

KCK Plan Commission advances a permit request to reopen The Woodlands racetrack

HIGHLIGHTS

Proposal is from Phil Ruffin, a major casino owner

Plan would reopen closed Wyandotte County racetrack

Special use permit needed for racetrack and slot machine venue



BUSINESS

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A first-step request to allow The Woodlands to reopen as a racetrack, electronic gaming venue and entertainment facility was recommended for approval with multiple conditions late Monday night.

The Kansas City, Kansas City Planning Commission heard extensive public testimony — for and against — on a special use permit application requested by Ruffin Woodlands LLC, a company headed by casino owner and real estate developer Phil Ruffin.

Commissioners voted 8 to 2 to send the request on for further consideration April 28 by the Unified Government Commission. More than a dozen stipulations about eventual project details were attached to the approval.

The vote came after 11 p.m. in a meeting that began at 6:30 p.m. Ten other zoning changes or special use permit petitions were considered before the racetrack issue hit the agenda, a delay that greatly reduced the original crowd from about 200 when the meeting began.

Ruffin Woodlands is a company headed by Phil Ruffin, a billionaire who owns other racetracks or casinos in Kansas and Nevada. Ruffin proposes to invest \$70 million in a “racino” at the Wyandotte County racetrack that has been closed since 2008.

The plan calls for a horse racing, electronic gaming and entertainment facility on 317 acres of a 400-acre site already owned by Ruffin at 9700 Leavenworth Road.

The approval followed city staff recommendations that “prior to opening, the applicant shall apply for and receive approval of a final plan review detailing the exterior renovations or plans for a new facility.” One stipulation requires a main building of at least 85,000 square feet, whether the facility is extensively remodeled or razed and built from scratch.

In addition to the county special use permit for a racetrack — which had lapsed for the site after The Woodlands closed — Ruffin Woodlands also seeks a change in Kansas gaming statutes that would reduce the percentage of electronic gaming revenues that racetrack casinos owe the state to the same percentage as currently licensed casinos.

Ruffin bought The Woodlands in 2015 from former owner Howard Grace. The purchase price was not disclosed.

Ruffin Companies’ executive vice president William Shea, as well as Ruffin’s son, Phil Ruffin Jr., attended the hearing but did not speak. The senior Ruffin, who has homes in Wichita and Las Vegas, is best known as owner of the Treasure Island venue in Las Vegas.

He also has been a business partner of Donald Trump and has supported Trump's political campaign.

Ruffin's plan has been fought by Protect the Partnership, a group that supports the nearby Hollywood Casino, the gaming facility attached to the Kansas Speedway. Hollywood advocates said Ruffin should be held to the same lengthy and detailed public planning process that Hollywood had before its gaming license was approved by the state.

Valerie Mussett, chair of the Kansas City Kansas Chamber of Commerce was among persons testifying against the Ruffin petition, partly on the grounds on the grounds that a detailed development hadn't been submitted. She said the chamber didn't want anything to jeopardize the jobs and revenues at the Hollywood Casino.

Protect the Partnership members also have argued that reintroducing electronic gaming under the Ruffin proposal at The Woodlands could threaten existing operating contracts with Hollywood Casino and hurt tax revenues in Wyandotte County.

Hollywood Casino is one of four "lottery gaming facilities" currently licensed to operate in Kansas. In 2009, International Speedway Corporation and Penn National Gaming received rights to build and operate a casino at the Kansas Speedway in Wyandotte County. That partnership, Kansas Entertainment, opened the casino in 2012.

Unified Government planning staff had recommended approval of the Ruffin Woodlands special use permit, citing potential economic development and taxing benefits to the county, with the understanding that multiple stipulations — such as not holding greyhound races and installing traffic signals at the site entrance — be agreed to by Ruffin in subsequent permitting processes.

R. Scott Beeler, a Lathrop & Gage attorney representing Ruffin Woodlands, said the site currently generates less than \$200,000 in property taxes but would jump to about \$1.8 million annually if the facility is rebuilt and reopens as proposed.

Also, "unlike Hollywood Casino, we are asking for no public incentives, no tax dollars for Ruffin Woodlands," Beeler said. "This will be totally privately built."

Several neighbors said they wanted to see The Woodlands reopen to create more tax revenues that could be directed to the public schools in Wyandotte County.

Mark Evan, who said he was a past president of the Kansas Thoroughbred Association, said he has raced horses around the United States and Canada but “never at a track five minutes from my house.” He urged commissioners to consider the job creation possibility of returning horse racing to Kansas.

Beeler said before the hearing that rather than creating hurtful competition with Hollywood Casino, his client believes The Woodlands would attract more visitors to Wyandotte County and add to the appeal of the existing entertainment and retail destinations.

Ruffin also owns two other Kansas racetracks, Wichita Greyhound and Camptown Racing near Pittsburg, Kan. Like the Woodlands, both are closed.

A report by University of Kansas economist Art Hall, a consultant to the Greater Kansas Racing Alliance, estimated that reopening the racetracks would generate \$291 million in annual payrolls and \$23 million in annual state and local tax revenues. Ruffin Woodlands proposes to hire between 500 and 700 workers.

Ruffin plans to use an existing state casino law that allows Kansas racetracks, in the aggregate, to have up to 2,800 electronic gaming machines. Ruffin Woodlands proposes 750 machines. That limit was specified in the eventual stipulations.

Ruffin also seeks a statutory change in Kansas gaming rules that would reduce the percentage of electronic gaming revenues that racetrack-based machines are required to pay the state. The law now requires racetracks to pay 40 percent of electronic gaming revenue, compared to 22 percent required of the state’s existing casinos, such as Hollywood Casino.

The Protect the Partnership group has argued that the percentage change would be bad economic development policy for the county and possibly threaten its current agreement with Hollywood Casino.

Beeler said the higher percentage, added to the costs of operating a racetrack, make it difficult, if not prohibitive to operate racetrack-based slot machines, noting that the state has no operating racetrack casinos, partly because of the financial feasibility issue.

A few commissioners expressed concern that the Ruffin property would become a 24-hour gaming operation, unlike the former racetrack, which had limited hours.