

Study finds dog tracks losing money on racing, winning in gaming rooms

By LANCE SHEARER

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There are no dogs at the dog track, but that suits the owners just fine.

Racing is suspended until November at the Naples-Fort Myers Greyhound Racing and Poker in Bonita Springs. And if the track's owners had their way, they would get out of the greyhound racing portion of the business altogether.

"We lose upwards of two and a half million (dollars) racing dogs," said Izzy Havenick, vice president/director of political affairs for Southwest Florida Enterprises, the family firm that owns the Bonita track as well as the Flagler greyhound track in Miami. "But without the dogs, we wouldn't be able to play poker."

Bonita Springs is not alone. The track's lost revenues mirror what's happening across the state, according to a study released earlier this month. Florida's 13 greyhound tracks are losing a combined \$35 million a year on dog races, and are now depending on poker rooms to stay afloat, according to the study.

Revenue from greyhound racing has dropped from \$77.2 million to \$3.7 million from 1985 to 2012, while jai alai, a sport involving a ball bounced off a walled space, is down from \$29.7 million to \$378,000 over the same period. The two are lumped together, along with horse racing, under the label of pari-mutuel gaming.

To save costs, pari-mutuel operators have reduced the number of races and, in the case of jai alai, the number of players on a roster. Greyhound operators also have proposed running races with just two dogs in each race to meet state operation requirements.

But at the time those revenues have been decreasing, the money from poker has been increasing. In fiscal 2011-12, the Naples-Fort Myers Greyhound Racing and Poker brought in \$6.49 million, up from \$6.21 million the previous year.

The state's report on the gambling issue was preliminary — additional findings are due in October. The study declares that Florida — despite opposition to the growth of gambling by powerful players such as Walt Disney World and the Florida Chamber of Commerce — is already "a major gambling state, with a wide array of options."

More important, the gaming industry is going to grow, with state regulation or haphazardly without it.

“Intentionally or not, the policies established by lawmakers — or the lack thereof — play a critical role in the evolution and expansion of gaming,” according to New Jersey-based Spectrum Gaming Group, which did the study. “Indeed, in the views of many, the evolution and expansion of gaming are largely synonymous. The industry rarely shrinks, and quite often, expands as a result of expansion.”

The study comes as the state Legislature is expected to tackle the future of gambling during the 2014 session. In a memo to the Senate that accompanied the study, Senate Gaming Committee Chairman Garrett Richter, R-Naples, said his committee will “review gambling statutes, to address the ambiguities, inconsistencies, and exceptions in current law, and to craft an action plan.”

Reached by telephone, Richter said that change has to come to the way gambling is regulated in Florida.

“Clearly, pari-mutuel is in rapid decline,” he said, adding the Spectrum survey will give legislators the benefit of “a baseline of meaningful options, not just stabbing in the dark,” as they consider the future of gambling statewide.

“Casino gambling is already in Collier County,” Richter pointed out, at the Seminole Casino Immokalee. Residents of Bonita Springs voted in a supermajority to allow slots along with the poker and simulcast racing at the Bonita track, he said.

“For me, that has meaning. I am marching forward with an open mind. I’m not committed to either side. A number of my colleagues (in the Legislature) have chosen a side. I haven’t done that,” he said.

Hard times in the greyhound business have made strange bedfellows. The pari-mutuel operators’ interests have now become aligned with the animal welfare activists, after years of being on opposite sides of the track.

“I wasn’t surprised by the findings. Live dog racing doesn’t make sense,” said Carey Theil, executive director of GREY2K USA, a national greyhound rescue and advocacy group based in Arlington, Mass. He supports the racetrack owners’ desire to end the races and focus exclusively on other forms of gambling such as poker.

“What you’ve got are profitable poker rooms that happen to have dogs running around in circles with no one watching,” he said, adding the racing greyhounds are “suffering injuries and enduring lives of confinement for nothing.”

The live racing mandate is indefensible, he said, and amounts to a state subsidy for greyhound kennel owners, “most of whom live out of state.”

Saturday night, the poker room at Naples-Fort Myers was busy. More than 100 players sat around tables nursing large or small piles of white \$1 chips, purple \$2 chips, red \$5 chips and a few green \$25 chips, while dealers shuffle and deal hands of Texas Hold ’Em and Omaha. The sound of the chips clicking against each other on the tables is constant.

Other “gamers” sit at video monitors, betting on races simulcast from remote tracks — dogs, horses and automobiles. Many of the gamblers say ending dog racing at the track wouldn’t affect them.

“I’ll do a few races, but it’s mostly poker,” said Bob Chamberlain of North Naples. “Dogs are dying. I lost a little tonight — \$60 — but it’s mostly for fun, socializing. I play with the same people all the time. We’ve known each other for years.”

The News Service of Florida contributed to this report.



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