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## Projo 7 to 7 News Blog

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### Twin River, facing bankruptcy, to suspend dog racing

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PROVIDENCE, R.I. -- Owners of the [Twin River](#) greyhound track and slot parlor have put the state on notice they intend to "suspend" dog-racing on May 31.

In a [letter hand-delivered to the head of racing and athletics](#) at the state [Department of Business Regulation](#) today, Twin River vice president and general counsel Craig L. Eaton wrote: "This correspondence is to inform the DBR of the indefinite suspension of racing dates for the balance of 2009 as of May 31...[when] Twin River will have run its legally-mandated one hundred twenty-five (125) racing dates for year 2009."

The letter did not elaborate. But Twin River spokeswoman Patti Doyle described the action as the first in a series of steps being taken in preparation for a possible bankruptcy filing by the slot parlor in Lincoln, whose owners have been struggling to pay \$565 million in outstanding loans they acquired in 2005-06 to buy, expand and renovate the former Lincoln Park.

"We are taking this step to preserve cash in anticipation of a possible Chapter 11 filing," Doyle said. "Other measures will follow."

The Rhode Island Greyhound Owners Association released a statement Tuesday afternoon, following Twin River's announcement, saying the group is "under contract with BLB Investors [Twin River's owners] and will be reviewing options to address this matter."

What happens at Twin River is of enormous financial significance to the state, which is banking on \$246.8 million this year alone from the 4,752 flashing and blinking virtual blackjack and electronic slot machines placed at Twin River by the Rhode Island-based [GTECH](#) and other companies under contract with the state [Lottery Commission](#).

A little more than a week ago, Twin River's owners announced that [the Carcieri administration had broken off months of closed-door talks](#) "regarding the possible state takeover or purchase of the gaming venue."

[State law](#) currently requires Twin River to operate greyhound racing as a condition for offering the acres of video-slots that bring in most of their gambling dollars.

When the video-slots were first approved by lawmakers in the final days of the 1992 legislative session, they were billed as a means to both cut state taxes and keep the dwindling dog-racing industry alive in Rhode Island. A May 30, 1992 headline read: "Gambling promoted as way to trim taxes/House told video would let state cut sales levy."

But state lawmakers, at the owners' request, freed [Newport Grand](#) in 2003 from having to offer Jai Alai to operate its own video-slots. And in response to inquiries in fall 2008, Governor Carcieri said he did not care whether the Lincoln gambling hall continued to have dog-racing, an expensive holdover from bygone days that reportedly cost the current owners upwards of \$10 million in annual subsidies, while generating only \$980,000 for the state in the previous year.

At a time when Twin River's owners are clearly having trouble paying their lenders, he said: "I don't think [the greyhound racing] contributes a whole lot." If the owners asked to drop dog-racing "and everybody else agreed to it, I'd support that," Carcieri said.

There was no comment at that time from the key players in the Rhode Island greyhound industry, which at the time included the kennel owners and about 63 trainers, kennel staff

and dog-walkers at the track. But Karen Keelan, president of the [American Greyhound Track Operators Association](#), said any time there is talk about "elimination of the sport, it's a serious and hard situation for everyone involved in the industry."

At this point, "at least 40 jobs will be impacted by suspension of dog racing," Doyle said. Twin River is owned and operated by UTGR Inc., a subsidiary of BLB Investors - the holding company comprising [Kerzner International Limited](#), [Starwood Capital Group](#) and [Waterford Group LLC](#).

The company bought the aging Lincoln Park dog track in 2005, along with three greyhound racetracks and a horse track in Colorado, and then embarked on a \$225-million renovation and expansion in Lincoln.

The owners have been lobbying to rewrite their dog-racing obligations in Colorado as well, where lawmakers recently have approved Senate Bill 174, a measure that enables tracks and betting shops to take wagers on out-of-state greyhound races even if live dog races aren't held in Colorado. The bill lowers the tax rate on greyhound simulcasts, and allows bets to be taken on simulcasts year-round, lifting the 250-day cap.

With minimal expenses, simulcasts are more profitable for track operators than live races.

Currently, greyhound simulcasting is allowed in Colorado only if dogs are racing in-state during the same week, but greyhounds stopped racing live in Colorado last summer after kennel and track operators couldn't agree on a new contract, according to the Denver Post.

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