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### NEWS

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## Battle over Millsboro racino heats up

*Sussex legislators divided over Del Pointe project*

By Kevin Spence

A plan to build a \$512 million family resort with racino in Millsboro that could bring 6,000 immediate jobs to Sussex County has run into opposition from the state's existing racinos. The showdown could play out at Legislative Hall after lawmakers go back into session next week.

Gov. Jack Markell has proposed expanding gambling in Delaware to dig the state out of a \$780 million – and growing – deficit. In March, Markell proposed a budget that included allowing sports betting at three existing racinos in Harrington, Dover and Wilmington. Markell's proposal also called for allowing up to three more casinos in Delaware and up to 10 other gambling venues for sports betting. The plan was later introduced as House Bill 100.

Meanwhile, Chris and Preston Schell and Gene Lankford unveiled plans for a 370-acre complex in Millsboro: the Del Pointe Resort & Racino, which they call a family-oriented resort-style hotel with an indoor water park, multi-screen theater and restaurants with a 1-mile harness-racing track and a casino with slot machines.

While the Del Pointe proposal appears to be in line with the governor's plan, it is staunchly opposed by the existing racinos, who say it will force layoffs.

Speaking of those racinos, Sen. George Bunting, D-Bethany Beach, said, "We essentially created an extremely powerful entity.

"Giving three entities exclusive rights is an opportunity no other entity in Delaware has," Bunting said.

During the third of four public hearings, the House Gaming & Parimutuels Committee on April 6 introduced House Substitute 1 for House Bill 100. The substitute measure permits sports betting at the three existing racinos, but it eliminates new casinos.

### Different commissions, timelines

Unlike House Bill 100, House Substitute 1 not only does away with building three new casinos, it also does away with sports betting at 10 additional restaurants or pubs. Instead, it proposes an exploratory committee to research table gaming and the viability of any new racinos in the state.

The substitute measure says the commission must report back to the General Assembly no later than Dec. 1, 2009, on whether to authorize table games, which would be new to Delaware.

The commission would report back to the lawmakers by April 1, 2010, on the effects on state revenues and employment of adding new slots, horse racing or additional sports betting venues in the state.

By April 2010, however, sports betting would be in place at the three existing casinos.

Del Pointe developers say the terms of the substitute measure unfairly tilt the playing field toward existing racinos.

"Why, when you have a project that's prepared to create 6,000 jobs in two months, why would you have a study that would last a year?" Schell asked.

He also said the substitute measure does not have a conflict of interest clause as does the original



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bill, H.B. 100.

Schell said some lawmakers specifically and purposefully omitted the language.

"In my opinion, they wanted to make sure the groups beholden to the existing industry get table gaming approved before the study for additional revenue is completed," said Schell. "The industry is so politically powerful that the state can't even get what it wants – even in this case," Schell said.

At nearby Ocean Downs in Berlin, Md., about a half-hour drive from a proposed Millsboro racino, slots may soon be added.

In mid-April, the Maryland Racing Commission urged state lawmakers to allow slot machines at the Berlin track and at another one in Laurel, Md.

If that happens, gambling dollars the governor hopes will reduce Delaware's deficit could go to Maryland.

While the existing racinos say Del Pointe would divert revenues from them, William M. Rickman, CEO and president of Delaware Park, also owns Ocean Downs Racetrack in Berlin, Md.

Calls to Rickman were not returned at press time.

#### Legislators take sides

The House substitute measure says Senate President Pro-Tempore Thurman Adams, D-Bridgeville, would have the authority to appoint three Senate members – one from the minority party – to the research commission. Adams said he does not support Del Pointe. He said it would draw too much business away from Harrington Raceway and other racinos.

"I don't see where they can survive if they build a new casino," he said. "I don't see where they're going to be able to stay in business."

He also said with a proposed licensing fee for sports betting, existing racinos would have a tough time.

Adams is the former president of Harrington Raceway and a current board member. He said the Delaware State Fair owns 76 percent of the Harrington Raceway. He also pointed out the state fair is a nonprofit venture. "I do not get any dividends. We spend all the money for facilities of the fairground," Adams said.

"You're going to put the Delaware State Fair in jeopardy," he said.

As for the jobs Del Pointe would bring, Adams said they'd be temporary. Del Pointe has said that the project calls for about 2,000 full-time jobs. But Adams said that creating jobs in one area only means losing jobs in another one.

When asked about the threat Del Pointe might bring to Ocean Downs, Adams said, "It's going to affect business some, but what you're saying, if it's built – that's even more reason that the future doesn't look very bright. More competition."

Adams said he's spoken with other racing industry leaders.

"I've talked to Bill Rickman. He's not sure what's going to happen," Adams said.

#### Amending the bill?

"If a business like this was being proposed in Wilmington, we'd be doing everything we can to get the project off the ground," said House Majority Leader Rep. Pete Schwartzkopf, D-Rehoboth Beach.

"If the study comes back – and I think it will show that Del Pointe will not cannibalize Harrington – it's going to make it hard, especially for these Sussex County legislators, to look people in the eye that are unemployed and say, 'I can't vote for that because I want to protect existing casinos.'"

Rep. Joe Booth, R-Georgetown, said, "I think there's a couple reasons to support it, but my main reason in supporting it is the fairness issue. It should not be treated differently than the other three racing tracks because it's in Sussex. The benefit is, it will bring jobs," said Booth.

Bunting called the Del Pointe developers "worthy" and said the state would be better off to have local developers than out-of-state absentee investors.

“We knew it was going to lead to this. Delaware is very, very small. We do have people with relatives involved, or, in one case, a legislator with a casino in his district. There’s a turf battle going on against this. You got three against one – that’s a tough fight,” Bunting said. Booth said, “I think it’ll be a close vote, but it’ll be an interesting vote.”

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