

Written by Administrator
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If there were ever a sure bet in the world of Pennsylvania casino gambling, conventional wisdom puts all chips on Nemaacolin Woodlands Resort in Fayette County as the hands-down favorite to walk away with the state's last casino license.

The deadline to grant the license is fast approaching.

Gaming Control Board Chairman Greg Fajt said a decision will be made before the end of the year. The board is holding eligibility hearings for each of the four applicants on Tuesday and Wednesday at The State Museum.

While the proposals for a casino a mile from Gettysburg's "hallowed ground" and for an "RV world" casino in Hampden Township have received most of the media attention, neither is the front-runner in this race.

The Gettysburg proposal must overcome a concerted national public relations campaign against it.

As for the RV world proposed for the Holiday Inn Harrisburg West on the Carlisle Pike, it first must survive the eligibility hearings.

Those hearings will determine, among other things, whether a recreational vehicle camper counts as a hotel room. If the answer is no, the competition immediately narrows to three. Without the RVs, the hotel doesn't have enough rooms for a casino license.

Fernwood Resort in Monroe County is a contender but runs a distant second in part because its Poconos location near other casinos in Pennsylvania and New Jersey might limit its ability to generate the kind of return the state is seeking.

Then there's Nemaacolin.

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"We're a destination in and of itself," said spokesman Jeff Nobers.

Nemaquin is ranked among the 500 best hotels in the world by Travel & Leisure magazine. It includes a hotel inspired by Frank Lloyd Wright, a chateau modeled after the Ritz Paris, a Tudor-style lodge, luxury homes and, yes, even an RV park.

The property has two golf courses, played by Tiger Woods. It has one of the largest wine cellars in Pennsylvania. The Lautrec restaurant is one of fewer than 50 in the world to receive both a five-star rating from Forbes Travel Guide and a five-diamond rating from AAA. There are two additional fine-dining restaurants, 12 casual-dining outlets, and 12 bars and lounges.

There's a 140-acre sporting clay shooting range and fly-fishing expeditions. There are five swimming pools, tennis courts, a 32,000-square-foot spa, four museums and a \$45 million art collection. There's an adventure center with climbing walls and paintball range, ski slopes, a bowling alley, even a zoo ... with lions and tigers and bears!

From that perspective, Nemaquin can look like the Queen Mary cruising blithely through a clutch of dinghies and garbage scows.

But Nemaquin is not taking anything for granted.

"We don't believe we're a shoo-in," Nobers said.

But it does believe it is the most-qualified candidate under the law and the one best able to add jobs, enhance local tourism and generate the most new money for the state.

Chris Plummer, Nemaquin's general manager, notes that the gaming law requires the available license to go to a "well-established resort."

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Last year, he said, Nemaacolin drew 350,000 visitors, “so right off the bat, we’re at 350,000 people qualified to enter the casino.”

The law requires a person to be a patron of the resort before entering the resort’s casino, although the requirement is only a \$10 purchase of resort services.

Nemaacolin’s nothing if not well-established.

Just look at how much each proposal has spent on lobbying.

Since 2009, the group behind the Fernwood proposal in the Poconos has spent \$231,137. The group behind the Gettysburg proposal has spent \$91,499. Even the RV world in Mechanicsburg — at \$25,300 since April — has spent more on lobbying than Nemaacolin, which according to state records has spent just \$21,651.

Either the expense reports aren’t accurate or Nemaacolin is confident that lobbying is no key to winning.

Richard Gmerek, the storied Harrisburg lobbyist who famously killed the state’s lobbyist-disclosure law and was then appointed by Gov. Ed Rendell to the committee charged with writing a new one, represents Nemaacolin.

The gaming law, Gmerek said, “was written with places like Nemaacolin in mind.”

Indeed, some now grumble it was written with Nemaacolin specifically in mind.

After the law was passed in 2004, the Pittsburgh Post-Gazette reported that Rep. H. William DeWeese, the House Democratic leader at the time, said the owner of Nemaacolin had been

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“bugging him for the last decade to allow gambling at resorts in Pennsylvania.”

Campaign expense reports show the Hardy family — owners of Nemacolin and 84 Lumber — had been donating to DeWeese as well as “bugging” him.

DeWeese said the “resort casino” section of the law was narrowly written to exclude many other properties because “no one wanted some fly-by-night, surface tent operation to invade the commonwealth. We wanted it to be a high-end destination where the gaming opportunity would be augmented by a variety of other amenities.”

There’s no question Nemacolin fits that bill.

Its piddling expense on lobbying might be misleading, though.

The most effective lobbyists often are more consigliere than cheerleader.

Instead of whispering in the ears of lawmakers, Gmerek hooked Nemacolin up with his friend and lawyer John Estey at Rendell’s old law firm Ballard Spahr.

Estey represented Gmerek when the lobbying law was overturned. Estey also served as Rendell’s chief of staff and was succeeded by Fajt, the current chairman of the Gaming Control Board.

The Ballard Spahr attorney of record for Nemacolin on its Gaming Control Board filings is Adrian King, Rendell’s former deputy chief of staff who also served as the governor’s liaison to the Gaming Control Board.

“Lots of folk leave the political world, and that’s the business they go into today,” said Nobers,

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Nemaacolin's spokesman.

Estey and King "understand how government works, and they have a level of knowledge and expertise [we] obviously don't have," Nobers said.

The Ballard Spahr team also represented the Valley Forge casino in its successful bid for the first resort casino license, a competition from which Nemaacolin withdrew.

That win is significant as well.

Gmerek said John Estey is "my best friend, a brilliant lawyer and was able to get Valley Forge a license. ... That told me I should recommend my old friend to Nemaacolin in this process."

But the ace up Nemaacolin's sleeve might be a recent study that shows its proposal stands to generate more new money for the state than any other.

Each of the four proposals likely will draw business away from established Pennsylvania casinos; the question becomes how much. Subtract the cannibalization of other casinos from total revenue projections and you get the "new money" generated for the state.

Nemaacolin's study shows it would produce \$65 million in new money by 2013 — more than \$13 million more than any of the other three applicants.

According to the study, Gettysburg comes in second at \$51.7 million, followed by RV world on the Carlisle Pike at \$44.7 million and Fernwood at \$42.3 million.

It's not just about location; it's also about clientele.

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More than 60 percent of Nemaacolin's customers come from outside Pennsylvania. Those who come from the state generally are not part of the demographic that otherwise would be going to a Pennsylvania casino.

"Demographically, psychographically, income-wise, we're talking two totally different groups of people," Nobers said. "If we don't get a casino license, we're still going to draw the people we draw."

"But we won't be looking at 85 percent occupancy, and that's a lot of jobs," said Plummer, Nemaacolin's general manager.

And a lot less money for the state.

"There aren't many resort-driven casinos out there, and people flock to them," Plummer said. "No other casino in Pennsylvania is set up like [Nemaacolin would be], and no other applicant will be. ... Eventually, 10 years from now, we will end up with a saturated casino market, and then it comes down to, what have you got?"

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