programs that we currently offer." The fair is holding informational meetings this week including a free meal for stockholders to help contact lawmakers about the proposal.

Schwartzkopf said the casinos demonstrated last year that they have support in the Legislature and that approving a new casino might mean more revenue for the state, but it won't necessarily help him win votes.

"It's a fight," he said. "Yeah, it's a fight."
