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Merging of tracks may advance casino Deal is finally hammered out

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Suffolk Downs and Wonderland Greyhound Park race tracks finalized a deal yesterday to form a partnership that will reshape the state's racing industry and could have a dramatic impact on the debate over legalizing casino gambling in Massachusetts.

After nearly two years of contentious negotiations, the colorful owners of the two tracks came to terms in an effort to project a unified front that could help them obtain a lucrative license to open a resort casino.

"We have been working on this kind of agreement for a while, but the time has been well spent, because we now have gotten it right," Richard Fields, principal owner of Suffolk Downs, said in a statement. "We have today an

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excellent understanding that will commit the joint resources of our companies to the goal of a premium resort-style casino which will bring new jobs to the area."

Details of the agreement were not made public. But one person briefed on the partnership said it spells out several different scenarios, including a massive resort-style casino, slot machines at the tracks, and a new commercial development. Any gambling expansion would hinge on state approval.

Under any scenario, Suffolk Downs would have an option to purchase Wonderland. The two entities will share in any financial benefit from future development at either site, but those terms vary, depending on what is built, according to a person with knowledge of the agreement, who requested anonymity because the details have not been made public.

Until that purchase option is exercised, both properties will be run separately. The exact financial terms are unclear, but Wonderland will use some of the proceeds from the deal to immediately pay the nearly \$800,000 in taxes it owes the city of Revere, according to two people briefed on the terms of the deal.

While Wonderland will remain open for now, it is still unclear what will happen to the 73-year-old Revere dogtrack over the long term.

In the statement announcing the deal, track owners made a point of saying that horse racing would continue at Suffolk Downs, located in East Boston,

DEAL ON TRACK

"At some point, it began to make sense for the both of us," said Charles Sarkis (right).



but made no commitment whether dog racing would continue at Wonderland.

Wonderland may remain open until a decision is made by state officials about granting slot machine licenses to racetracks. If that bid fails, the property could be converted into a commercial or residential development.

Another reason for not making any commitments on Wonderland is a question on November ballots that could ban dog racing in the state and would cause Wonderland to shut down if it passes.

"Right now it's business as usual," Wonderland owner Charles Sarkis said in an interview yesterday. "I can't tell you what it will look like in six months, because I don't know what's going to happen."

Combining the two tracks could also make a clearer case for a casino license in Greater Boston, if Governor Deval Patrick decides in January to refile his casino legislation. In March, the Legislature rejected the governor's proposal to license three resort casinos in Massachusetts.

The two tracks, located just 2 miles apart, had been positioning

themselves for the same casino license. Their competition became a distraction during the debate and may have contributed to the proposal's defeat. Administration officials and supportive legislators appealed to track owners several times last year to form a partnership, because their squabbling was splintering support for resort casinos.

"Everyone's getting on the same page here," said Representative Brian Wallace, a South Boston Democrat and a top casino advocate. "Everything is marching along toward casinos."

Suffolk Downs and Wonderland combined spent nearly one-third of the \$1.3 million spent last year on casino lobbyists. Suffolk Downs was seen as the leading contender for a Boston-area casino, with a politically connected ownership group and a large tract of land within minutes of Logan International Airport.

Wonderland has a much smaller plot of land - 35 acres, compared with 167 acres at Suffolk - but was aggressive in its effort to be seen as a player in the casino debate.

Its owners held casino partnership

discussions with a number of investors, including Donald Trump, Foxwoods, Mohegan Sun, and the Aquinnah Wampanoag tribe of Martha's Vineyard, as well as Suffolk Downs.

Sarkis and Fields have been negotiating for nearly two years - meeting several times at Abe and Louie's, one of several dozen restaurants that Sarkis owns - but issues have come up each time to halt the talks.

Last November the two men agreed on terms before other Suffolk officials opted out because they thought the agreement was too generous to Sarkis.

Previous discussions involved bringing Sarkis into a casino development at Suffolk, while tearing down the Wonderland track and redeveloping that site as a hotel or something unrelated to the casino.

Talks began to heat up again about three weeks ago, and Sarkis and Fields had an amicable meal at Abe and Louie's. "At some point, it began to make sense for the both of us," Sarkis said.

"It just made sense to say, 'OK, we can't get anything done in the Legislature. Maybe just speaking with one [voice] is the way to go.'"

Sarkis said he also had numerous discussions about a deal with Joseph O'Donnell, a wealthy concessionaire who is one of the main owners of Suffolk Downs.

O'Donnell and Fields did not respond yesterday to requests for comment.

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