

Idaho Statesman

Instant racing: Is it a bad bet?

Critics say Ada County is leaving the public out of big decisions at Expo Idaho.

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By spring, the Ada County-owned Turf Club at Expo Idaho could be filled with a couple hundred electronic gambling machines with flashing lights and spinning reels.

Proponents say the machines, which allow bettors to gamble on horse races run in the past, could infuse Idaho's cash-strapped horse-racing industry with hundreds of thousands of dollars in new revenue, saving jobs and preserving an Idaho tradition.

Opponents call the devices unconstitutional slot machines and fear the Turf Club will become a casino.

They also say the county has denied the public and Garden City officials a say in the decision to put a large-scale gambling operation on public property in the heart of the Valley. Critics also say Ada County commissioners are exhibiting a double standard — criticizing Eagle for supporting a private venture on county land and breaking their promise to not repeat the failed Dynamis energy project, in which citizens were shut out from having any say about the doomed project.

Ada County Commission Chairman Dave Case said critics might have a point, and next week he will ask fellow commissioners to consider seeking public input.

But Case said critics are wrong when they liken the Expo Idaho proposal to the Dynamis project, which occurred under a different set of commissioners, or to Eagle's terrain park, which is a landowner/tenant dispute.

INVOLVING THE PUBLIC?

The commissioners posted an agenda notice on their website that said "Turf Club remodel discussion" on Aug. 26. The notice contained no reference to the proposal to install 200 machines that allow bettors to gamble on historical horse races at the Turf Club, which also

would expand operating hours from 10 a.m. to 10 p.m. five days a week, to 10 a.m. to 2 a.m. seven days a week.

The meeting's only attendees were the three commissioners, county staff and two horse-racing leaders.

At that meeting, the commissioners unanimously voted to direct Ada County staff to work with Treasure Valley Racing on its proposal.

"You've got three thumbs up," Commission Chair Dave Case told Treasure Valley Racing President John Sheldon, according to a recording of the meeting.

Garden City Councilman Mike Moser would have liked to attend. But he received no notice.

"They want to add a new gambling opportunity that people will have to go through our city to get to and it is open 16 hours a day, seven days a week," he said. "I would have thought they would have had a more proactive conversation with us."

On Sept. 23, Moser said, Western Idaho Fairgrounds Manager Bob Batista and Sheldon briefed him and Garden City Mayor John Evans on the gaming machines and the remodel. "They basically said, 'Here is what we are going to do,'" Moser said.

Garden City officials said they worry about increased traffic and strained police resources with a casino-like facility that serves alcohol every day of the week. The fairgrounds are within Garden City limits, but are not annexed into the city, are not officially part of the city and are not under city control.

When Garden City sent an Oct. 24 letter to the county asking for a full public vetting, the county said that had occurred when the Idaho Legislature held hearings earlier this year on the bill before authorizing historical horse racing to begin on July 1, 2013.

The county also said its Aug. 26 meeting was the public's chance "to discuss historical horse racing at Les Bois Park."

"This is a major gambling operation right in the middle of our incorporated city boundary and we had no input," said Mayor Evans. "The public had no input."

A DOUBLE STANDARD?

County critics say the racing decision is reminiscent of Ada County's 2010 decision to spend \$2 million to help build the now-defunct Dynamis waste-to-energy project at the Ada County landfill. Commissioners resisted requests for public hearings and reviews of the contract, and the county lost its money. The controversy helped Case beat incumbent and Dynamis advocate Sharon Ullman in the 2012 Republican county commission primary.

This year, the commissioners chastised the city of Eagle for not formally notifying them of [plans to put a snowboard/tubing facility](#) at the city-operated, county-owned sports park near the landfill. Eagle has a 99-year, no-cost lease with the county for the 263-acre park.

“The city of Eagle has had five meetings where the public was encouraged to comment. Eagle formally ran public notices in the newspaper with flyers at the park and a door-to-door campaign,” Eagle Council President Mary Defayette said. The city posted a draft of the terrain park contract, site plan, water study, frequently asked questions and other material related to the terrain park on its website.

When Defayette pointed this out to Case at a September meeting, he responded, “I am not going to a city’s website to look stuff up.”

Defayette and Moser note that the only Ada County notification about the Turf Club remodel was the Aug. 26 notice on the county website.

“I think this is kind of ironic,” said Moser.

The county also took issue with Eagle’s allowing a private company paying for the terrain park to financially benefit from county-owned land. Eagle city officials now ask how that’s different from letting the private Treasure Valley Racing benefit from county-owned land.

“Is this a double standard?” Defayette asked. “You bet.”

Ada County officials say Eagle’s situation is different than Expo Idaho’s because the city is making changes to county-owned land without county permission and in violation of its lease agreement with the county. Officials also note that the city has a less-formal concessions contract with the terrain park operator, while the county has a lease and commercial agreement with Treasure Valley Racing. A commercial agreement provides more legal protection of a publicly owned asset, the county says.

DOES ADA COUNTY NEED MORE GAMBLING?

Ada County sees the revenue the Turf Club expansion would generate as a way to “stabilize the equine industry” and while benefiting “all Ada County citizens,” said Commission spokesman Larry Maneely.

Garden City officials question the benefit to Ada County citizens beyond racers and bettors. If instant racing generates more revenue, that money will stay in the Expo Idaho fund, going to improvements at Expo Idaho.

“We think the public needs to know that their asset is supporting expanded gambling in the valley,” Moser said.

Treasure Valley Racing's Sheldon told the commissioners that the Treasure Valley has the right demographics — lots of 50- to 65-year-old women who tend to like to gamble — and a lack of competition for instant racing to succeed.

According to Idaho Racing Commission documents, instant racing could generate a 400 percent increase in the Turf Club's purse in its first year. "Larger purses attract more horses, and those of better quality. More racing and more horses will mean more revenue and an estimated 200 new jobs in the agricultural sector, in the first year alone," said the commission.

But opponents note that instant-racing machines encourage players to sit, insert cash or vouchers and push buttons — even a "repeat bet" button — just like slot machines. And slot machines are against the law in Idaho.

"The only difference is there are pictures of horses going across the screen instead of cherries and lemons," said former Meridian Sen. Grant Ipsen, president of the Stop Predatory Gambling Idaho chapter and a member of the nonprofit organization's national board. "And they are unconstitutional."

In 1992, Idaho voters approved a constitutional amendment prohibiting gambling activities that "employ any form of casino gambling including ... slot machines" or "any electronic or electromechanical imitation or simulation of any form of casino gambling." Casino-style gambling at Indian casinos is legal because Native American land is considered sovereign and states have limited ability to regulate it.

Slot machines are illegal under the Idaho constitution, but pari-mutuel betting is legal. In pari-mutuel betting, players bet against each other in the same race and winners are paid from the wagering pool. The 2013 state law categorizes instant racing as pari-mutuel betting.

Jonathan Krutz, of Boise, who also sits on the Idaho and national boards of Stop Predatory Gambling, said Idaho's attorney general should conduct an investigation to determine if the instant racing machines are constitutional. He said his group has not decided if it will take any action if the machines are installed in Idaho.

Slot machines target people who can least afford it and people with gambling addictions, said Krutz. "It is their business model. That is the reason they are banned in our state. We are not that kind of state."

Treasure Valley Racing declined to discuss its plans until after it has renegotiated its lease with the county. But racing and county officials say state lawmakers fully vetted instant racing machines, which are legal in four other states, before passing the 2013 law and determined the machines to be both legal and benefit to the racing industry and the state.

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Read more here: <http://www.idahostatesman.com/2013/11/11/2863067/instant-racing-is-it-a-bad-bet.html#storylink=cpy>

