

Do Delawareans want more casinos?

The following is a sampling of comments posted in the public forums at www.newszap.com: So Delaware, here's the question ... Do you really want to deregulate gambling in the First State so that every out-of-state developer who says he needs a casino to support his "proposed" commercial project gets a casino?

Certainly, the Harvard-educated Californian behind the **Del Pointe** project doesn't think Delawareans are that dumb ... or does he?

When the legislature passed the Delaware Horse Racing Redevelopment Act in 1994, it knew that future interlopers would attempt to expand gambling beyond the three existing venues in Delaware where gambling had been confined for 50 years or so. The legislature's intention to limit gambling to the three historical racetracks was clear and the law was written accordingly.

It was under this set of ground rules that the three tracks invested hundreds of millions of dollars in facility improvements. In the case of Dover Downs, \$275 million has been invested and, by the way, we still have \$100 million in current debt related to the many improvements made at our gaming facility.

As a result of these investments, the three tracks now employ more than 3,100 people and since 1994 have generated \$2.3 billion for the state's General Fund. None of us anticipated that the rules would change so dramatically after having made such financial commitments and taken on such significant debt to protect this enterprise and its stakeholders, the biggest of which is the state.

Now, with the promise of a paintball farm, a movie theater and 6,000 jobs everyone wants to follow the pied piper from California. Hey, let's give 100 developers casinos, that would be 600,000 jobs! But wait ... is anyone, particularly this legislature, going to write into the law that, if **Del Pointe** proceeds it MUST build all those things they're promising and deliver all those jobs? If that's the basis for giving them the go ahead, then their license should be denied if they don't deliver, right?

Now, on the heels of **Del Pointe**, we have a casino proposal for Delmar. Soon one, two or three proposals will emerge for the Wilmington area ... more "unserved markets" to accommodate. More "family entertainment" for everyone! Who doesn't want the First State to become the next Atlantic City?

The current administration takes the position that the "market should decide" how many casinos Delaware should have. While this is a great sound bite, it ignores the reality that the casino industry in Delaware is highly regulated and functions more like a utility than anything else.

They certainly don't operate in a free enterprise environment. Every aspect of casino operations is controlled by the legislature or the Delaware Lottery Office. If we're going to let the market decide things, then let's open up public utilities to free market conditions.

How many gas companies, electricity and water suppliers will the "market" accommodate? Who cares if none of them can make enough to cover their infrastructure investments. As the developer behind **Del Pointe** has said, "that's not the right question to ask in a capitalist society."

Some say Delaware's three existing casinos have a monopoly. The fact is, in one of the most highly concentrated gaming markets in the country, the three Delaware casinos compete not only with each other, but also with an ever-growing number of casinos in surrounding states where much larger populations can support such expansion.

Delaware already has more casinos per capita than New Jersey or any other state in the East and none of Delaware's three casinos has gotten close to needing the full complement of slot machines authorized under current law.

Those interested in "market demand" should think about that. And one has to wonder how it helps Delaware's position to add more competition from within the state at a time when all three existing venues are attempting to fend off surrounding states while coping with the nation's smallest population, the second highest slots tax rate, and considerable debt obligations.

It's easy for those who don't know or care to understand our industry to ignore the realities of our business and chase the careless promises of clueless wannabes who think that all that glitters is gold. But Delaware, you should know better.

Editor's note: Denis McGlynn is chairman of Dover Downs, Inc.



GUEST
COMMENTARY

Denis McGlynn

“Some say Delaware’s three existing casinos have a monopoly. The fact is, in one of the most highly concentrated gaming markets in the country, the three Delaware casinos compete not only with each other, but also with an evergrowing number of casinos in surrounding states where much larger populations can support such expansion. “

Powered by [TECNAVIA](#)

Copyright © 2009 06/28/2009