

Here's a Clever Way to Bring Slots to Miami

Written by Erik Bojnansky, Senior Writer
April 2014

Hold a horse race in a parking lot, co-host a nonprofit, hire heavyweight lobbyists

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hen executives from the Genting Group announced their intent to build a gigantic casino resort in Miami's Omni area three years ago, they didn't mention anything about horse racing.

Yet horse racing is the key to the Malaysian conglomerate's latest scheme to bring gambling to Miami's Biscayne Corridor.

No, a racetrack won't replace the Miami Herald building. Instead, Genting wants to partner with Gulfstream Park in Hallandale Beach and two associations representing thoroughbred racehorse owners in a venture that could enable Genting to open a casino with 2000 slot machines, poker card rooms, and betting for televised racing events.

Such a casino will be far smaller than Genting's original plan to build a \$3.8 billion resort casino on a 30-acre swath of territory that includes the old Miami Herald building, the Omni Mall complex, and the historic Boulevard Shops. Back in September 2011, Genting sought to build a 24-hour mega casino called Resorts World Miami that featured up to 8500 slot machines and Las Vegas-style table games. Unfortunately for Genting, the state legislature failed to pass a casino resort bill in 2012, although Genting hasn't given up on the idea. (More on that later.)

Actually, casinos of any size are still illegal in Miami's downtown area, but that might change. Two bills are pending in the state legislature that, if passed before the legislative session ends May 2, could allow Genting to open a Miami casino by the end of this year. How large a casino depends on which bill passes.

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Lonny Powell, CEO of the Ocala-based Florida Thoroughbred Breeders and Owners Association (FTBOA), hopes the legislature passes HB 1383, the house bill that would permit the smaller version. His organization is one of two groups partnering with Genting and Gulfstream to set up a 2000-slot casino. Some of the proceeds, Powell says, would help the state's sizable thoroughbred horse-breeding industry, fund programs for injured jockeys, bankroll a charity that pairs retired racehorses with caring humans and organizations, and enhance purse prizes.

"We're aiming to get all this done now," Powell says. "I think this deal is unprecedented in terms of racino deals [combined racetrack and casino], *unprecedented.*"

The Genting Group and the company's main lobbyist in Tallahassee, Brian Ballard, didn't return phone calls from the *BT*, but if news stories published in local media are accurate, the casino would be set up within the former 600,000-square-foot Omni International Mall. (Three 60-story towers, a bay walk, restaurants, shops, and underground parking are planned for the site where the Herald building, or at least what's left of it, now stands.)

Even with just 2000 slot machines, the Omni casino would be among the largest in South Florida. Although smaller than the Seminole Hard Rock Hotel & Casino, which claims to have 2600 slots, the Omni casino would surpass the "over 1900" slots at Miccosukee Resort & Gaming and dwarf the slot inventory of legal gambling businesses like Miami Jai-Alai (1000 slots) and Magic City Casino (800 slots). Gulfstream Park only claims to have 850 slot

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machines.

John Kindt, a professor of business and public policy at the University of Illinois at Urbana-Champaign, says a downtown casino with 2000 slots will rake in hundreds of millions of dollars annually. Kindt, a fierce opponent of gambling who has studied casinos since the early 1990s, says each slot machine would earn at least \$300,000 a year.



But a windfall for the casino owners will come at a cost to the downtown area, Kindt argues. The more money slot machines take from an area, the less money its people have to spend on other things -- like entertainment, food, appliances, and rent. That'll soon translate to closed businesses and lost jobs. "Slot machines aren't generating anything [for the community]," Kindt asserts. "They're taking money away from people."

Frank Nero, a local business consultant who served 17 years as CEO of the Beacon Council, says an Omni casino could kill Miami's resurgence. "Slot machines aren't targeting high-rollers from Asia," says Nero, now president of Beacon Global Advisors, countering Genting's early

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claims that Resorts World Miami would attract rich “whales” from Asia. “These slot machines are targeting the elderly, the poor, and the gambling-addicted.”

It isn't just anti-casino activists who are against such an expansion. Current racino operators like John J. Brunetti Sr., owner of Hialeah Park Race Track, are opposed to Genting's plans as well. “I think we have enough gaming locations in the state,” says Brunetti, whose pari-mutuel has 882 slot machines. “I don't think we have to turn Florida into Nevada.”

Kindt agrees that Florida's existing gambling institutions should be wary of Genting's intentions. “It's going to be huge competition,” Kindt says of Genting's downtown casino. “It's going to be the 500-pound gorilla.”

Genting hasn't given up on its mega resort casino either. Neither have other out-of-state casino operators like Las Vegas Sands and Caesars Entertainment, which are still lobbying Tallahassee for the right to build gigantic casinos.

If passed, a *new* casino resort bill called SB 7052, which was drafted by the Florida Senate Committee on Gaming, would enable gaming companies to compete for the right to build two \$2 billion resort casinos -- one in Miami-Dade and one in Broward -- with 24-hour gambling and games such as blackjack, baccarat, and roulette. A proposed five-member Gaming Control Commission, appointed by the governor, would pick the top applicants for Miami-Dade and Broward.

But SB 7052 won't move forward until *after* Gov. Rick Scott negotiates a new gaming compact with the Florida Seminoles. Scott hopes to double the amount Florida receives from the Seminoles in a new compact, according to a recent News Service of Florida article.

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