

## Committee to tackle next chapter in gambling saga

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By Doug Denison, Staff Writer

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Dover, Del. -

After months of negotiations over how to implement table gaming and with lawyers still wrangling over the legality of the state's sports betting scheme, legislators and administration officials are preparing for another series of discussions on the future of gambling in Delaware.

This week a nine-member panel will begin analyzing whether the state would benefit from establishing additional casinos and how more venues would impact business at the state's three existing racinos.

Six members of the General Assembly, two cabinet-level officials and a chairman hand-picked by Gov. Jack Markell will comprise the Video and Sports Lottery Study Commission, established in the sports betting law passed in May.

By Oct. 15 the commission is to produce a report on the issue for the legislature's consideration, but with nine members, as many differing priorities and a multitude of conflicting opinions, the path to consensus could prove winding.

"I think in the bill it pretty much explained what we're tasked to do and that is to decide whether or not the state can or cannot handle additional racinos," said Rep. Helene Keeley, D-Wilmington South. "It's pretty clear as to what our responsibilities are."

Some of Keeley's fellow committee members are equally certain of the panel's charge, but they don't necessarily agree on what it is.

"The commission has the responsibility to look at maximizing the state's revenues and looking at options on how we can do that," said Acting Finance Secretary Tom Cook.

Another member sees it differently.

"This isn't just about trying to get revenue so we don't have to cut things next year; there are important long-term consequences," said Sen. Colin Bonini, R-Dover South, one of two Republican legislators on the panel.

One thing the members do agree on, however, is the need to determine if adding more casinos will simply take the business at the existing casinos and spread it around.

Since the debate over additional venues was ignited during the laborious process that eventually produced a sports betting bill last spring, the principle players have repeatedly returned to a single handy analogy.

Would a new casino take a slice out of the same pie currently divided among the existing facilities, or would another venue cause the pie to grow in size?

Delaware's gaming industry says there's no way it can bear another in-state competitor, especially in light of new casinos that have opened in the Philadelphia area and will soon open across the line in Maryland.

However, would-be casino developers contend that the market can indeed support another facility with minimal impact on the existing venues.

Many on the commission recognize the bias in those claims though, and Keeley said she wants to make sure that from the outset the commission is working with sound, neutral analyses.

"The priority should be that wherever we're getting our numbers from, they're good numbers, they're reliable numbers, no one's going to question the viability of those numbers," she said.

Keeley also said it's unlikely those numbers are in anyone's hands right now, and that the commission will probably need to look for help from an outside group.

Committee member Alan Levin, director of the Delaware Economic Development Office, thinks it won't take long for the commission to seek the services of a consultant.

"I think this is where we're going to end up: we'll seek out a firm, a market research firm that doesn't come in with any bias to study the issue. They'll look at comparative areas of the country where they have casinos," he said. "We'll have a very unbiased, by-the-numbers study."

House Majority Leader Rep. Pete Schwartzkopf, D-Rehoboth, said that's just what he wants to see as a member of the commission.

If anything, he said, such a study would confirm his belief that a new casino in Sussex County would be a boon to state revenues and the local economy.

"I want an unbiased opinion. I believe that an unbiased opinion will bring back the information that it will increase the pie," he said. "I'm very confident in the fact that there's a big part of the market that isn't being tapped. I'm confident that somebody that comes in with an unbiased, independent viewpoint will probably reach that same opinion."

During the last legislative session, Schwartzkopf authored a bill that would permit the construction of the \$550-million Del Pointe racino-resort project in Millsboro. The bill is still very much alive and could resurface when the legislature reconvenes in January.

Schwartzkopf's support for the Del Pointe project is widely known, and he wants his colleagues on the commission to understand that just because the new venue might bleed some money from the existing facilities, namely Harrington Raceway and Casino, the net gain for the state will be a lot more.

"I'd be willing to give up \$10 million in one area to bring in \$60 or \$70 million in another area," he said. "As long as we have an overall increase in return."

Levin echoed the sentiment.

"There's always going to be somebody taking from somebody else's plate," he said. "The question is, do the additional offerings offset the loss?"

Though they don't have a seat on the commission, it's certain that representatives from the existing racinos will be present at the meetings and that they'll try hard to contribute their two cents.

Ed Sutor, president of Dover Downs Hotel & Casino, said his group will come prepared.

"We'll probably be presenting information, testimony and perhaps even some documentation on what we think is already a saturated market," he said. "If we have to, we will have a study prepared. If I were on this commission, I would certainly be looking for any available information from any experts."

But, just how big a role Sutor and his allies will play in the commission's work is also up for debate.

Schwartzkopf said he'd be content if the industry representatives were "spectators," but Levin welcomes their involvement, so long as they know their place.

"I think they should participate. They technically are our partners, the existing casinos," he said. "We want their input and we want to understand, but they can't come in and just say, 'No.'"

"They need to be realistic and I think they will be. If you ask them today, 'Can Delaware support additional venues?' No, that's the answer and it's a very simple one. But the governor has charged us, the General Assembly has charged us with the responsibility to see if that's true or not."

But whatever happens when the commission finishes its work, Keeley said she knows what to expect.

"Ultimately whatever decision is going to be made, people are going to be mad," she said. "The commission has to be able to stand and say this was an honest conversation."

### FIRST MEETING

**WHAT:** Sports and Video Lottery Study Commission

**WHEN:** 3 p.m. Thursday, Aug. 27

**WHERE:** Senate Hearing Room, Legislative Hall, Dover

### THE COMMISSION

Nine people will serve on the Video and Sports Lottery Study Commission, including members of the state House and Senate, as well as two cabinet officials and a chairman chosen by the governor.

Sen. Patricia Blevins, D-Elsmere, majority leader

Sen. Nancy Cook, D-Kenton

Sen. Colin Bonini, R-Dover South

Rep. Pete Schwartzkopf, D-Rehoboth, majority leader

Rep. Helene Keeley, D-Wilmington South

Rep. Clifford "Biff" Lee, R-Laurel

Alan Levin, director, Delaware Economic Development Office

Tom Cook, acting secretary of finance

Chair — Dennis Rochford, president, Maritime Exchange for the Delaware River and Bay.

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