

# **AGENDA**

## **LOCAL DEVELOPMENT COUNCIL FOR OCEAN DOWNS VIDEO LOTTERY FACILITY**

**February 13, 2013**

### **MEETING ROOM CHANGE - 1<sup>ST</sup> FLOOR BOARD ROOM**

10:00 AM - Call to Order

Mayor Richard W. Meehan, Chairman

- Review and approval of the meeting minutes from December 19, 2011

11:00 AM - Old Business

- Review of Local Impact Grants to Worcester County through December 2011

New Business

- Updated LDC Membership List

- Scheduling of Next Meeting

- Action Items

**TIMES SHOWN ARE SUBJECT TO CHANGE**

**Local Development Council (LDC) for Ocean Downs Video Lottery Facility  
Meeting Minutes**

**Meeting Date:** December 19, 2011

**Time:** 10:00 a.m.

**Location:** Worcester County Government Center, Training Room B

**Attendance:**

**Local Development Council**

Senator Jim Mathias  
Delegate Mike McDermott  
Ocean City Mayor Rick Meehan, Chair  
Jim Rosenberg, Vice Chair  
Berlin Mayor Gee Williams  
Cam Bunting  
David Massey  
Rodney Murray  
John Salm  
Ron Taylor  
Mike Pruitt

**Staff**

County Attorney Sonny Bloxom  
Public Information Officer Kim Moses  
Special Guest:  
Joe Cavilla, Ocean Downs Casino Manager  
Worcester Tourism Director Lisa Challenger

Mayor Meehan called the meeting of the Local Development Council (LDC) for the Ocean Downs Video Lottery Facility to order. The LDC members approved the minutes of their October 3, 2011 meeting as presented.

Mayor Meehan recognized special guests Worcester County Tourism Director Lisa Challenger and Casino at Ocean Downs Manager Joe Cavilla, who attended the meeting to share and discuss tourism partnership opportunities between the casino and the towns and county. On behalf of the LDC, Mayor Meehan recognized the efforts of casino and state and local government agencies to develop a traffic plan that kept vehicles moving smoothly throughout the area during the busy summer season. He then discussed the value of tourism partnership opportunities, including the towns of origin of casino visitors, between local jurisdictions and the casino.

Mr. Cavilla stated that a large percentage of casino patrons live locally, with 50% traveling less than an hour to visit the facility and only about 25% traveling from origins that are a distance of two and a half hours or more. He stated that many in the latter group participate in bus tours and hotel package deals. He also advised that casino officials are still evaluating operations and have not yet developed a formal survey that includes such information. However, about 50% of casino patrons participate in the Player Loyalty program, which tracks patron use as well as limited geographic information. Mr. Cavilla stated that he is reluctant to share specific information in an open forum, but would be happy to meet with key tourism officials privately to develop partnership opportunities and share geographic information that could be mutually beneficial. He stated that casino officials have an interest in learning more about how and where tourism dollars are invested and whether such efforts could include casino packages.

In response to comments by Ms. Challenger regarding the number of tour buses that frequent the Visitor's Center in Pocomoke, Mr. Cavilla stated that the casino does not offer some

of the services that are provided to bus tour patrons at other casino locations due to state regulations.

Mayor Meehan stated that Ocean City officials strive to draw visitors to spend the night, the weekend or multiple days in the resort area, by offering targeted activities, such as the Winterfest of Lights and shows at the convention center. He stated that the casino could be another such activity because such partnerships are mutually beneficial. In response to questions by Mayor Meehan, Mr. Cavilla stated that most casino patrons come down for the day. However, the casino has entered into several partnerships with area hoteliers, including the Princess Royale, to offer visitor packages. He further stated that bus tour participants provide geographic information to the casino, which could be used to develop marketing efforts that promote extended stays to casino patrons. Mr. Cavilla advised that he has met with the Hotel-Motel-Restaurant Association (HMRA) to discuss potential partnerships, and while many in the HMRA expressed some initial reservations, there has been progress in this area. Mayor Meehan encouraged that the HMRA is a key component in the hospitality industry with regard to developing mutually beneficial partnerships between area businesses, tourism associations and the casino. Senator Mathias concurred, stating that doing so factors into the strategic plan to bring more jobs and more visitors to the area.

Senator Mathias stated that the gaming industry is here to stay, and in this down economy it is imperative that all involved in the tourism industry, from local tourism agencies, to private entities such as the hotels and casinos, work together to create unique opportunities that will continue to draw new and returning visitors each year. He stated that the business community has a parallel interest with the casino and will be better equipped to advertise in key markets using information from the casino regarding the geographic origins on its visitors. He concluded that it may be mutually beneficial for casino and Wor-Wic Community College (WWCC) representatives to begin dialoging about potential training and other educational opportunities. Delegate McDermott concurred, stating that day-trippers could be enticed to stay for the night or the weekend through packages that offer discounted hotel and restaurant rates for casino guests. Mr. Cavilla stated that this is a goal of casino staff, and they've seen a greater number of businesses begin approaching them about such opportunities. In response to additional questions by Delegate McDermott, Mr. Cavilla stated that the casino has benefitted from horse racing at the track, but that relationship has not been reciprocal as of yet.

In response to questions by Ms. Bunting regarding employment, Mr. Cavilla stated that the casino has approximately 200 employees on staff, most of whom were hired from within the community. To qualify for employment, interested individuals must be able to pass training and state licensing requirements, all of which are a substantial investment of time and resources but assure the integrity of casino employees. He further advised that the hotel-motel-restaurant management programs available through WWCC are ideal for most would-be Casino candidates. However, more specific technical and electronic training is needed for those who repair and maintain slot machines. Likewise, if table games are permitted in the future, specialized training would be needed to fill those jobs as well.

With regard to future plans for the casino property, Mr. Salm stated that plans, permits and traffic studies are in the works to construct a 10-lane bowling alley and movie theater. Mr. Cavilla advised that there is no clear time frame on when these two venues will be open to visitors.

With regard to Local Impact Grants (LIG), Delegate McDermott asked staff to provide monthly comparison reports that track casino revenues from the same timeframe during the prior year. He stated that it appears that casino revenues flatten at this time of the year. Mr. Cavilla concurred, stating that Casinos are a seasonal industry, and December will likely be their slowest month. He stated that they strive to produce enough revenue in the summer months to carry their operations throughout the year. Mayor Meehan stated that partnerships are key in extending tourism opportunities throughout the year.

In response to a question by Ms. Bunting, Mr. Cavilla stated that casino officials do not provide free overnight parking for RVs. However, RV visitors can benefit from packages available between the casino and Castaways Campground off MD Rt. 611 in Berlin.

In closing, Mayor Meehan stated that though the economic outlook isn't anticipated to improve significantly at this time, there are plenty of opportunities before them to grow tourism and co-marketing will be key to such successes. He thanked Mr. Cavilla and Ms. Challenger for meeting with them to begin discussing some of these possibilities and encouraged them to continue such discussions in the future.

Following general discussion, the LDC agreed to meet again on Monday, February 13, 2012 at 10:00 a.m. in the third floor training room in the Worcester County Government Center.

EF10 - PCA 56310  
 VLT Local Impact Grants (5.5%)

	Total Monthly Revenue	Ocean Expired Tickets	Permy Expired Tickets	Total	18% Bait-PCG County	Total Cecil	Total Worcester	Total Revenue Cecil less 18%	Total Revenue Worcester less 18%	1528000919 (Perryville) Cecil County
July 2011 payment doc number	15,542,549.34	854,840.21		153,871.24	560,699.16	294,141.05	459,773.31	241,195.66	459,773.31	
August 2011 payment doc number	\$13,110,342.46	721,147.54		129,806.56	470,208.11	250,939.43	385,570.65	205,770.33	385,570.65	
September 2011 payment doc number	\$13,986,936.11	769,281.49		138,470.67	511,405.87	257,875.62	419,352.81	211,458.01	419,352.81	
October 2011 payment doc number	\$12,939,295.09	711,661.23		128,099.02	500,466.65	211,194.57	410,382.65	173,179.55	410,382.65	
November 2011 payment doc number	\$12,215,372.01	671,845.46	128.89	216.76	672,191.11	170,757.17	411,175.83	140,020.88	411,175.83	
December 2011 payment doc number	12,483,153.20	686,573.43	172.83	69.28	686,815.54	165,593.97	427,401.69	135,787.06	427,401.69	
January 2012 payment doc number	-	-	-	-	-	-	-	-	-	-
February 2012 payment doc number	-	-	-	-	-	-	-	-	-	-
March 2012 payment doc number	-	-	-	-	-	-	-	-	-	-
April 2012 payment doc number	-	-	-	-	-	-	-	-	-	-
May 2012 payment doc number	-	-	-	-	-	-	-	-	-	-
June 2012 payment doc number	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE FY 2012</b>	<b>80,277,648.21</b>	<b>4,415,349.36</b>		<b>794,868.68</b>	<b>3,065,435.30</b>	<b>1,350,501.81</b>	<b>2,513,656.94</b>	<b>1,107,411.49</b>	<b>2,513,656.94</b>	

mc003		mc000		Total
1526001064 (Ocean Downs) Worcester County-60%	1626000802 (Ocean Downs) Ocean City-20%	1520866068 (Ocean Downs) Ocean Pines-10%	1521535174 (Ocean Downs) City of Berlin-10%	
144,717.40	48,239.13	24,119.57	24,119.57	854,840.21
123,462.20	41,154.07	20,577.03	20,577.03	721,147.54
126,874.81	42,291.60	21,145.80	21,145.80	769,281.49
103,907.73	34,635.91	17,317.96	17,317.96	711,661.22
84,012.53	28,004.18	14,002.09	14,002.09	672,191.11
81,472.24	27,157.41	13,578.71	13,578.71	563,188.75
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
664,446.89	221,482.30	110,741.15	110,741.15	4,292,310.31

**LOCAL DEVELOPMENT COUNCIL  
FOR OCEAN DOWNS VIDEO LOTTERY FACILITY**

Reference: Subsection 9-1A-31(c) - State Government Article, Annotated Code of Maryland

Appointed by: County Commissioners

Function: Advisory  
Review and comment on the multi-year plan for the expenditure of the local impact grant funds from video lottery facility proceeds for specified public services and improvements; Advise the County on the impact of the video lottery facility on the communities and the needs and priorities of the communities in the immediate proximity to the facility.

Number/Term: 15/4 year terms  
Terms Expire December 31

Compensation: None

Meetings: At least semi-annually

Special Provisions: Membership to include State Delegation (or their designee); one representative of the Ocean Downs Video Lottery Facility, seven residents of communities in immediate proximity to Ocean Downs, and four business or institution representatives located in immediate proximity to Ocean Downs.

Staff Contact: John E. "Sonny" Bloxom, County Attorney, 410-632-1194

**Current Members:**

<u>Member's Name</u>	<u>Nominated By</u>	<u>Represents/Resides</u>	<u>Years of Term(s)</u>
Mike Pruitt °	Dist. 4 - Shockley	Resident - Snow Hill	*09-12
Rod Murray °	Dist. 6 - Busick	Resident - Ocean Pines	*09-12
Mayor Rick Meehan °	At-Large	Business - Ocean City	*09/12
Mayor Gee Williams °	Dist. 3 - Church	Resident - Berlin	09-13
Jim Rosenberg °	Dist. 5 - Boggs	Resident - Ocean Pines	09-13
David Massey °	At-Large	Business - Ocean Pines	09/13
John Salm °		Ocean Downs	09-13
James N. Mathias, Jr. °		Maryland Senator	09-10, 10-14
Norman H. Conway °		Maryland Delegate	09-10, 10-14
Michael McDermott		Maryland Delegate	10-14
Ron Taylor °	Dist. 1 - Lockfaw	Resident - Pocomoke	*09-10, 10-14
Cam Bunting °	At-Large	Business - Berlin	*09-10, 10-14
Todd Ferrante °	Dist. 7 - Gulyas	Resident - Ocean City	*09-11, 11-15
Diana Purnell °	Dist. 2 - Purnell	Resident - Berlin	*09-11, 11-15
Linda Dearing	At-Large	Business - Ocean Pines	11-15

Prior Members: Since 2009

J. Lowell Stoltzfus ° (09-10)  
Mark Wittmyer ° (09-11)

\* = Appointed to fill an unexpired term/initial terms staggered  
° = Charter Member