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## Casino developers pull together

### Companies push for expansion of gambling in state

By MAUREEN MILFORD / The News Journal  
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Three developers hoping to build casinos on the Christina, Brandywine and Delaware rivers in Wilmington are joining forces in the fight to expand gaming in Delaware beyond the three horse racing tracks.

"The first goal is to advance public policy of gaming expansion," said Joe Petrilli of The Petrilli Group and the lobbyist for Hannalily LLC, the group that has proposed riverboat gambling in the Delaware River off a pier in Penns Grove, N.J.

Lobbyists think their chances will be improved if they cooperate in what they call "a perfect storm" of circumstances. Wilmington is facing a fiscal crisis. Pennsylvania has approved gaming, and a racetrack and slots casino is being built in nearby Chester. Several bills to approve gaming are pending in Maryland's legislature. If both states offer gambling, studies estimate that Delaware could lose \$130 million of the approximately \$200 million it takes in from slot operations annually.

Last month, legislation -- HB 25 or the Video Lottery Competitiveness Act of 2005 -- was introduced that would create a new video lottery redevelopment district. The district includes three locations on the Christina, Brandywine and Delaware rivers:

- A floating casino on the Delaware River near Penns Grove, N.J., proposed by Hannalily that would be docked off a former ferry pier at the foot of West Main Street.
- A \$200 million project called Riverfest Slots that includes a 240-room hotel and casino development on about five acres on the Christina River at South Walnut and A streets. It first was proposed in 2003 by Delaware Program LLC.
- A \$300 million resort-style development unveiled in March called Diamond Casino Resort on 50 acres on the Seventh Street Peninsula, which is bounded by the Brandywine and Christina rivers. The developer is Diamond Entertainment Group.

The gaming bill gives the state lottery director the option to award a license to all three sites -- or just one location. The developers think action on the bill is unlikely before the next legislative term, which begins in January.

Michael Flynn, executive director of Delaware Program, said the main opposition will come from the existing race tracks, now the only approved sites for slots in Delaware. Although Gov. Ruth Ann Minner is unlikely to support the legislation, she has not said she would veto it. The original law allowing slot machines passed with former Gov. Tom Carper's signature.

Among other provisions, the bill calls for the lottery director to make the site selection based on accessibility of the casino and the ability to have the casino built and open for business within 18 months of being chosen.

With that in mind, the three groups are keeping their individual horses in the race, while having conversations about joining together, possibly in the development on the Seventh Street Peninsula.

"All the projects are still in the hunt," said Mark Kleinschmidt, president of MAK Associates and operations manager with the Seventh Street Peninsula group.

Because the riverboat casino near Penns Grove and the hotel-casino on Walnut and A streets have been in the works for several years, their representatives said those projects could be up and running within months.

"Our projects are all very different in scope," Flynn said. For example, the Riverfest project does not call for the development of restaurants or shopping but for patrons to visit the shops and eateries along the Riverfront.

Gordon DelGiorno of Wilmington, who said he is an occasional gambler, said the prospect of three gambling venues could create a "culture of gambling" in Wilmington that might not be healthy for the community. He also wonders if the area can support several gaming sites. He would like to see only one venue approved, but not all three.

Next Wednesday, the House Gaming & Parimutuels Committee will hold a hearing at which the developers will bring in gaming experts to testify about the creation of a world-class entertainment destination.

And last week, Wilmington City Council passed a resolution asking the General Assembly to pass the gaming legislation. The bill establishes a Wilmington Fund that would receive \$10 million or 4 percent of the net proceeds (or whichever is greater) of the casinos for the benefit of the city.

In addition, Carpenters Union Local 626 is supporting the bill.

"If we weren't working together we would have no chance at expanding gaming in Wilmington," Claire M. DeMatteis, the lobbyist for the Seventh Street Peninsula project.

But lobbyist said it's unlikely the bill would pass in this legislative year.

"There's zero percent chance it will come up for a vote," this year, Flynn said.

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