

\$14 million in casino subsidies keep greyhound tracks open

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Activists say dog racing inhumane

BACKS SHUTDOWN: GREY2KUSA, a

Massachusetts-based greyhound advocacy group,

believes dog racing is cruel and inhumane and its supporters are optimistic the Legislature will decide this session to permit casinos to close greyhound tracks in Dubuque and Council Bluffs, says Carey Theil, the organization's executive director. **INJURIES/DEATHS:** Between January 2006 and July 2012, there were 747 greyhound injuries reported at Iowa tracks. This includes 265 dog injuries at the Dubuque track and 482 greyhound injuries at the Council Bluffs track, Theil said, citing data from the Iowa Racing and Gaming Commission. During this period, 131 greyhounds died or were euthanized, he said. **STATEMENT:** "Greyhound racing is continuing to decline. Dogs are continuing to die on the tracks, and it is time for a change," Theil said. **REBUTTAL:** Jerry Crawford, attorney for the Iowa Greyhound Association, contends those activists don't know what they are talking about. "Our dogs are wonderfully cared for," he said, adding that Iowa greyhound farms are regularly inspected by state agriculture officials. "It is really offensive for outsiders to opine on this," he said. **EXTREMIST LABEL:** Crawford said he suspects GREY2KUSA activists aren't more visible in the Iowa debate because they would be viewed as "extremists" who wouldn't be welcomed here. Greyhound industry officials say thousands of dog races are held annually in Iowa, and that some greyhounds will unfortunately sustain injuries, just as human athletes experience injuries. **HORSES DIFFERENT:** Prairie Meadows Racetrack and Casino in Altoona, which offers horse races between April and early October, will not be included in any legislative proposal aimed at closing dog tracks in Dubuque and Council Bluffs, say state lawmakers. Prairie Meadows currently spends about \$18 million-to-\$22 million of its casino profits annually to subsidize horse racing as a condition of holding its casino license, said Prairie Meadows Chief Executive Officer Gary Palmer. **NO INTEREST:** Although some Des Moines-area residents have complained about Prairie Meadows' hefty subsidies for horse racing, Palmer said the track's board of directors has no interest in seeking state permission to close the racing facility. "The answer is no," he said. **BIG EMPLOYER:** Prairie Meadows employs about 1,300 people and the number grows during the racing season. About 50 horse-related employees work at the track year-round, while another 150 jobs are added during racing season, Palmer said.

Could this be the year Iowa bids goodbye to greyhound racing?

City and business leaders in Dubuque and Council Bluffs are lining up behind proposals urging the Legislature to pull the plug on dog racing facilities in both communities, which helped to launch Iowa's entry into commercial gambling in the mid-1980s.

Attendance and wagering on dog racing have plunged dramatically amid competition from casino gambling.

Combined betting at the Mystique greyhound track in Dubuque and Bluffs Run Greyhound Park at Horseshoe Council Bluffs has dropped from \$186 million in 1986 to just \$5.9 million in 2012, a 97 percent decline. Both dog tracks — the last two remaining in Iowa — typically have just a scattering of fans at races.

Nationally, Iowa is one of only seven states that still have legal and operational greyhound tracks. Commercial dog racing is illegal in 38 states.

What's still keeping the greyhound racing operations going are about \$14 million in annual subsidies from Iowa casino profits, as required by the Legislature. That's money some say could be better spent on charitable causes in the communities where the tracks exist, or to make improvements at the adjacent casinos.

"This simply isn't working any more. If this were any other business in the private sector, it would have been shut down a long time ago," says Senate President Pam Jochum, D-Dubuque, who supports an end to dog racing in her community.

But Iowa's greyhound industry has repeatedly fought off shutdown efforts in past legislative sessions and isn't giving up easily.

Concerns linger over jobs, livelihoods

The Dubuque and Council Bluffs tracks struck bargains in the early 1990s agreeing to provide financial help to keep greyhound racing afloat in exchange for legislation allowing them to install lucrative slot machines, which were followed later by casino table games. The Iowa greyhound industry says it supports hundreds of jobs and generates millions of dollars for agriculture through greyhound breeding farms and kennel operations.

Senate Majority Leader Michael Gronstal, D-Council Bluffs, says the devil is in the details of proposals to end dog racing.

"I continue to have real concerns about people whose livelihoods come from this, and whether or not we are going to take any of that into consideration," says Gronstal, who didn't respond directly when asked by The Des Moines Register if he supported or opposed the legislation endorsed by Council Bluffs officials.

Deal 'on the table,' prospects uncertain

Sen. Jeff Danielson, D-Cedar Falls, who chairs the Senate State Government Committee, says his panel probably won't consider a bill to end dog racing unless the greyhound industry and the

casino industry can reach an agreement that both sides are comfortable with. Any deal also needs significant bipartisan support in the House and Senate, he adds.

That could potentially mean millions of dollars of compensation paid by Mystique Casino, which operates Dubuque's track, and Horseshoe Casino, which operates the Bluffs Run track, to greyhound breeders and owners. Casino lobbyists say an offer is on the table to the greyhound industry to end dog racing, but neither side is confirming any details about money or other provisions.

"If we can work out the differences and get people to say 'yes' in phasing out greyhound racing in Iowa, I am open to that," Danielson says. "What I am encouraged by is that I understand the stakeholders are communicating, which is a change from past years."

Discussions ongoing between both sides

In past years, casino lobbyists had proposed legislation calling for the Council Bluffs and Dubuque tracks to pay the state treasury a total of \$70 million over a seven-year period as a "relicensing fee" that would enable them to drop dog racing while keeping their casinos open. But the discussion among lawmakers this session appears to be focused primarily on a financial settlement between the casinos and the greyhound industry without any payout to state government.

State Rep. Pat Murphy, D-Dubuque, says he's willing to consider a financial deal between casinos and the greyhound industry if a settlement can be reached. But he finds it ironic that Democrats are talking about building Iowa's middle class at the same time the casino industry wants to eliminate jobs in Iowa's greyhound industry.

"This is a big industry in the state. It is my understanding there are roughly about 1,100 or 1,200 or 1,300 people who make their living off of this; whether they own greyhounds, whether they work on a farm or whether they work at the tracks. I want to make sure that we address their concerns instead of just shutting them down," Murphy said. Casino lobbyists contend the number of greyhound industry jobs is grossly inflated.

The city councils and chambers of commerce in both Dubuque and Council Bluffs have endorsed legislative proposals that would allow the Mystique and Horseshoe casinos to keep their licenses without offering dog races. That represents unprecedented local support to end greyhound racing. In the past, Dubuque casino officials had a contract with greyhound interests agreeing not to lobby on the issue, but those provisions have expired.

"I am optimistic this might be the year we move forward. Both communities are in concert," said state Rep. Mary Ann Hanusa, R-Council Bluffs, who supports an end to dog racing.

The Mystique Casino and its dog track, which has greyhound racing from April through October, are owned by the city of Dubuque and operated by a nonprofit that generates money for the city and local charities. Horseshoe Casino, which has year-round dog racing at Bluffs Run, is owned by Las Vegas-based Caesar's Entertainment Corp, which operates 53 casino resorts in seven countries.

Casinos: Money better elsewhere

Mystique General Manager Jesus Aviles says about \$4.5 million was spent in Dubuque last year to subsidize greyhound racing. Overall, more than \$55 million has been diverted from charitable organizations and the city's capital projects fund over the past three decades because of greyhound racing, he adds.

"It is a heavy burden and the subsidies have done nothing to keep the greyhound industry viable," Aviles said.

Bob Mundt, president and chief executive of the Council Bluffs Chamber of Commerce, says if Bluffs Run closes, it would open an attractive parcel of real estate in an area that borders Interstate Highway 29/80 and is near the Mid-America Center arena and convention complex, a Bass Pro Shops outlet, several restaurants and a host of hotels.

"The site could be better used for economic development," Mundt said.

Attorney Jim Carney of Des Moines, a lobbyist for Caesar's Entertainment, says his client is spending about \$10 million annually to subsidize greyhound racing. He says about 45 workers at Bluffs Run would be given casino jobs if the track is closed, and Caesar's could plow more money back into its Council Bluffs operations by eliminating the annual subsidies. But more importantly, it's not a good business practice to subsidize a dying industry like greyhound racing, he adds. The Dubuque track also promises to accommodate any laid-off track employees.

Advocates: Racing revitalized cities

Jerry Crawford of Des Moines, attorney for the Iowa Greyhound Association, an industry group, is disappointed that some community leaders in Dubuque and Council Bluffs have short memories about the major contributions made by greyhound racing, which was enormously popular when the tracks initially opened. The Dubuque track, which was the first in Iowa, opened in 1985, while Bluffs Run followed in 1986. Waterloo hosted a greyhound track from 1987 to 1994.

"The city of Dubuque and the city of Council Bluffs were both in a really downtrodden way when they got racetracks. People have forgotten that greyhound racing led to a revitalization of both of those towns," Crawford says.

Crawford also says he views the situations in Dubuque and Council Bluffs separately. While he doesn't agree with Dubuque's proposal to end greyhound racing, he said he respects the thought process of local leaders who want to provide more money for the city and local charities.

Where would money really go?

But Crawford has little sympathy for Caesar's Entertainment, a corporate parent saddled with billions of dollars in debt. That's the case even though Caesar's Horseshoe Casino in Council Bluffs has seen its gross casino revenue increase by \$14 million annually over the past four years, he says.

If Bluffs Run greyhound track is closed, Crawford predicts Caesar's Entertainment will take the millions of dollars saved and "either ship that money to Las Vegas and apply it to their debt or they will sell that facility. The bottom-line question is: Do you throw hundreds of lowans out of work in order to pay down corporate debt in Las Vegas?"

Attorney Doug Struyk, a Council Bluffs native and former Iowa legislator who is now a lobbyist for Caesar's Entertainment, has a different view. He says financial records show only a relative handful of Iowa greyhound industry people are directly benefiting from dog racing subsidies.

Thirty-eight percent of Iowa's racing purse money goes to out-of-state dog owners, and of the purse money remaining in Iowa, 95 percent is paid to just 25 lowans, Struyk said. Greyhound industry officials say the Iowa purse money is actually spread much wider for payments to veterinarians, feed suppliers, kennel workers and hundreds of other lowans.