

Dover Downs Casino: On the brink

Written by Administrator

Saturday, 22 November 2014 17:15 -



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Mike Brown plays craps at Dover Downs Casino earlier this month. (Photo: KYLE GRANTHAM/THE NEWS JOURNAL)

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Story Highlights

- Dover Downs stock price: 2006: \$19.64; 2014: 72 cents
- Slots tax rate 1994: 12.5%-30%; 2014: 43.5%
- Debt: \$42 million
- Contribution to state budget: 2014: \$74.2 million

Dover Downs has serious problems:

- Regional casino competition has more than doubled in recent years.
- Banks demanded the casino's mortgage as collateral when executives recently refinanced \$42 million in debt.
- Its stock price, which once stood at \$19.64, closed at a record low of 72 cents this week, making it more difficult for casino leaders to raise capital.
- Its tax burden is the largest in the region at 43.5 percent.

After spending \$283 million to build and later expand the casino over the past 18 years, its owners say they are fighting for their lives. And its fate has a direct impact on central Delaware

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and state taxpayers.

Dover Downs contributed \$74.2 million to the state budget last year, helping foot the bill for public education, public employee salaries and health care.

It is among Dover's largest taxpayers and electric customers and is one of its most significant employers, cutting checks to more than 1,500 workers. About 300 additional employees work at the casino but are employed by subcontractors, such as custodians.

"They are a huge pillar to our local economy," said Dover City Manager Scott Koenig. "If Dover Downs were to go away, it would take significant growth to just fill that hole."

That growth would not come overnight, he added.

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