



Ohio Senate Select Committee on Gaming
Miami Valley Gaming
Robert Swedinovich, Senior Director of Operations and Marketing
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Good afternoon, Chair Schuring, Vice Chair Manning, and members of the Ohio Senate Select Committee on Gaming. My name is Robert Swedinovich, and I am the Senior Director of Operations and Marketing at Miami Valley Gaming (MVG), located in Turtle Creek Township near Lebanon, Ohio. I appreciate the opportunity to appear before you today to discuss sports wagering.

Miami Valley Gaming

Miami Valley Gaming opened in December of 2013, replacing Lebanon Raceway. MVG is unique among the licensed gaming facilities because it is owned jointly and equally by two companies that are leaders in the sport entertainment industry. Churchill Downs Incorporated (CDI) and Delaware North share a 50/50 ownership in MVG. This partnership has invested nearly \$280 million in Ohio, with plans to resume planned investment in the expansion that had been put on hold because of the pandemic.

Churchill Downs Incorporated

Churchill Downs is an industry-leading racing, online wagering and gaming entertainment company anchored by its iconic flagship event, the Kentucky Derby. CDI owns and operates three pari-mutuel gaming entertainment venues in Kentucky. They also own and operate TwinSpires, one of the largest online wagering platforms for horse racing, sports, and iGaming in the United States, and have seven retail sportsbooks. CDI is a leader in brick-and-mortar casino gaming in eight states.

Delaware North

Delaware North is a global hospitality and entertainment company founded in 1915 and owned by the Jacobs family for more than 100 years. Delaware North operates at high-profile places such as sports and entertainment venues, national and state parks, cultural landmarks, destination resorts and restaurants, airports, and regional casinos. Delaware North's associates are dedicated to delighting guests by creating the world's best experiences. The company serves millions of guests each year in the sports, travel hospitality, restaurant and catering, lodging, gaming, and specialty retail industries.

Sports Wagering

Both CDI and Delaware North currently offer sports wagering through properties and platforms they operate in other states. CDI operates TwinSpires, which offers online sports wagering in Pennsylvania, New Jersey, Colorado, Arkansas, Mississippi, Indiana, Michigan and Tennessee. Delaware North operates sports wagering in West Virginia, Arkansas and Tennessee. MVG will draw on this experience should Ohio legalize sports betting through Ohio's licensed gaming entities.

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Must be 21 or older to gamble. Problem gambling? Ohio Problem Gambling Helpline (1-800-589-9966) or visit www.org.ohio.gov.

Today, I would like to address three points that have generated debate and been the subject of questions before this committee.

First, the importance of a strongly regulated environment cannot be overstated. We believe that the currently licensed racinos and casinos are well-suited to be the sports betting agents because they have:

- Gaming expertise
- Appropriate physical and online infrastructures
- Security
- Financial depth and viability
- Money laundering prevention policies, and
- Consumer protection and problem gaming expertise

Ohio's current gaming establishments and their employees have been vetted, licensed, and regulated. They have made substantial investments to enable Ohio to create a successful and highly regulated gaming environment. Second, a key aspect of online sports wagering policy is determining the number of online sports betting platforms, or "skins," available to each sports betting facility. MVG believes up to three skins per facility would allow competition in Ohio. Allowing three skins strikes a balance between competition and saturation, while providing sufficient upfront fees and revenues to the state. This multiple platform approach has been adopted across the country, with one to three platforms per operator in most cases. Indiana, New Jersey and West Virginia all offer three skins per sports betting facility.

Third is the debate over the appropriate tax rate. Other states have proven sports wagering is a low margin and volatile marketplace. We believe the rate discussed during the last General Assembly – 8% to 10% -- would put Ohio in line with other states, while providing revenue to the state. This tax rate would allow us to compete with neighboring states, most notably Indiana and Michigan, where customers have the ability to drive across the border. More importantly, it would allow us to offer odds that are competitive with illegal, off shore operators that are not regulated and do not pay taxes to the state.

We urge the Ohio General Assembly to authorize sports betting in Ohio in-person and online through licensed Ohio gaming operators. MVG, and all of Ohio's racinos and casinos, follow strict protocols and regulations to ensure the integrity of gaming and wagering, and provide stringent security and consumer protections. We constantly monitor all activity at our facility while providing our customers high-quality entertainment in a vibrant and safe environment.

Miami Valley Gaming appreciates the opportunity to testify today and engage in discussions on sports wagering here in Ohio. We believe there is an opportunity to develop a responsible framework for Ohio sports wagering. MVG stands ready to act as a resource for the members of this Committee as you deliberate the prospect of legalizing sports wagering in Ohio. I would be pleased to answer any questions.