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Gaming board cold to Foxwoods moves to regain license

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They've rearranged the deck chairs on the Foxwoods Casino enterprise, as a different investor team tries to raise the sunken project.

But gaming regulators say they don't have the power - or desire - to return Foxwoods' revoked casino license.

Foxwoods lost its license last December and a new trio of lead investors is trying to get it back. They have asked to push back by 60 days a Sept. 14 hearing on an appeal of the matter in Commonwealth Court.

The Pennsylvania Gaming Control Board opposes a delay. In a filing Friday, it said the request was "just the latest in a series of attempts to postpone the ultimate resolution of this matter."

An attorney for the board, James Eisenhower, said it was "pure fiction" to think there could be an amicable resolution of the dispute that would eliminate the need for an appeal.

"The parties have not even discussed such a resolution, nor is it at all apparent that the board would have the ability to engage in such discussions," Eisenhower wrote.

The "unfulfilled and speculative promises of a future deal" were insufficient to reverse a revocation of the license or to allow "an eleventh-hour" delay, the filing said.

One member of the new management team, insurance broker Manuel Stamatakis, had no comment when reached by phone Friday.

Paul Boni, a lawyer and board member of the advocacy group Stop Predatory Gambling, said he believed that if the gaming board wanted to issue a license in Philadelphia, it would have to go through a full-blown request for applications.

"It would seem the board would have to start back at Square One with a public application process, just like what happened in 2005-06," Boni said.

Back then, the Foxwoods group was one of two selected by the gaming board to open casinos in Philadelphia from among five applicants.

The SugarHouse Casino, on Delaware Avenue in Northern Liberties and Fishtown, began business last September. But Foxwoods, on Columbus Boulevard in South Philadelphia, faced repeated delays and costly detours, which led to its license being revoked.

The core people steering the project were three high-profile friends of former Gov. Ed Rendell: Lewis Katz, a New Jersey entrepreneur and Democratic fund-raiser; Center City developer Ron Rubin; and Comcast-Spectacor chairman Ed Snider.

The new crew is high-profile Republican contributors, including Snider, Stamatakis, and Blue Bell developer Peter DePaul.

The shifting political profile of the group comes at an opportune time. Like the governor's office, the stewardship of the gaming board is now also in Republican hands.

Republican Gov. Corbett recently named William H. Ryan Jr., who worked for him as a deputy in the Attorney General's Office, as the new chairman of the board.

The three trying to salvage the Foxwoods project have had a longstanding interest in gambling in Philadelphia. A decade ago, they were part of an investor group that wanted to bring harness racing and slots to the Navy Yard.

In the court filing Thursday, they said they have had "direct discussions" with officials of the city, as well as Harrah's Entertainment.

City Solicitor Shelley Smith said that over the years, each new group aligned with the Foxwoods project has reached out to "ascertain the status of various issues involving the city."

"This group of investors is no different," Smith said, while adding that there were "no conversations" about extending the license appeal process.

A spokesman for Harrah's in Las Vegas, Gary Thompson, could not be reached for comment.

State Rep. Curt Schroder, a Republican from Chester County who chairs the Gaming Oversight Committee, viewed the change in management as coming too late.

"This appears to be a continuation of the pattern of delay and obfuscation on the part of those involved with Foxwoods," Schroder said.

Schroder has introduced a bill to open the process statewide for the second license reserved for Philadelphia.

State Rep. Michael O'Brien, a Democrat whose district is near the Foxwoods site, said that even if the group got its old license back, it runs out in December 2012. "They cannot get the project up and running by then," O'Brien said.

John "Johnny Doc" Dougherty, business manager of International Brotherhood of Electrical Workers Local 98, welcomed the prospect of a revived Foxwoods project.

"In today's economy, jobs and development are more a necessity than ever," said Dougherty, who lives near the proposed site.