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Suffolk Downs Lays Groundwork For Casino Triple Crown
Savvy Owners Set Up For Double Slots, Resort Edge, Eastie Revitalization
By Scott Van Voorhis, Banker & Tradesman Columnist

East Boston could hit the jackpot under gambling legislation emerging on Beacon Hill, with neighborhood racetrack Suffolk Downs poised to bolt from the starting gate in the slot machine stakes.

The racetrack has by far the best chance in the state of landing the real prize in a soon-to-be-released gambling bill crafted by House Speaker Robert DeLeo – one of two licenses to develop a full-scale casino.

All of which has the potential to transform East Boston itself from a backwater for new construction into one of the Hub's hottest new development zones.

Leading the way are Suffolk's two main owners, New York casino developer Richard Fields and Joe O'Donnell, one of the Boston area's most influential business executives.

"They had a strategy that had multiple elements," said Patrick Moscaritolo, president of the Greater Boston Convention and Visitors Bureau, who also happens to live in East Boston overlooking the old racetrack. "It involved working with the community and elected officials, [and] working with adversaries. Each time there was a barrier they ended up coming up with a plan."

Laying The Groundwork

Fields bought a stake in Suffolk in 2007 with plans to not only revive the storied but declining horse track, but also of building a major gambling and entertainment destination. No stranger to the game, Fields helped Florida's Seminole tribe, now owner of the Hard Rock chain and owners of a global business empire, develop their first casino.

A horse racing enthusiast with a ranch in Wyoming, Fields joined an ownership team led by O'Donnell. Head of a national food concession empire, O'Donnell came heartbreakingly close to buying the Red Sox in 2002, and has probably the best understanding of any local business leader of our political system and how to get things done. Fields and O'Donnell have been quietly laying the groundwork for a major transformation of Suffolk, and East Boston along with it.

First, the pair was able to win the support of Boston Mayor Thomas M. Menino, who came out a couple years ago endorsing the idea of a resort casino at Suffolk Downs.

Then, in a masterstroke, the two Suffolk owners cut a deal with potential archrival George Sarkis, owner of Wonderland dog track in neighboring Revere. Overnight, Sarkis went from an avowed competitor to a teammate, giving Suffolk control of any potential slot machine license Wonderland might be awarded down the line.

"The name of the game with O'Donnell and Richard Fields is vision," Moscaritolo said. "They had a vision and strategy to get to his point."

Now all that early strategizing may be poised to pay off big time, with DeLeo expected to call for slot machines at all four Boston area racetracks, including Suffolk and Wonderland, which already have an agreement to team up.

One local gambling industry expert believes the bill will allow up to 1,500 slot machines at each racetrack, so right away Suffolk could begin with the right to roll out 3,000. That alone is enough to start a sizeable casino, and put Suffolk well ahead in the race for the true prize – one of two resort casino licenses.

Eyes On The Prize

Here's how it may all play out.

Lawmakers pass a gambling bill this spring, giving a green light to slot machines at the four racetracks, while

setting up a longer-term competition for two resort casino licenses. State lawmakers, meanwhile, set up a new gambling authority to oversee bidding for the casino licenses, a time-consuming process.

By the time bidding for the casino licenses starts, Suffolk, with two slot licenses in hand, has already rolled out thousands of slot machines and established itself as the dominant gambling venue north of Connecticut.

Along with coming up with the cash to compete with a newly flush Suffolk, rival bidders will have to nail down deals to buy potential casino sites and win local approval. That could prove tough in an area like Greater Boston, where any sizeable development project, let alone a casino proposal, is sure to bring out swarms of outraged not-in-my-backyard types.

But in East Boston, Suffolk's success in the gambling sweepstakes could provide the kind of catalyst needed to turn the neighborhood from a development backwater into a hotspot. There have been all manner of grand plans for redeveloping Eastie's waterfront over the past two decades, and, for the most part, they have gone absolutely nowhere.

One of the big challenges, of course, is the already traffic-clogged local roadways that surround Suffolk, but word is the owners are already reaching out to top transportation experts to craft a solution to what is likely to be a major sticking point.

For the doubters, Moscaritolo points to the dramatic surge of development that has taken place in the once-downtrodden neighborhood that surrounds Fenway Park since John Henry's ownership group took over the antique ballpark and pumped tens of millions of dollars into renovations.

"The rising tide lifts all boats," he said.