

## Md. Near Awarding 1st Slots License

By John Wagner  
Washington Post Staff Writer

Maryland officials are poised to award the state's first slot machine gambling license to the Ocean Downs racetrack, a move its owner has said would allow betting to begin at the Eastern Shore location as early as Memorial Day weekend, according to several sources familiar with the process.

The anticipated action by a state commission Wednesday would mark a major milestone in the long-running effort to bring slots to Maryland, even as real uncertainties remain about the viability of other locations authorized by voters last year to bolster the state budget.

Ocean Downs, a family-oriented harness track five miles west of Ocean City, has sought permission to operate 800 slot machines, less than one-third the number allowed at the site by Maryland law.

Other bidders -- including those seeking to operate the two largest casinos envisioned by the state, in Anne Arundel County and Baltimore -- face obstacles that could delay operations past planned openings in 2011 or sink the bids altogether. The problems include a zoning battle and questions about the bidders' finances.

Still, the award of the first of five licenses advertised by the state will be "terribly significant, because it shows this arduous process is starting to move forward rapidly," said Gerard E. Evans, a lobbyist for the Maryland Thoroughbred Horsemen's Association. His group was a major backer of last year's ballot measure to approve slot machine gambling, a portion of whose proceeds will subsidize the racing industry.

After years of bruising legislative debate, the state received only four qualified bids in February to operate slots, and no one bid for the license to run one of five authorized locations. Potential operators collectively sought to install fewer than half the desired 15,000 machines.

Donald C. Fry, chairman of the seven-member state commission reviewing bids, said in an interview Monday that the panel is "getting very close" to a decision on Ocean Downs, the only bidder for a designated location in Worcester County.

Several people with knowledge of the process said commission members want to make a decision at a scheduled meeting Wednesday. They said it is possible a vote could be delayed until the next meeting, Oct. 7, but that nothing has emerged that is likely to derail the bid. The sources asked to remain anonymous because they are not authorized to speak publicly for the commission.

Ocean Downs is owned by William M. Rickman Jr., a Potomac developer whose holdings also include a Delaware horse track that has slot machines. Rickman did not return phone calls Monday seeking comment.

A recently completed report from a consultant retained by the Maryland commission found that Rickman and his associates were "qualified to be approved" for a slots license at Ocean Downs, saying that the applicant has "the financial resources to execute its business plan."

Fry's commission is scheduled to review information from a second consultant Wednesday.

The track's slots operation would need one additional sign-off, from the separately run State Lottery Commission. Lottery officials would make sure that slot machines have been properly installed and that construction has proceeded as advertised, said Buddy Roogow, the state lottery director.

Roogow would not comment on the timing of the award of a license but said he is not aware of any impediments to Rickman's planned Memorial Day launch.

"We would certainly support as early an opening as possible, because obviously the state is in need of additional revenue," he said.

Legislative analysts initially envisioned slots generating more than \$600 million a year for state education programs. That figure has been scaled back and is likely to be revised further in coming months as the outcome of other bids becomes clear.

The Ocean Downs site faces no noteworthy remaining hurdles from local officials, in marked contrast to a proposal to put 4,750 slot machines at Arundel Mills Mall in Anne Arundel County. The County Council has repeatedly delayed consideration of required zoning legislation amid neighboring homeowners' expressions of concern.

A zoning change is not needed at the racetrack, Worcester officials said Monday.

"We see slots as an extension of their existing operation, so there's no need for a zoning change," said Kim Moses, a spokeswoman for the county. "Everything seems on track."

Officials in Baltimore have embraced a plan to put 3,750 slot machines in a casino just south of the stadium where the NFL's Ravens play. Questions remain, however, about whether the group of bidders will come up with a licensing fee needed for that proposal to be formally considered by the commission.

In February, the group applied to operate 500 machines. The expanded plan will require an additional \$19.5 million fee, which had not been produced as of Monday, state officials said.

State officials indicated that the next proposal likely to be evaluated by the commission is for a location in Cecil County. Penn National Gaming has applied to put 500 machines at the site and possibly expand to 1,500 -- still short of the 2,500 allowed by law at the location.

A fifth site, adjacent to the Rocky Gap resort in Allegany County, drew no qualified bidders in February. State officials are considering reopening bids at that location, where as many as 1,500 machines are authorized.

The prospect of a slots parlor at Ocean Downs has long been opposed by many business owners in nearby Ocean City, who contend that it would compete for revenue with their beachside attractions.

A provision inserted into state legislation two years ago sought to address those concerns: It said that no one with a financial interest in the racetrack would be permitted to build a hotel within 10 miles of the property.