

DATA DELAWARE: Monday, December 2, 2019

SUBJECT: The system is broken

(Podcast transcript)

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Dace Blaskovitz: Welcome back to Money and Politics in Delaware. Time for the politics time and that is welcome back Greg Lavelle.

Greg Lavelle: Hi Dace, how are you?

Dace Blaskovitz: I am good. I am good. Segments three and four. In the third segment today, I'd like to say we're going to do a postmortem to the Delaware Turf story. After all, Greg was the centerpiece to it or at least the spoke... I don't even know the word choice here, but Greg's in the middle of it. Unfortunately, it's not going to have a happy ending and that is that the shenanigans... What's the word choice? At the end of the session, none of that ever got cleaned up. It's Greg story and we'll let him tell it, but this is painful. In the fourth one, much more altruistic, a preview of 2020 and we'll do that again with Greg. So Greg, we get first time listeners 30 seconds about you, 30 seconds about your business.

Greg Lavelle: Sure. I appreciate that. My name is Greg Lavelle. I was born and raised in Wilmington, Delaware. Went to Brandywine High School, University of Delaware, and had studied finance and economics back when they actually taught economics. Been working for a small business in the Delaware corporate entity sphere for the last 30 years or so. And in that I see every day the power of that industry that helps Delaware and pays about 40% of the bills and also the power of small business. And so, I'm married and have two children.

Dace Blaskovitz: With that said, you ready to go?

Greg Lavelle: Sure thing.

Dace Blaskovitz: All right, I need you to start at the beginning. And again, for first time listeners, somebody back to the area and that is, it really started... A semi compliment to the news journal that they did two stories on the Delaware Turf whatever it is, and recap that part.

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Greg Lavelle: Sure. And I will not take credit for the sun rising, only credit for being able to help explain it, perhaps. And that's what my role in this thing is. And to give credit where credit is due, the Delaware Turf issue came up at the end of June. The real issue here is these last minute bills that nobody knows what they're voting on. The shenanigans and taxpayers pick up the bills and they're just bad ideas. Otherwise you'd pass them in May. But the initial report actually came out of the Delaware State News. We credit where credit's due. News journal did do a great job picking up on it. And Delaware Turf, for folks who may not be aware, is this sports complex on Route 1, kind of south of Frederica and north of Milford, the multipurpose field, soccer, lacrosse, all of that. And this is the travel youth sports league that many parents love and other parents wish they never got involved with where you do travel regionally and locally and nationally, and these facilities bring in tournaments, fill hotel rooms, gas stations, and all that sort of stuff. So it's an economic driver, is the theory behind them.

Greg Lavelle: This has been in place and got a lot of state support by the way, beyond this hotel tax issue. The overpass that people saw get billed and all those road improvements in around there really got pushed up with a lot of political pressure to help this thing get up and running. So that's the quick history of it. The Delaware Turf Bill, as we affectionately call it now came up, Dace, as you'll recall, late in June and hotel taxes had been sweeping the state of Delaware and municipalities, Newark, Rehoboth, Kent County, New Castle County. All these political subdivisions exist with charters given to them by the state of Delaware. So if they want to have a hotel tax, they have to come and ask the state of Delaware for a change in their charter and permission to get a hotel tax.

Greg Lavelle: So this has been going on, Rehoboth, New Castle County, the General Assembly, you know, the dam broke. So you get one, everybody gets one. But they all have to be individual votes. The cute aspect of the Delaware Turf Bill was that it directed the money, up to 3% and Kent County would still have to vote to approve it. So the Delaware General Assembly gives them the ability to do it, and then they have to put it in place. But the law, instead of saying use it for your general funds or however you see fit, directed the money to the Delaware Turf facility and it was sponsored by Trey Paradee and the reporting that came out of, Senator Trey Paradee, was that his brother John Paradee, was on the Delaware Turf operating board and also has some land interests where they want to build some hotels and things across the street or across Route 1 from the Turf.

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Greg Lavelle: So this bill came in at the last minute. It was hunted and fished around. They tried to get it through with some other tricks by putting what we call epilogue and the Bond Bill. So even if you think it's a bad idea, then you have to vote against the whole Bond Bill. To the credit of the Bond Bill chairs, that did not happen. So the bill was introduced on June 26th at 12:00 in the afternoon, had a public hearing, if you want to call it a public hearing, had a hearing two hours later. That's not a public hearing, by the way. And then it was passed by the Senate two hours after that. So within four hours this bill was introduced, had the window dressing of a hearing, passes the Senate, kicks over to the House, rules are suspended on June 30th, passes the House, and then the stink arises from the pile. And the potential conflicts of interest that exist. So that is a real quick rerun of what happened, Dace. And the-

Dace Blaskovitz: Wait a minute-

Greg Lavelle: Yeah.

Dace Blaskovitz: And then you come on, because you're regular to the program. Now you come on the program and say, "Okay, that's the first paragraph. But the second paragraph is Kent County had no interest in this bill. And oh by the way, the sister works in the legal department for the governor and then all heck broke loose." Is that fair?

Greg Lavelle: Yeah. And that's right. And so what happens with these charter change bills... I don't care if it's a hotel tax or whatever... is typically the legislators' response. Because when I was in the Senate, I don't represent Kent County. You go, "Hey, you know this Kent County Levy Court, does the City of Newark, do they want this charter change? Have they asked for it, do they agree to it?" And then typically the answer... Not typically, almost always the answer is yes and then that's sort of your due diligence on this thing. And you know, you have your responsibility but that's a big part of it, right? If the government wants it and they've asked for it, it seems reasonable, there it goes. So I don't know what happened, but clearly Kent County did not want this because they were told where the money was going to go, unlike all the other hotel tax bills.

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Greg Lavelle: So that was a huge difference and the fact that it didn't pass and got caught up in all this controversy also shows that they did not want it. As it turns out though, the Trey and John Paradee's sister works for the governor and the Office of Counsel. That's the area that's responsible for reviewing bills and making recommendations. Again, it's the appearance of a conflict of interest if not an actual conflict of interest that is the problem here. But for her, I think it would be an appearance of a conflict. I have no idea if she reviewed the bill or not. But clearly, John and Trey, have the appearance, if not actual conflicts. And after they got caught with their hands in the cookie jar, they get all worked up. John resigned from the Delaware Turf board.

Greg Lavelle: Trey Paradee said, "How dare you suggest anything like this and I'm going to fix the bill when we come back." And then a couple of weeks ago he said, "I'm not even going to fix it. We're going to reverse it. I'm done with these things." So they doth protest too much and perhaps it'll come back. My guess would be that someone will run a bill and if Kent County asked for it, by the way, and allow them to implement it, the hotel tax up to 3% because that's what the other bills have looked like. And that is a symptom of the problem.

Greg Lavelle: The genuine problem is...

Dace Blaskovitz: Yeah, let me stop you there because... Hang on, hang on, because as much bravado dramas I can put, we're going to run out of time. You really came back a third time with a loud message. The system is broken. It's your story. Tell it.

Greg Lavelle: Right, and that's why I'm here again to talk about the system. This happens too often, if not all the time. And this is what happens. Legislators should be embarrassed. They really should and they should blame it on Trey Paradee. It's busy at that time here and that's what they count on. We had a sexual harassment bill. Very serious issue, I'm not downplaying the issue at all. It came to the General Assembly and we wouldn't have the time to talk about it now. It's 3:00 in the morning on July 1st. Nobody in the Senate had seen the bill. Now they'll say, "Yeah, we were aware of it." That's nonsense, absolute nonsense. And it's an insult to the issue, which is an important issue, by the way. It's an insult to the legislators. Less important than insulting the issue and it has to stop.

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Greg Lavelle: Danny Short has a good idea, a number of good ideas to stop it that require constitutional amendments and law changes and legislative leadership, not Representative Short because I'm sure he would agree to it in a second. They can stop it by simply not allowing it anymore. That's the answer. We don't need to amend the constitution to have sunlight and common sense on how you process bills in the Delaware General Assembly.

Dace Blaskovitz: My friend, okay, you got 20 seconds. What happens? What happens from here?

Greg Lavelle: Well, if I was a betting man, which I'm not, and I'll bet you a dollar, nothing, because they thrive on this, Dace. They thrive on it. It's absolute nonsense. It's lots of words I can't say this time of year, but my bet would be that they're not going to do anything. They're not. It's impossible to embarrass some of them and legislator leaders, McBride, Schwarzkopf, Poore, all the majority legislative leaders have to stop this.

Dace Blaskovitz: Greg Lavelle, he does two segments. We're going to take a short break and we will be right back.