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Grand Prairie mayor says Lone Star Park could get hotel-casino

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AUSTIN -- The prospective new operators of Lone Star Park at Grand Prairie are committed to building a luxury hotel-casino on the grounds of the horse racetrack if Texas approves a major expansion of gambling, Grand Prairie Mayor Charles England says.

With lawmakers reopening the debate on gambling as a potential new revenue source, England and other community leaders are making a concerted push for the destination-style casino to financially reinvigorate the 13-year-old track, which, like others in Texas, has been weakened by out-of-state competition.

Proponents also envision the casino as a highly compatible addition to the area's entertainment-oriented economy, which includes such mainstays as Arlington's Dallas Cowboys, Texas Rangers and Six Flags Over Texas and Grand Prairie's Verizon Theatre. Having a top-flight resort-casino amid the other venues could draw tens of thousands of out-of-state visitors, propelling efforts to make the region a premier tourist destination, supporters say.

Global Gaming Solutions, a 2-year-old subsidiary of the Chickasaw Nation in Oklahoma, is poised to become Lone Star's new operator after a bankruptcy judge approved its \$47.8 million bid last year. The Texas Racing Commission is widely expected to approve Global's license and management application at its September meeting.

The current operator, Magna Entertainment Corp., filed for Chapter 11 bankruptcy protection last year but is continuing to run the track pending the management change. Lone Star is owned by Grand Prairie.

England said Global Gaming officials have assured him that they will build a top-quality hotel, including gambling, on the 240-acre grounds if the Legislature and Texas voters clear the way for casino gambling. Texas racetracks are also pushing legislation to authorize racetrack slot machines to put them on equal footing with tracks in other states.

"I've had conversations with [Global Gaming] about it, and they know we expect them to build a luxury hotel on the site," said England, who also is president of the Grand Prairie Sports Facilities Development Corp., which oversees the track. England said Global Gaming's commitment to a hotel-casino would be written into its agreement with the city "so there is no misunderstanding about what we expect and what we require."

Kym Koch, spokeswoman for Global Gaming, said the subsidiary declined to respond to England's statements because Texas has not approved casino gambling.

"Gaming in Texas is not allowed at this point, so we'll address the issue when and if it arises," she said in an e-mail. "We are aware of where the Mayor stands on the gaming issue and that he would prefer a hotel at the track, but again it's premature for Global to comment on the issue at this time."

Koch also said Global Gaming "is committed to making Lone Star Park a success, and to that end the company will support whatever the horse owners at that track are supporting."

On its website, Global Gaming touts its "significant experience in gaming management," with an emphasis on "high quality, cost effective and high efficiency operations." One of its primary focuses, the company states, is "pursuit of gaming and related opportunities in emerging jurisdictions that are introducing gaming or racinos [racetracks with slots or casinos] in the United States and overseas."

In January, Global Gaming took ownership of Remington Park, a racetrack with a casino, in Oklahoma City. Thousands of Texans flock to the Chickasaw Nation's WinStar World Casino just across the state line in Thackerville, Okla., an upscale complex that includes the casino, two hotels and a golf course. Koch said Global Gaming is not involved in that operation.

Global Gaming has announced plans for \$1 million in improvements to Lone Star Park, including upgrades near the entrance and in the VIP lounge, Koch said. The company's overall goal, she said, is to ensure "the long-term success of the track."

Efforts to expand gambling collapsed in the 2009 Legislature, and proponents acknowledge that they still face stiff odds in the 2011 session, which convenes in January. But the state's projected \$18 billion budget shortfall has given gambling supporters a potent new argument for a lucrative revenue source.

Tough battle ahead

Expanding gambling would require a constitutional amendment and thus a two-thirds vote of the Legislature. Voters would have the final say in the November 2011 election. Powerful opposition forces -- including religious organizations and residents groups fearful of the negative social consequences of gambling -- are regrouping to beat back the measures.

"There will be the typical resistance, but we think we've educated a few more people," said Jack Pratt Sr., chairman of the Texas Gaming Association.

Pratt said at least seven or eight major casino developers that he declined to identify are prepared to build resort-style complexes in Texas and are seriously considering three prime sites -- Houston, the Dallas-Fort Worth area, and a Central Texas region that includes San Antonio, Austin and Round Rock.

Andy Abboud, vice president of government relations for the Las Vegas Sands Corp., said his casino development company is also eyeing Texas and considers Dallas-Fort Worth "a very attractive" potential site. Pratt and Abboud, as well as England, were among a diverse lineup of witnesses who testified before a legislative hearing on gambling last week.

The Fort Worth Stockyards have often been mentioned as a potential casino site. But England, a longtime Republican, and his son, state Rep. Kirk England, a former Republican who is now a Democrat, are working together in a bipartisan push to bring a hotel-casino to the Lone Star grounds.

"I'm certainly hopeful for and have a strong desire for a hotel facility in Grand Prairie there at the track," said the younger England, whose district includes Lone Star Park.

He said the hotel would be a premier destination that would enhance the park and should "absolutely" include casino gambling if a measure wins approval.

Texas tracks suffering

Lone Star Park, which opened in 1997, is one of the state's three Class One tracks, along with tracks in Harris County and San Antonio, and was the site of the prestigious Breeders Cup in 2004. But all of the state's 13 horse and dog tracks have lost business to tracks in neighboring states, which permit slot machines and casinos.

Andrea Young, president of Harris County's Sam Houston Race Park, said in written testimony for last week's hearing that the financial condition of Class One tracks has sunk to the point that thoroughbred racing may have to be consolidated at one track to "produce a quality product for our fans."

"It is clear that Texas tracks are close to being pushed out of business," she said.

Drew Shubeck, Lone Star's president and general manager, said attendance is about the same as last year -- about 6,800 customers a day -- but has trended downward over the past five years. Gambling on races has dropped by 11 percent over the previous year, he said.

Consequently, the push for a track-side casino has emerged as a major Grand Prairie initiative.

"Our track needs help," England told lawmakers last week, saying that "you don't need to drive very far from Grand Prairie" to see a proliferation of Texas license plates at the WinStar complex in Oklahoma.

"A significant amount of money is going out of state," he said. "We'd like to keep it at home."

Lynn McGinley, president of the Grand Prairie Chamber of Commerce, acknowledged that there will likely be people on both sides of the issue but said a top-flight casino-hotel would be a major economic boost for Grand Prairie and the surrounding area.

"From an economic benefit, if we are able to bring a destination resort to our area, I think we all benefit from it," she said, predicting that the casino would attract more tourism to the area, boosting restaurants, hotels and purses at the track.

"All the states surrounding us have casinos with their tracks, and that's putting us at a competitive disadvantage," Grand Prairie City Manager Tom Hart said.

"We have a \$100 million investment sitting out there that needs to stay competitive. That's why we're taking the position we are."

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