

For 2d Phila. casino license, expect a quick meeting

Written by Administrator

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The Inquirer

When the Pennsylvania Gaming Control Board meets Tuesday to vote on a second casino license in Philadelphia, it likely will not be a long and drawn-out affair.

The mere scheduling of the meeting - it begins at 1 p.m. at the Convention Center - makes it likely that the seven-member board has picked a winner, sticking to the law that says there are supposed to be two casinos in Philadelphia, despite fears that there are not enough gamblers to go around.

One of the seven board members is expected to make a motion in favor of one of the four applicants. Another commissioner will second it. Then there will be an up-or-down voice vote.

To get the license, an applicant needs to win at least five votes: all four of the legislative appointees have to agree and at least one of the three gubernatorial appointees has to join them.

But the expected short duration of the hearing doesn't mean a second casino will open any time soon. There is a 30-day appeals process for the losing bidders, and typically neighbor opposition coalesces around a real target.

"Last go-around in December of 2006, there was opposition before the licensing, but the opposition really kicked up after the licenses were awarded," Paul Boni, a lawyer in Philadelphia

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and a board member of Stop Predatory Gambling, a national advocacy group, said Monday.

"That's when the organized opposition from the neighborhood level really began."

Amid rumors that the license will be awarded to Live! Hotel & Casino, a joint venture of Cordish Cos. of Baltimore and Greenwood Gaming & Entertainment Inc., opposition in neighborhoods near the stadium complex has started.

A meeting last week to protest the proposed casino at Packer Avenue and Darien Street in South Philadelphia, at the site of the Holiday Inn, was attended by more than 300 people.

A spokesman for Gov.-elect Tom Wolf said Wolf "is aware that there are concerns and he hopes that those concerns have been heard, but [the board] is an independent body."

Gaming Board member Gregory C. Fajt acknowledged post-selection delays at a January hearing, when he pointed out that the board has to make a decision based on what it expects market conditions to be at least two years in the future.

"We're going to get sued. It's going to go to the Supreme Court, and they're going to take six months or a year, and then whoever wins is not going to do anything until that decision is final," Fajt said.

After that there are almost certain to be further delays during permitting and construction.

Meanwhile, on Monday a group of African American leaders ran a full-page ad in The Inquirer urging that the Gaming Board award Philadelphia's second license "to a team that includes African-American ownership."

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PHL Local Gaming L.L.C., the company led by Joseph G. Procacci that wants to build Casino Revolution at Front Street and Pattison Avenue, is the only applicant with significant African American ownership. Bennett Lomax and his family own 12.3 percent of PHL Local.

PHL Local spokesman A. Bruce Crawley said company officials were surprised to see the ad: "We weren't involved in creating or placing the ad, but we certainly agree with the message."

In 2006, the Gaming Board awarded a license slated for Pittsburgh to Don Barden, an African American and a surprise winner over Isle of Capri Casinos Inc. But Barden, who died in 2011, failed to get financing for the project, and control of the license was transferred to Chicago billionaire Neil Bluhm, whose companies also own SugarHouse Casino.

The Gaming Board's Office of Enforcement Counsel has objected to a SugarHouse petition to hold more hearings to consider the state of the casino industry in the Northeast before issuing the second Philadelphia license.

The SugarHouse petition, filed on Nov. 6, argued that the Gaming Board should undertake a "prudent analysis" of how conditions in the casino industry have changed this year.

The board's counsel said "the board does not operate blindly within a bubble" and was well aware of industry conditions.

"Should the consideration and weight given to relevant facts . . . not be entirely consistent with the self-serving interests of SugarHouse, it in no way makes the board's considerations imprudent," the board filing said.

Sometime after Tuesday's vote, the Gaming Board will release the order awarding the license and the documents explaining the reasons for the decision.

That is when the clock starts ticking on the 30-day period during which the losing candidates or

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others with legal standing in the case can appeal to the Pennsylvania Supreme Court.

After the board's April 2011 license award to Woodlands Fayette L.L.C., which opened Lady Luck Casino Nemacolin in Fayette County in the summer of 2013, six weeks went by before the release of those documents.

The release is expected to come more quickly this time, but it's not clear when that will happen.

INSIDE

Losing bidders can appeal, but face tall odds. A13.

Key Developments

Dec. 16, 2010: The Pennsylvania Gaming Control Board revokes the license of Philadelphia Entertainment & Development Partners L.P., better known as the Foxwoods group, because of long delays.

September 2011: State Treasurer Rob McCord releases a report showing that Pennsylvania could absorb the reissue of the Foxwoods license, but that most of the promising markets were outside Philadelphia.

May 2012: The state House approves a bill to hold a statewide auction to award the Foxwoods license, but the legislation stalls in the Senate.

July 2012: The gaming board restarts the application process for the second Philadelphia

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license.

Nov. 15, 2012: Six applications are submitted by the deadline.

February 2013: The applicants make public presentations to the board at the Convention Center.

April and May 2013: Public input hearings are held in Center City and South Philadelphia.

November 2013: Steve Wynn, left, pulls the plug on his proposal for a \$900 million casino about a half-mile north of SugarHouse Casino on the Delaware River.

January 2014: Suitability hearings are held for the five remaining candidates.

February 2014: The record on the applications is officially closed, which means no additional information submitted by applicants or others will be considered.

June 2014: Penn National Gaming Inc. drops its bid to build a \$480 million Hollywood Casino in South Philadelphia.

Tuesday: The gaming board is scheduled to meet in Philadelphia to vote on a second casino in the city.

SOURCE: Inquirer research

ONLINE

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Visit Philly.com on Tuesday for live coverage of the Pennsylvania Gaming Control Board's decision. You will find tweets, updates, and reaction from the winning and losing bidders.

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Inquirer staff writer Thomas Fitzgerald contributed to this article.

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