

Sands Casino poised for major expansion



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Of The Morning Call

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Sands Casino planning a major expansion

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Sands Casino in Bethlehem already has one of the nation's most lucrative table games rooms, but it appears ready to bet about \$40 million that it can be even more successful.

Sands is planning an expansion the size of two football fields that would include a separate poker room and restaurants and give it the biggest casino floor in the state, opening valuable space for more table games such as blackjack, roulette and craps, according to plans filed with Bethlehem's Department of Community and Economic Development.

Sands CEO Mark Juliano would not confirm the project Wednesday, saying, "We're not prepared to comment on any plans."

Plans filed with the city show a multi-level, nearly 100,000-square-foot expansion on the north side of the casino, adding more than 35,570 square feet of gambling space.

The plans don't mention the amount of an investment. But Bethlehem's 2015 audit, which was released this week, lists a "Sands table games expansion" at \$40 million and notes the project's status in August as "plans submitted."

Word of the expansion has been circulating through the Sands poker room for months, as some players have been eager to leave what resembles a fenced corral in the center of the casino floor.

"It's not even a room. When you're trying to win a \$2,000 or \$3,000 pot, you don't want to hear slot machines going off or some guy screaming about his roulette number coming up," said Scott Correll of Bethlehem, a former professional poker player who still plays several times a month. "I'd much rather play in a dedicated room without all the distractions."

Sands stands to rake in more revenue if it can add table games other than poker, which isn't a big money maker for casinos. Its poker room, however, is on prime real estate in the middle of the casino floor, surrounded by slot machines, other table games and a food court.

Building a new poker room would open the floor for more lucrative games to be more prominently displayed. While casinos tend to keep roughly 14 percent of all wagers on most table games, they keep only a small portion of each poker pot — sometimes as little as \$5 — because poker involves the players taking each other's money, with the casino getting little.

The expansion would need approval from the state Gaming Control Board, and it also would need special approval if the number of table games were to exceed the state's maximum of 250. With 237 tables already on the floor, Sands would have to petition to add more than 13. No other casino has more than 184.

"Normally the executive director can sign off on a small expansion or the addition of maybe 10 tables," said Richard McGarvey, gaming control board spokesman. "But any expansion of this level would need full board approval. No one has ever asked to go above the maximum before."

He noted that no casino expansion request has been denied.

An expansion certainly would be welcomed by city leaders, who use more than \$9 million in Sands fees to balance the city budget and are eager to see the casino add amenities that would attract more people to a city that relies heavily on tourists.

Sands' \$800 million complex, which includes a shopping mall, restaurants, a 302-room hotel and a concert venue, employs nearly 3,000 people and draws an estimated 8 million visitors a year.

Bethlehem Mayor Robert Donchez said he is aware of the plan and that the city will work with the Sands.

He said he hopes it will spur development of the No. 2 Machine Shop and the Steel General Office building, which like Sands are on the former Bethlehem Steel site and are owned by Sands and other investors.

"I think it's extremely important to make it more of a destination center," he said of the site.

Plans call for knocking out the north wall of the casino — now lined by slot machines — to build a two-story expansion. Spilling into what is now a parking lot, the expansion would include restaurants with 215 seats and the additional gambling space, which would give the casino more than 180,000 square feet of casino floor. The addition would be 97,301 square feet.

The plan builds on what is already the state's busiest table games room. Sands' tables raked in \$228 million last year, easily outpacing the \$155 million brought in by second-place Parx in Bucks County, which has the most table games space. While most other poker rooms at the state's 12 casinos shut down for a few hours a day, Sands' room has had at least a few players anteing up 24 hours a day since it opened in 2010.

News of the plans, and the jobs they could create, made Roger Hudak, chairman of the mayor's South Side Task Force, smile.

"It will be a good thing, if it happens," said Hudak, who championed the Sands when it was competing for a slots license nearly a decade ago.

He cautioned that the expansion or the timing of it could be affected by whether the state Legislature extends slot machine opportunities to airports or online gambling. Pennsylvania legislators are expected to make those decisions in the next two weeks. Sands opposes such plans.

Hudak also said the uncertainty of a New Jersey referendum that would extend gambling outside of Atlantic City could affect Sands' plans.

Sands has built its **table games dominance** on the strength of more than 50 busloads a day of players who travel in from New York City and northern New Jersey. Sands officials have said roughly 50 percent of its table games players come from out of state.

Analysts say that reliance on out-of-state gamblers has injected some uncertainty into how much Sands is willing to invest to expand. A **referendum on the November** ballot in New Jersey asks voters if they favor allowing two casinos to be built in northern New Jersey, amending a state law that only allows casinos in Atlantic City.

Those two casinos could intercept many of Sands' table games players. Though Sands officials have declined to discuss it, analysts say the referendum likely has delayed Sands from releasing a master plan calling for another hotel, more retail shops, a convention center and a second entertainment venue.

The most recent poll, by Fairleigh Dickinson University's PublicMind, shows that 57 percent of New Jersey voters are against allowing the northern casinos, while 37 percent support it.

Juliano in recent months has said Sands will continue to invest in the complex, regardless of the results of the vote.

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A WINNING HAND?

By the numbers at Sands Casino, which is planning a major expansion:

- Slot machines: 3,013
- Table games: 230
- Expansion cost: \$40 million
- Included in expansion: Separate poker room, restaurants, more table games space

Source: Pennsylvania Gaming Control Board, Sands Casino

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