

Old Pa. Steel Town Now Surging in Casino Business

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A generation ago, this town was booming thanks to a manufacturing behemoth that helped build the New York City skyline, Panama Canal, battleships and countless miles of railway. Now, more than a decade after Bethlehem Steel went bankrupt, the city is reinvigorating itself through a different industry: casino gambling.

Sands Casino Resort Bethlehem, which opened on part of the former steel giant's sprawling site in May 2009, has grown into one of the biggest success stories of the state's young casino industry. Located about an hour outside of Philadelphia and not far from big markets in New York and northern New Jersey, the resort has developed a profitable niche. Revenue has been surging since table games were introduced in 2010.

The resort now consists of a casino, hotel, outlet mall and events center, and business has spiked with the addition of each new amenity, said General Manager Bob DeSalvio, who foresees continued success, especially considering projected population growth in the Lehigh Valley.

"As long as the area continues to grow, I think we've got a lot of upside," DeSalvio said, noting that the casino was just far enough away from other gambling halls to have "geographic exclusivity."

With the casino hitting its stride, DeSalvio believes it's the facility's unique industrial heritage that will help it to continue attracting gamblers, even as the casino market grows bigger and bigger on the East Coast — with stiff competition in New York, New Jersey, Ohio, Maryland and, soon, Massachusetts.

"This will help blanket us from competition," he said, pointing to the historic industrial building shells and other vestiges of the steel past. "We're telling a story that is much bigger than a casino story."

The artifacts and expansive views of cavernous old steel buildings, along with casino walls adorned with old drawings and photographs of the plant, tell the story of a company that helped build the country for generations before going bankrupt in 2001. The casino itself is all new construction, but signs of Bethlehem Steel are everywhere — including the huge refurbished black ore crane that hangs over the entrance.

Inside, the gaming floor, modeled after one of the plant's machine shops, is decorated with glowing "stalactite" lights that are meant to glow like molten steel. Open steel beams hang overhead. Outside, visitors see other former plant buildings, rusted relics of the industrial past.

Preserving that history has been very important to a community where so many still have connections to the company.

"They did a good job of preserving it," said Doug Correll, 70, of Easton, who comes once a week to play slots on the site where he had worked in payroll at Bethlehem Steel for 35 years. "It reminds me of the steel company."

For now, the new casino is making money by the fistful, much the way its predecessor once did.

Along with Sugarhouse Casino in Philadelphia, the Sands has routinely been one of the biggest gainers among the state's 11 casinos. For the fiscal year that ended in June, the Sands' fledgling table games business was up nearly 75 percent, generating \$127.8 million in gross revenue — compared with \$73.1 million the year before. In the

same period, gross revenue from slots was up 8.4 percent to \$286.2 million.

Steve Donches, president and CEO of the National Museum of Industrial History, also located on the site, said the community is thrilled the company has been remembered and preserved.

"To see the progress that's been made and how it's been unfolding sort of gives us a great satisfaction," said Donches, who worked at Bethlehem Steel for nearly 35 years. "They went out of their way to capture some of the history."

He was especially pleased that five blast furnaces remain intact and hopes to restore a few of them in the future. Plus, he noted gaming brought close to \$10 million directly to the city last year.

Like DeSalvio, he thinks all the industrial history will help make the casino more unique than others in the state, and across the region. "It's the idea, the concept of industrial history and what built America, that is so interesting," he said.

With many former steel workers on the payroll and coming in as customers, that history is never far behind at the Sands. But, asked what his late father, who also worked for Bethlehem Steel, would think of the bustling casino, Correll couldn't even speculate.

"My dad would never believe that Bethlehem Steel folded," he said.