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The Department of Business and Professional Regulation granted a request from West Flagler Associates, which operates Magic City Casino, to replace dog races with jai-alai matches. **EMILY HARRIS / FOR THE MIAMI HER** Miami Herald file photo

MIAMI-DADE COUNTY

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State grants Miami track's request to let the dogs out, play jai-alai instead

BY DARA KAM

News Service of Florida

TALLAHASSEE — Florida gambling regulators this week gave a Miami dog track permission to ditch greyhound races but keep more lucrative slot machines and card games, in a first-of-its-kind ruling.

The Department of Business and Professional Regulation on Wednesday granted a request from West Flagler Associates, which operates Magic City Casino in Miami, to replace dog races with jai-alai matches, as part of a drawn-out legal dispute over a controversial "summer jai-alai" permit.

It's the first time a pari-mutuel facility has been allowed to drop dog or horse races and continue operating slots.

The Magic City decision is rooted in a 1980 Florida law that allows pari-mutuels in Miami-Dade and Broward counties that have the lowest betting handle for two consecutive years to convert to summer jai-alai permits. But if those pari-mutuels do not seek conversion, other facilities can seek the permits.

The Miami dog track's lawyer, John Lockwood, first sought the summer jai-alai permit for Magic City in 2011.

After much legal wrangling, the department's Division of Pari-Mutuel Wagering denied the track's request to do away with dog races, launch jai-alai games and keep lucrative slots that the track began operating after voters signed off on the machines in 2004.

But the 3rd District Court of Appeal ordered gambling regulators to reconsider the issue.

In a declaratory statement issued Wednesday, state regulators said Florida law gives the track the green light to do away with dog races, as long as the jai-alai matches take place at the same facility where the current greyhound permit is operated.

"The jai-alai fronton is going to take up significantly less space than the greyhound track, so this frees up West Flagler to develop its property to the highest and best use," Lockwood told The News Service of Florida on Thursday.

Wednesday's decision came in response to a question posed by Magic City, asking regulators if the pari-mutuel would still be able to operate slots if the dog races were discontinued and replaced by jai-alai games.

The answer rests on whether "a licensed pari-mutuel facility as present in Florida law means 'the actual racetrack or jai-alai fronton,'" Division of Pari-mutuel Wagering Director Anthony Glover wrote in Wednesday's declaratory statement.

If so, the summer jai-alai permit wouldn't meet the requirements "because a new fronton would have to be built," Glover wrote.

Alternatively, if a "licensed pari-mutuel facility" means "the areas of the facility where pari-mutuel activity takes place, petitioner's summer jai alai permit operating at the same location as where the greyhound permit was located would remain an eligible facility," Glover wrote, siding with the dog track.

"... It is apparent that the Legislature intended for the term 'licensed pari-mutuel facility' ... to refer to the physical location or piece of property utilized for pari-mutuel wagering, rather than just the racetrack or jai-alai fronton itself," he wrote.

The agency's decision won't have broad implications but comes as lawmakers consider a push by gambling operators who want to do away with live dog and horse racing while holding onto slots or card rooms.

"It's pretty clear that the department intends for this to not have any far-reaching effects, but once again, John Lockwood has masterfully used a unique set of circumstances to create a positive outcome for his client," Scott Ross, a former deputy secretary at the Department of Business and Professional Regulation who is now a lobbyist representing other gambling operators, said in a telephone interview Thursday.

Hartman and Tyner Inc., and H&T Gaming Inc., which operate rival Mardi Gras Casino and Racetrack in Broward County, had sought to intervene in the case.

Lawyers for the Hallandale Beach dog track argued that Magic City was asking regulators to establish "a new and completely unfounded policy that improperly expands the types of permits eligible for slot machine gaming beyond what the plain terms" of the Constitution and state law allow.

But in Wednesday's declaratory statement, gambling officials rejected the petition to intervene, saying Mardi Gras had not shown "with particularity what real and immediate injury or impact the outcome of the declaratory statement would have had on the intervenors."

Multiple attempts to reach representatives of Mardi Gras were unsuccessful.

Isadore Havenick, vice president of the family-owned West Flagler Associates, which also operates a greyhound track in Southwest Florida and owns a 25 percent share of a jai-alai fronton in Dania Beach, said Magic City sought to put an end to the dog races in Miami because "nobody wants to watch them."

The Havenicks are among the track owners who have pushed lawmakers to allow pari-mutuels to "decouple," which would allow operators to do away with live horse or dog races while keeping more lucrative gambling activities such as slots or card rooms.

"Since decoupling hasn't happened, and since jai-alai has to run fewer performances than dogs do, we said if we have two permits at the same location, why can't we switch sports that we do here," Havenick told the News Service on Thursday. "Nobody's watching. Our dog men complain that they have to come over to Miami and deal with Miami when they get no customers in the stands. So this is a way for us to try a new sport and see if we can make a go of that."