

Disney Battles Casino Operators Over Florida Expansion

Written by Administrator

Wednesday, 05 February 2014 06:17 -

To bring Las Vegas-style gambling to Florida, casino operators like [Sheldon Adelson](#) are sending more than 100 lobbyists to the state Capitol to battle their biggest adversary:

[Mickey Mouse](#)

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The clash pits casino operators [Genting Bhd. \(GENT\)](#) and [Las Vegas Sands Corp. \(LVS\)](#) , controlled by billionaire Adelson, against

[Walt Disney Co. \(DIS\)](#)

, which runs theme parks and resorts near

[Orlando](#)

, and may face new competition for convention business. Companies on both sides of the dispute are sending lobbyists and campaign checks to Florida lawmakers, who say they'll consider expanding gambling this year.

A state-commissioned study found that full-service casinos and their associated hotels could generate \$1.5 billion in spending annually in Florida, making the fourth-most populous state an attractive target for the gambling industry as it pushes to expand in the U.S. The outcome is critical for Disney, as the world's largest entertainment company seeks to protect its Walt Disney World Resort, which includes theme parks and five convention facilities.

"Gambling interests in [Las Vegas](#) and [Atlantic City](#) are looking for new territory, and opening Florida to them would be tremendous," said Robert Jarvis, who teaches gambling law at Nova Southeastern University in [Fort](#)

[Lauderdale](#)

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"The fear for Disney is that instead of people going to Disney and dropping their disposable income there, they'll go to the destination casinos and drop their money there."

Indian Casinos

Florida law limits gambling to eight Indian casinos, which offer Las Vegas-style gambling with the exception of craps and roulette, along with 31 pari-mutuel facilities. Casino operators want lawmakers to authorize as many as three resorts in [South Florida](#) that would offer the same range of games as in Las Vegas.

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Casino resorts -- which feature hotels, meeting space, gambling and other entertainment -- would compete with Burbank, California-based Disney for tourists and conventions, said Jarvis.

Disney has 700,000 square feet of meeting space in its [Florida](#) resorts, according to the company's website. Genting said in 2012 it wanted to build the world's largest casino in Miami with 750,000 square feet of meeting space.

Genting's allies include Associated Industries of Florida, a business trade group that on Jan. 15 unveiled a new website and marketing campaign touting casino resorts as a "huge magnet for convention and trades shows." Lobbyists for casino operators say an expansion will bring jobs and tourists and boost the economy.

'Bad Bet'

Disney argues gambling would hurt the state.

"The massive expansion of gambling that would come from legalizing mega-casinos would be a bad bet for Florida's taxpayers, tourism brand and existing businesses," said Andrea Finger, a Disney spokeswoman, in a statement.

The company's opposition isn't based on any potential threat to its convention bookings, Finger said.

Florida's warm weather and steady stream of international tourists make it attractive for casino operators looking to enter a conventions-and-meetings industry dominated by Disney, said Nick Iarossi, a Tallahassee-based lobbyist representing Las Vegas Sands Corp. Iarossi said he met with Adelson last week to discuss the Florida market.

"Florida is better suited than even a [New York](#) or a Maryland for an integrated resort," Iarossi said. "Our tourism-based economy is really perfect for the convention and trade-show business."

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States that have legalized or expanded casino gambling since 2008 include Massachusetts, Maryland, [Kansas](#), Indiana, [Missouri](#), Ohio, Illinois, California, Colorado and [New Jersey](#). In New York, voters last year approved a constitutional amendment authorizing as many as seven casinos.

Campaign Cash

The Florida debate is filling the campaign purses of lawmakers and Governor [Rick Scott](#), a 61-year-old Republican who hasn't said whether he favors allowing new casinos. Gambling interests have donated more than \$3.4 million to Florida lawmakers since 2012, while Disney has contributed \$1.7 million. Both sides are on pace to almost double their spending from the previous election cycle.

"It's a major food fight, that's the best way to characterize it," said Dan Adkins, chief operating officer of Hartman & Tyner, Inc., which owns the Mardi Gras Casino in Hallandale Beach, Florida, and donated more than \$200,000 to Florida politicians last year.

State legislators met Feb. 3 to discuss a rewrite of gambling regulations. They plan to introduce a draft bill next week and vote on a new gaming law during the 60-day legislative session that begins March 4, said state Senator Garrett Richter, a Republican and chairman of the Senate gaming committee.

Buying Land

While the gaming industry has pushed for Las Vegas-style gambling in Florida since the 1970s, lawmakers revived the debate in 2011, when Genting began buying more than \$400 million of real estate for its Resorts World Miami project. The legislature in 2012 rejected a Genting-backed proposal that would have allowed the Kuala Lumpur-based company to build a \$3.8 billion casino resort.

Opposition from Disney and others helped kill the plan, even as Southeast Asia's largest casino operator spent more than \$4 million on lobbyists and campaign contributions. Genting has continued to pursue a casino license.

The state's racetracks, slot operators and Indian casinos are all jostling to protect, and possibly

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expand, their turf this year. The Seminole Tribe of Florida, which wants to renew its contract to operate the state's only Las Vegas-style casinos, donated \$500,000 to Scott's campaign in September, the largest gift of the year. Adelson, whose Las Vegas Sands is the world's largest casino operator, donated \$250,000 in 2012, that year's biggest gift.

Free Tickets

Disney, the Florida Chamber of Commerce and other anti-gambling interests have also increased their political contributions. Disney has given Florida politicians more than \$400,000 in free theme park tickets and entertainment in the past year, state records show.

No Casinos, an Orlando-based group that hired 23 lobbyists last year to work against Florida gambling, invited lawmakers to a January screening of a documentary film it financed that warns casino operators "make big promises, exert their influence, then everything crumbles." The group won't reveal the source of its funding.

Deploying Lobbyists

Disney, a powerhouse in Florida politics due to its central role in the state's \$71.8 billion [tourism industry](#), hired 34 lobbyists last year, according to state records. A similar number are working to defeat gambling this year, Finger said. Casino operators plan to deploy more than 100 lobbyists this year, according to state filings and interviews with company officials.

Disney is "one of the most powerful special interests around," said Etan Mark, a lawyer for Miami Jai-Alai, a casino with 1,000 [slot machines](#) owned by [Florida Gaming Corp. \(FGMGQ\)](#). "The specter of getting targeted by Disney in an election, I'm sure, is weighing very heavily on a number of these state representatives as they consider what the next step is going to be."

Genting is stepping up its campaign to influence lawmakers. Since last year, Genting companies have donated more than \$1.1 million to Florida politicians, according to state filings. Carrie Thompson, a spokeswoman for Genting's Miami project, declined to comment on the company's strategy in Florida.

Hurting Business

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State lawmakers haven't released any proposed gambling laws as they approach the legislative session and campaign for re-election in November.

Richter, 63, the state senator, said at a Feb. 3 meeting of the gaming committee that he supports as many as two full-service casinos in South Florida.

"A destination resort in Miami would be a good thing for the state of Florida," he said at the meeting. "It would attract new revenue dollars."

Senator Gwen Margolis, a Democrat who serves on the panel, said that she opposes large casinos in Miami because they would hurt existing hotels and businesses.

In a legislature controlled by Republicans, many have sought to voice moral opposition to gambling while also keeping the door open to expansion proposals.

The Florida Chamber of Commerce, has made it a priority to defeat any gambling proposals this year, said its vice president, [David Hart](#).

The goal is to protect Florida's "family-friendly" image, said Hart. Disney, which is a top contributor to the Chamber's political committee and has a seat on the board, has made similar arguments to lawmakers.

"This is going to be a real battle in the legislature," Hart said. "Part of the reason is that the casinos, whether that's the Malaysian Group, Genting, or whether that's Las Vegas Sands, they need Florida a lot more than we need them."

To contact the reporter on this story: Toluse Olorunnipa in Tallahassee, Florida at tolorunnipa@bloomberg.net

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To contact the editor responsible for this story: Stephen Merelman at smerelman@bloomberg.net

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