

Chicago casino magnate bets big on Beacon Hill with lobbying push

Written by Administrator

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Gambling man Neil Bluhm is placing a big bet on Beacon Hill.

The Chicago real estate magnate's Mass Gaming and Entertainment venture spent \$430,000 on outside lobbyists in 2018, according to newly released state records, in an effort to win that elusive third resort casino license in Massachusetts.

That eye-popping amount vaulted Mass Gaming from being just a minor player on Beacon Hill, dropping a token \$10,500 in 2017, to the third-largest — behind the frequent big spenders Partners HealthCare and MassBio.

The Mass Gaming lobbying team — Rasky Partners, Keswick Consulting, and Smith, Costello & Crawford — returns for more action in 2019. The mission: to build support for a \$700 million casino in Brockton that Bluhm would develop with property owner George Carney, who runs the betting parlor at the former Raynham Park dog track.

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Bluhm and Carney have been here before: The Massachusetts Gaming Commission rejected their Brockton pitch in 2016, with a vote of 4 to 1.

The commissioners were unimpressed by the design; they wanted a “wow factor” that the project didn't deliver.

The bigger issue: the possibility that the Mashpee Wampanoag tribe could open a casino down the road in Taunton, potentially saturating an increasingly crowded gambling market.

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But the tribe's prospects have grown murky, in part because of a lawsuit that Bluhm helped finance. The Interior Department dealt the tribe a bad hand in September, when it ruled the Taunton land could not be placed in trust for a tribal casino on reservation land, blocking significant tax benefits that come with that designation. That prompted the tribe's backer, the Malaysian gambling outfit Genting, to book an impairment loss of more than \$400 million.

With the tribe's prospects faltering, Bluhm stepped up his local lobbying. His venture asked the Gaming Commission last year to reconsider the Brockton proposal. The debate about the state's southeastern zone — state law allows one resort-style casino in the area, known as Region C — was back on.

Just this week, Mass Gaming's lawyers sent a strongly worded letter to the commission, saying "Region C has been neglected and once again left behind." They point to the quickly changing market. A new Tiverton, R.I., slots parlor, just over the state line from Fall River, and the MGM casino in Springfield opened within weeks of each other. And opening day for the Big Kahuna of New England casinos, Wynn's Encore Boston Harbor, is less than five months away. Only Region C, Bluhm's lawyers at Goodwin wrote, has remained stagnant.

What about market saturation? Mass Gaming pointed to a consultant's projections that show the state's gaming market would increase by \$270 million in revenue annually after the Brockton casino opens. The pie would still grow, even as the incumbents get smaller pieces. (MGM's take, meanwhile, has fallen short of expectations, and the two big casinos in Connecticut regularly report declines in slots revenue.)

A commission spokeswoman declined to comment, other than to say it will revisit Region C soon.

Meanwhile, Genting and the Mashpee Wampanoags say they are still in the hunt — though they need an act of Congress now. The setbacks contributed to discord within the tribe's leadership, but Chairman Cedric Cromwell appears to have survived, as the tribal council voted on Wednesday to reinstate his fiscal authority. Cromwell issued a statement that essentially blamed Bluhm's meddling for the delays in Taunton and expressed hope about the tribe's bill in a new Congress.

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If this aggressive Brockton push doesn't pay off, Bluhm has one more ace to play. The Legislature will consider bills to legalize sports gambling this year, and you can bet that Bluhm's lobbying squad will ensure his interests are well represented. Once you've anted up in this game, it can be hard to walk away.

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