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Judges reject Foxwoods' appeal of its casino license revocation

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By Suzette Parmley

Inquirer Staff Writer

A Commonwealth Court panel has rejected an appeal by Foxwoods investors seeking to overturn the state Gaming Control Board's revocation of their license for the long-stalled South Philadelphia casino.

The 6-1 ruling, released Thursday, caps a tortuous four-year journey for the Foxwoods investor group, Philadelphia Entertainment & Development Partners L.P., which includes three high-profile friends of former Gov. Ed Rendell - Lewis Katz, a New Jersey entrepreneur; Center City developer Ron Rubin; and Comcast-Spectacor chairman Ed Snider.

Failure to meet several deadlines imposed by the gaming board led to Foxwoods' license revocation in December. The action - the first time the board has stripped a group of a \$50 million gaming license - prompted the investor group to appeal to Commonwealth Court.

"The board is gratified that the court affirmed upholding the board's procedures and the revocation of the . . . license, while also recognizing a licensee's ongoing obligation of maintaining financial suitability as a key component of the privilege to hold a casino license in Pennsylvania," Doug Harbach, spokesman for the Gaming Control Board, said Thursday.

Calls to Foxwoods attorney F. Warren Jacoby were not immediately returned. The investor group has 30 days to decide whether to appeal the ruling to the state Supreme Court.

The Foxwoods project was dealt a key setback when casino mogul Steve Wynn dropped out in April 2010, leaving the investor group scrambling to find a replacement. Neighborhood opposition remained strong against the casino, proposed for Columbus Boulevard between Tasker and Reed Streets, just north of a Home Depot and a Wal-Mart.

Foxwoods was to be Philadelphia's second casino.

The first, SugarHouse, on Penn's Landing, opened Sept. 23, 2010. Officials of that casino, which stands to benefit if it has no gambling competition in the city, declined to comment.

At a Sept. 15 hearing in Harrisburg, the investor group argued that the Gaming Control Board acted too swiftly on two key issues: whether the group was still financially able to build a casino, and whether the group had violated a series of deadlines set by the board.

Commonwealth Court Judge Patricia A. McCullough cast the lone dissenting vote, noting that the investors "vigorously disputed" the financial-suitability issue.

Harbach said the gaming board had not begun taking applications for the Foxwoods license. But since the revocation, state lawmakers, including Rep. Curt Schroder (R., Chester), have drafted legislation to put the second Philadelphia license out to bid.

Schroder's bill would make the license available to the highest bidder anywhere in the state. The measure was voted out of the House Gaming Oversight Committee last month and goes before the full House for debate. Though no action could be taken until the court ruled on the appeal of the revocation, Schroder has said that with Tuesday's ruling things could move forward on the legislative front.

Anticasino groups said they stood ready to prevent a second casino from being built in the city.

"If the license is rebid, that means every neighborhood in Philadelphia is now at risk of hosting a predatory casino," said Philadelphia lawyer Paul Boni, a board member of Stop Predatory Gambling, a national advocacy group. "Strong candidates include areas of high population density combined with economic desperation.

"In the event the license is reissued for the same or even a new location," Boni said, "responsible neighborhoods will continue to fight back."