

First casino opens, but Anne Arundel slots in limbo - Explore Howard County

Written by Administrator
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Gov. Martin O'Malley pulled the ceremonial first slots lever Sept. 30 at the grand opening of Maryland's first casino, three days after Hollywood Casino

Perryville's 1,500 slots opened for business.

A second casino with 750 slots is slated to open in December at Ocean Downs, in Worcester County.

But Maryland's most lucrative slots site, of the five approved for slots in a 2008 statewide referendum, is stuck in a electoral battle in Anne Arundel County. A county referendum — called Question A — on Nov. 2 will determine whether the casino proposed being built near Arundel Mills mall, licensed for 4,750 machines, gets the go-ahead or the boot.

"It's the No. 1 proposal for funding vital services like fire and police, and the education trust fund," said Todd Lamb, the campaign manager for Jobs and Revenue for Anne Arundel County, a pro-slots group. "There is no road map for bringing revenue to our county without going forward with Question A."

Revenue from the 15,000 total slots Marylanders approved in the 2008 referendum primarily goes toward education, but 9.5 percent of it goes to the horse-racing industry. The state initially promised slots would bring in \$600 million for education by fiscal year 2012.

The state loses out on \$650,000 each day the slots at Arundel Mills are not running, said Jeffrey Hooke, a Bethesda-based gambling expert.

But one company involved isn't too upset about the delay.

Penn National Gaming, which owns Hollywood Casino Perryville, is a member — through the Maryland Jockey Club, of which it is a part-owner — of a coalition that is opposed to the slots at Arundel Mills, said Eric Schippers, the company's senior vice president of public affairs.

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Penn National is giving financial support to groups campaigning against Question A, Schippers said, because the company thinks putting slots at the Laurel Park racetrack, which it co-owns, is a "far superior" option. Slots at the racetrack would create more jobs and generate more revenue in less time than would Baltimore-area developer David Cordish's proposal next to Arundel Mills mall, he said.

If Anne Arundel voters reject the zoning ordinance allowing Cordish Cos. to build a freestanding structure for the casino, Schippers said Penn National could have an interim facility running in as few as 90 to 120 days after approval by the state's Video Lottery Facilities Location Commission.

Penn proposal could take years

Not so fast, said Donald C. Fry, the commission's chairman.

"In the event the voters choose to vote down Question A, we're back to square one," he said.

The delay could be measured in years, Fry said, meaning the loss of a significant amount of revenue from what is considered to be the prime location for slots in the state.

First, the Anne Arundel County Council could elect to rezone the county for acceptable slots locations after its new council members take office in December. Passing the original zoning ordinance took about a year, Fry said, and the Facilities Location Commission would not request new bids for the county until after a new zoning ordinance passed.

Then, the commission would need another nine months to receive and evaluate proposals, which Penn National would have to submit with a licensing fee of \$3 million for every 500 machines requested.

"You're still looking at a year or two," Hooke said. "And you can assume there'd be some sort of

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lawsuit to further delay the process as some sort of revenge.”

Even after potential rezoning, Penn National would still face a state law prohibiting a company from having more than one slots license in Maryland. Schippers said the company would seek a legislative amendment that would permit it to operate slots in both Cecil and Anne Arundel counties.

“If the voters speak clearly, overwhelmingly, we’re hopeful the legislation would move quickly to support the will of the voters,” Schippers said.

Lamb said he doesn’t see how it’s possible to have slots at the racetrack because of the one-license law. He and other supporters of the proposal at Arundel Mills have been campaigning door to door to correct the misconception that the slots would be inside the mall, and therefore more accessible to those under the legal gambling age of 21.

“It will be a separate, freestanding structure,” Lamb said. “There will be as many green men from Mars as there will be people under 21 in that building.”

David Jones, the chairman of No Slots at the Mall, is more worried about the lower quality of life and increased traffic the casino will bring to the community around Arundel Mills.

“It’s an argument about location,” he said. “We are not against slots in Anne Arundel County. We need to pick the right location where slots should be. If we don’t get this right, the consequences could be disastrous.”

Jones also said he worries that the current zoning ordinance could open other areas of the county for slots should another statewide referendum authorize additional machines in the county.

But the delay and Penn National’s involvement with the referendum are not beneficial to the

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state, Hooke said.

“If they weren’t involved, it would be half built,” he said. “Penn National is basically hurting the state’s fiscal situation.”

Revenue from the casinos in Perryville and at Ocean Downs will be pocket change for the state, Hooke said, compared to the potential revenue from slots in Anne Arundel County and Baltimore, which was approved for 3,750 slots.

The proposal for the latter, by Baltimore City Entertainment Group, was rejected after the group missed deadlines to pay fees and submit plan updates. It has appealed the decision, according to information from the Maryland State Lottery Agency.

Slots also will be allowed in Allegany County near Rocky Gap Resort, in Cumberland. Bids to operate a maximum of 1,500 slots at this site are due Nov. 9.

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