

DATA DELAWARE: Monday, October 28, 2019
SUBJECT: The Delaware Turf Bill story turns even worse!
(Part I Podcast transcript)

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Dace: Welcome back to money in politics in Delaware. Greg Lavelle, former Legislator is going to take a headline and make it a mega headline. Let me put you to the tease and then we'll get to Greg. Per Greg's email to me and I have his approval to do it in, and only in Delaware in the bad way moment, it has come to my, Greg's attention that Jacqueline M-E-T-T-E, Deputy Legal Counsel for Governor Carney is Trey and John Pardee's sister. She may now be the Chief Legal Counsel after some recent changes. I believe that's a question mark. The Office of Legal Counsel reviews bills prior to recommending that the Governor sign or veto them. Ouchie, ouchie, ouchie! Welcome back, Greg Lavelle.

Greg: Hello Dace, happy to be here.

Dace: Oh, I got a cold. I keep saying that, but that makes me about a half second slow and talk through a box. But here we go. We get first time listeners, 30 seconds about you and 30 seconds about your business.

Greg: Sure. I am born and raised in Delaware, graduate of Brandywine High School and the University of Delaware. I've been working for the past 30 years for a small financial consulting company in Newark. I'm married, have two kids, like long walks on the beach at sunset and chocolate ice cream.

Dace: All right, and how many years did you serve as a Legislator?

Greg: I was in the Legislature for 18 years. Twelve in the House and six in the Senate.

Dace: And your last formal title was...?

Greg: I was Minority Whip in the Senate for six years. And I was House Minority Leader for two years.

Dace: You ready to go?

Greg: I'm ready to go.

Dace: There you go, a compliment to the News Journal. They've done two front page stories, the lawmakers second guess, yes votes, who were Delaware Turf bill? The theme is the Delaware Turf bill. And the reporter, let's give a shout out to Sarah. I believe it's Gamard, G-A-M-A-R-D. So compliments to the reporter. She's not going to let it go. For someone that did not see those story or story, Greg Lavelle, put us into a one to two minute recap.

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Greg: Sure. I'd be happy to Dace. And also, Karl Baker, another reporter and the New Journal, has worked on this story. So Delaware Turf is the sports complex if you're heading to the beach for us, Newcastle County-ans, a little bit South of Frederica and by Milford on the left. And it is a regional sports complex. The idea is you bring in soccer and field hockey and lacrosse. You fill up hotel rooms, you put people in restaurants and it's a sort of the idea as an economic driver for that area of Kent County and Delaware, I guess to be fair. This is the outgrowth of any a travel league parents who may be listening, the torture of being in the travel league, but you get to go all over the region, country while your kids play sports. So that's the idea behind Delaware Turf. It has been in the works for, although it's only been in operation, it's been in operation two or three years.

Greg: It's been in the works for years. For example, the overpass that you see there was really pushed up to help facilitate this project and jumped way up in the capital improvement plan by DelDOT with a lot of political pressure. And, and some would argue in that, and we'll get into this at this point that what's the impact of not only their hotel rooms, but also the surrounding land as you build complimentary businesses. What your listeners may not know if they haven't been following is this market for regional sports events and complexes has been changing. And the idea was originally that, Greg Lavelle Productions would pay this sports complex to bring in sports events, because of you get the benefit and now it's changing. The these organizers are paying less, are also asking you pay us and we'll come in. So that's sort of part of the business plan that wasn't originally in this market. So that's a quick primer on Delaware Turf and what's going on.

Dace: And how about the heavy next paragraph about the apparent alleged conflicts of interest.

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Greg: Sure. So what has happened in the past couple of years is hotel taxes, which were originally just allowed the General Assembly, so the State can pass a hotel tax. Municipalities and other counties said we'd like to do that too. So once the first one got through, all the rest are going to come through. So there's been a spate of hotel taxes. And what happens with these bills is Newcastle County wants a hotel tax. They come to Dover, Dover changes and allows Newcastle County to implement a tax. But the Newcastle County has to vote to do that, and it's usually up to 3%. So a similar bill came through towards the very end of last year for Kent County, which again, that's not unusual given what happened. And it's Senate bill 178. But what was distinctly different in this bill Dace, was that the funds, instead of going to Kent County, for them to decide how to spend and to have that flight with hotel operators and others, who we were for or against it, it directed at, required actually, wasn't even an option.

Greg: It required Kent County to give the money to the Kent County Regional Sports Complex, which is the operator of Delaware Turf. That is completely different than the other bills that had gone through. The bill was sponsored by Senator Trey Pardee, who represents the area. Was introduced in the frenzy of the end of the session. Senate bill 178, became Senate substitute one for Senate bill 178 and then Senate substitute two. And all that means is the bill changed significantly, so they substitute instead of amended, and it's probably deeper than you wanted to go. But it was ultimately introduced on June 26th, at 12:51 PM. A committee hearing was held that afternoon, probably less than two hours later. No public notice. The agenda for that day, the committee agenda for that day is not available online. I looked a few minutes ago. And then it passed the Senate at 4:58 PM. So within four hours, this bill was introduced and passed the Senate. That's bad for this bill. That's bad for lots of bills and we'll talk about that later. But that's what happened.

Dace: Go back to the alleged conflict...

Greg: Yeah. So, so go into the reporting now. So it passes, there's so many bills passed as I said and the other thing, and then the catch up occurs with transparency after the fact. And so Trey Pardee represents the area. He was the Senate sponsor, the primary sponsor of the bill. His brother John Pardee is a significant real estate attorney in Kent County, for projects and this, that and the other thing, John Pardee also sits on the board of the Delaware Turf organization and it came to light through this reporting that he also is an investor in adjacent lands to the complex across the street, so to speak, where there's hotels and other things planned to be built. So the News Journal and others have asked the question, is this a conflict of interest? Senator Pardee says, "I've no idea what my brother does," which is kind of hard to believe.

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Greg: And then it came to my attention that their sister, I don't know how they pronounce her last name, Jackie Mette or Mette, is the Deputy Legal Counsel for Governor Carney. That office reviews the bills for the Governor and recommends. And I don't know if she declared a conflict, I don't know if she looked at this bill, but it speaks to the lack of transparency. Is very difficult to believe that Senator Pardee doesn't know so little about what his brother does and either speaks to arrogance or laziness that he wouldn't recuse himself from the issue. If it's a good idea, it's a good idea. Give it to somebody else. There's other Legislators in Kent County, and don't introduce the bill at the last second. It's just bad public policy. And speaking of that policy Dace, Kent County has not accepted this.

Dace: Say that again.

Greg: Kent County has not adopted this legislation to impose a hotel tax that didn't go...

Dace: So what does that mean?

Greg: It means, they weren't aware of it. They're not, and from what I understand, they're not happy about it. They were not aware of it. And they don't get the money, but they get to impose the tax, right? That's nice. So that's how these models work. Again, that it's the local government that actually implements the tax. They could do 1% or up to 3% but Kent County has not adopted the tax. They've gotten a tremendous amount of pushback. And if I'm in Kent County Levy Court Commissioner, I look like a fool, because I wasn't aware of it. I wasn't told about it. I didn't get to participate in it. But I get to vote for the tax.

Dace: So is this legislation happening, happened or still....?

Greg: Well, the bill passed, the bill passed. But again, Kent County Levy Court has to vote to implement the tax and they've not done that. There's been a lot of brouhaha over this, understandably from the lack of transparency to the potential for conflicts to directing the money to a private organization. That's really a huge hurdle for some of those commissioners, I would imagine. And why not respect the people in Kent County? Allow them to impose a tax and then let them decide if they want to kick any over to Delaware Turf.

Dace: I got to jump in. I got to jump in. His name is Greg Lavelle, former Legislator. He's rocking a house today. I'm choking on the apparent conflict. Greg wants to talk about how does this stuff happen all the time? We're going to take a short break. We will be right back.