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Sussex racino bill held up in committee

Backers seek hearing on Del Pointe project

By *DAN SHORTRIDGE*
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A proposed Sussex County racino project appears to be stalled in the state Legislature, with a slim-to-none chance of coming out of committee before the end of the term next week.

A bill that would have granted a casino license to Del Pointe, over the objections of the state's three existing casinos, will not get a hearing, state Rep. John Viola, D-Newark, said Monday.

The \$550 million, 377-acre Del Pointe project near Millsboro has won support from town officials and several influential Sussex legislators.

Despite opposition from the casinos, backers had been betting on H.B. 194, sponsored by House Majority Leader Pete Schwartzkopf, D-Rehoboth Beach, to clear the way, and were preparing for a hearing on the bill in Dover scheduled for today.

Rumors began swirling Monday when word spread that the hearing had been canceled, with supporters including Schwartzkopf crying foul.

But Viola, who chairs the House Gaming and Parimutuels Committee, said H.B. 194 had never been up for discussion in the first place, and he wasn't sure how the talk of a hearing got started.

"There was no deception there -- it was never on the agenda," Viola said. "It's just people saying things, and it spreads. ... Nobody asked me, I can tell you that for a fact."

Schwartzkopf acknowledged that while the meeting agenda did not include H.B. 194, he said it is the only bill before the committee, and that Viola had scheduled the meeting at Schwartzkopf's request.

He called Viola's actions "atrocious," effectively shutting down a project that could bring several thousand jobs to a county in economic pain.

"If this was in New Castle County, and you were trying to bring one company here with 1,000 jobs, they'd be bending over backwards to bring these people here," Schwartzkopf said. "Who's he protecting? I don't know."

Viola said the committee meeting was canceled because legislators need to focus on the budget with only four days left in the session.

Viola and the Markell administration say that any decision on adding new casino licenses should wait until later this year, when a report comes back on the impact of adding new casino locations, administration spokesman Joe Rogalsky said.

Viola said Del Pointe shouldn't be hurt by waiting.

"If that facility is ready to go, then it should be ready to go the end of this year, or the very beginning of next year," he said. "When the report comes back ... and says hey, this state can handle additional venues, let's rock and roll."

Schwartzkopf said he isn't hoping for Del Pointe to win full legislative approval before next week, when the term ends. He just wants it to come out of committee and be ready to go if Gov. Jack Markell calls a special legislative session later this year to address table gaming.

Schwartzkopf has pushed for linking new casino approval with table games, saying that's the only way to push past the casino industry's opposition to additional venues.

"No matter what the study says ... once they get table games, they have no reason to even agree to anything," Schwartzkopf said.

The casino license is critical for Del Pointe, developers have said. With the license, the project could be fully built out within five to seven years. But without slots, it would have to either be dropped or retooled under a much different site plan and a slower timeframe.

The project has been pitched as a three-way win for Delaware -- creating several thousand jobs, bringing in more revenue for the state and protecting southern Delaware from a proposed slots venue just over the border in Maryland.

It would bring in \$75 million annually for the state, with \$20 million offered up as a prepayment for this year's budget, developer Preston Schell said.

He touted the economic and jobs impact of the project in urging legislators to act.

"The people of Delaware cannot continue suffering job loss, pay cuts and potential loss of their homes for another six months until a study is conducted," Schell said.

Del Pointe was originally proposed to include a racetrack, simulcasting, a family hotel and a waterpark. But developers Schell and Gene Lankford, of the Ocean Atlantic family of companies, concluded it would only be financially feasible with the addition of slots.

If construction were to begin this summer, the racetrack could be finished for a short season next year. But if casino approval were to come this year, slot machines could be operating under a "temporary tent" option to start by the end of this year, developers have said.
