

Las Vegas Sun

Has dog racing run its course?

A dying breed: While greyhound tracks close across the country, the industry's prospects worsen as gaming companies complain about having to subsidize an antiquated sport

By **Liz Benston** ([contact](#))

Monday, March 22, 2010 | 2 a.m.

The national convention of the [American Greyhound Track Owners Association](#) that starts today at [Caesars Palace](#) will include a sober accounting of the industry's latest victims — and the intractable problems that will contribute to future closures.

Each year attendance drops at the convention. This year's gathering is expected to draw about 120 people. Fifteen years ago the tally was upwards of 400.

The industry is in such rapid decline that a growing number of dog track owners are finding common ground with animal rights groups hoping to put live dog racing out of its misery.

In Iowa, for example, Harrah's Entertainment is trying to outlaw part of its gambling business and is willing to pay the state \$7 million a year for the privilege.

More than half of the nation's greyhound tracks have closed for lack of business in the past three decades. Four closed last year alone, leaving some states without any live dog racing.

Although profits are down for many companies because of the recession, track owners are fighting to stay alive in the face of competition from casinos, an unsympathetic public uncomfortable with the concept of racing dogs for sport and state legislatures seeking more tax dollars from gambling to fill budget gaps.

But most of all, they are battling time itself.

"It's a different era now than it was 40 and 50 years ago," says Karen Keelan, association president and owner of a New Hampshire track that stopped live dog racing in 2008 and offers wagering on simulcast races. "The entertainment ideal is different today. There are so many things for people to do in their spare time. And everything's quicker, with the Internet and social networking."

Keelan, who began working at her father's track after college, is trying to keep her family business alive after selling a Connecticut track in 2006 that couldn't compete with the nearby giant Foxwoods and Mohegan Sun casinos.

The situation is more dire for kennel and dog owners who don't have land to sell or the chance to profit from casinos like gambling companies do. Many are choosing to retire as tracks are phased out or have moved kennels and dogs to other states where prospects are somewhat brighter.

Among them is Fred Fulchino, owner of Regall Sports Kennel in Connecticut. At 44, he's not ready to exit the business.

Instead, he has moved his 75 dogs to Florida, where they race at the Mardi Gras racetrack near Hollywood, which is subsidized by an adjacent casino.

Like Keelan, Fulchino is a realist.

“People want instant gratification,” Fulchino said. “They want to put in three dollars, pull a lever and win \$10,000. They’re not happy winning \$500 like the old-timer handicappers did by studying racing forms.”

Gamblers have wagered on greyhounds in the United States since at least 1925, when Derby Lane opened for business in St. Petersburg — and Florida remains the state with the most greyhound tracks — but by the 1970s there were many tracks in other states.

The beginning of the end for greyhound racing began in the 1980s and 1990s with the introduction of state lotteries and especially casinos with Las Vegas-style gambling and flashy slot machines.

Wagering on greyhound races in the United States has declined from \$3.5 billion in 1991 to \$1.1 billion in 2007, according to the Association of Racing Commissioners. This 68 percent decline has been sure and steady. More than half of the greyhound tracks that were operating in the late 1980s and early 1990s have since closed.

The continued decline in dog racing has become even more painful for casino owners who are required to subsidize the tracks as a condition of operating casinos with slot machines.

Casino gambling would not exist in many states but for dog and horse tracks and their financial problems. Over the past two decades, several states legalized casinos at the site of dog and horse tracks for the stated purpose of subsidizing these businesses with slot machine profits.

Among them was Iowa, the first state to legalize riverboat gambling. Years after gambling boats began operating there in 1991, the state — in an attempt to prop up a well-entrenched agricultural economy dependent on the feeding, breeding and racing of greyhounds — established rules requiring casinos with dog tracks to offer a certain number of races per year.

Harrah’s, which commissioned a study this year that attempts to quantify the amount of such subsidies, says the setup doesn’t make economic sense for business or the state.

Instead of diverting \$12 million a year in slot revenue to supplement the prize money divided up among dog owners and breeders, Iowa’s two casinos with greyhound tracks want to pay the state \$10 million a year. Dog owners and breeders say that money wouldn’t come close to the economic loss of an entire industry, with its trickle-down effect on retailers and consumers.

Still, Harrah’s calls greyhound racing a giant waste of money and resources — including real estate that could be used for more profitable enterprises.

“It’s like a horse and buggy manufacturer getting a subsidy from an auto manufacturer,” Harrah’s spokesman Gary Thompson says. “We’re subsidizing a dying business.”

Using slot money to support tracks never made much economic sense to begin with, though racetrack casinos were more politically palatable at the time, adds Jan Jones, the company’s senior vice president of communications and government relations.

“Horse and dog breeders have their share of political influence,” Jones says. “There were jobs at stake. And these facilities existed to begin with. It just seemed easier to put slots where betting was already

taking place.”

According to the Harrah’s study, greyhound owners and kennels competing in Iowa have received \$140 million in casino revenue since the subsidy was initiated in 1995, with 42 percent of the money going to owners and kennels in other states.

“We’re losing money and the state is losing money,” Jones says. “And we’re not seeing a lot of young customers getting into greyhound racing.”

In recent years, several tracks unable to open casinos on their property have closed. Meanwhile, other tracks without slots are hanging on in the hope that they will be allowed to offer the machines in time to save their businesses. For these casino hopefuls, greyhound tracks will function much like the few bingo games left in Las Vegas Strip resorts: They will be cultural curiosities or something to do with the grandparents on a Sunday afternoon.

“The product became an antique. We were an 8-track cassette store in a world of CDs,” laments Roy Berger, executive vice president of the Dairyland Greyhound Park in Wisconsin, which closed last year after sustaining \$17 million in losses over five years.

After Wisconsin legalized pari-mutuel betting on races and a lottery in 1988, Indian tribes built casinos on reservation land with the blessing of the federal government, which said tribes were entitled to offer gambling games of their own. Racetrack owners fought the tribes in court and lost. They also attempted to build casinos themselves but to no avail — the state wasn’t eager to approve Las Vegas-style casinos on nontribal lands.

“It’s extremely unfair that the Native American casinos have a monopoly on this product,” Berger complains. “It’s like operating a grocery store next to another store that opens down the block with a different kind of beer or soda that we’re prohibited from selling.”

Such is the crazy-quilt patchwork of state gambling laws that have opened the door to tribal casinos while prohibiting slot machines for nontribal entities that lack public support and require voter approval for casino gambling. In spite of the continued spread of casinos nationwide, many people, especially in socially conservative communities, don’t want to live near them.

Unlike many of her peers, Keelan doesn’t believe slot machines at greyhound tracks are the answer to survival.

A Rhode Island track, Lincoln, has declared bankruptcy even after being able to simulcast races and add slot machines.

“Sometimes the payback isn’t there,” Keelan says. “With the downturn, it’s hard to keep up with what makes people happy anymore.”

Increasingly, track owners are confiding in a former enemy, a national greyhound advocacy group called Grey2K USA.

The Boston-based nonprofit, which aims to outlaw greyhound racing, backed a successful ballot measure in 2008 to end greyhound racing in Massachusetts and is expected to win a similar fight in Rhode Island, where the Twin River track seeks to end live racing as part of a bankruptcy court agreement. Track owners in New Hampshire and Colorado have already lobbied lawmakers to give up live racing and instead offer simulcast races.

“It’s so odd to be agreeing with people who have spent millions fighting you after so many years,” says Carey Theil, executive director of Grey2K USA. “It’s like ‘Alice in Wonderland.’”

Coupled with the economic argument against greyhound racing is a shift in public opinion against racing dogs for sport, Theil says.

His organization has helped shape public opinion with devastating videos, using race footage broadcast by the tracks for gambling purposes, showing dogs injured during races. The group has cross-referenced videos with publicly available statistics on dog injuries to determine the identities of hurt dogs, including the dogs’ names and what they look like.

Track owners say they are doing their best to care for their dogs. Mistreating greyhounds isn’t tolerated like it was decades ago, while the vast majority of dogs are adopted out after racing for a few years.

“These are athletes. They live in air-conditioned buildings and are exercised frequently. They’re on strict diets. They’re massaged and given whirlpool baths,” Richard Winning, vice president of Derby Lane, says.

Still, even standard practices such as keeping dogs in cages, muzzling them and leading them out for exercise and back into their crates don’t sit well with some people.

Even Harrah’s, accustomed to doing battle with community activists as the nation’s largest and most geographically diverse casino operator, isn’t entirely comfortable with the continued practice of racing animals that many consumers consider pets.

“We’re not sure this is a business we want to be in,” Jones says. It would be disingenuous, however, to say the company is motivated by altruism for the dogs, she adds.

Keenly aware of the public’s declining interest in dog racing and animal rights concerns, Isadore Havenick, 32, sees a potential solution: The third-generation greyhound track operator wants to reduce the number of races he is required to offer at his family’s Flagler Dog Track in Miami and a second track in Naples. Florida tracks with casinos have different racing requirements that are built into state law.

“When people ask what I do I say I work in a casino,” says Havenick, who opened the Magic City casino next to the Flagler track in October. When the dogs aren’t running, the track hosts concerts for casino customers.

“We lose money on dog racing every day,” he adds.

Winning, whose great-grandfather founded the U.S.’ first greyhound track, holds onto to hope that dog racing will make a comeback and retain a permanent, though smaller, place in the gambling industry.

After all, Winning says, “Everyone thought disco was dead but it came back.”