

Casino builders pushing their luck in 2 cities - Columbus Dispatch

Written by Administrator

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In Columbus, the builder of the West Side casino irritated local officials by asking for \$10 million in tax breaks and other incentives.

In Cleveland, another casino developer caught environmentalists and officials off guard with its proposal to alter the course of the Cuyahoga River to allow for more parking near the gambling facility.

While the developers are asking for less from

their other two host cities, Cincinnati and Toledo, their aggressive postures in Columbus and Cleveland are rankling some local leaders and reviving old criticisms about the developers' trustworthiness.

Penn National Gaming Inc. and Cleveland Cavaliers owner Dan Gilbert sponsored the successful 2009 initiative authorizing Las Vegas-style gambling in Ohio for the first time. While the major terms, such as a 33 percent tax rate and casino locations, are locked into the state Constitution, the developers have wiggle room on other issues.

Penn National asked Columbus for \$10 million in tax relief, including breaks on taxes that would be assessed on hotels, parking garages and other improvements on the casino site. The company also wants to apply some of its tax toward improving roads and other infrastructure on the casino site.

Gilbert's Rock Ventures made an even bolder proposal in Cleveland. The company asked to fill in 29 feet along a winding stretch of the Cuyahoga River to allow for a seven-level, 5,000-space parking garage.

Critics of the idea note that Gilbert already had picked out the location as part of the 2009 ballot measure and should have anticipated any parking challenges.

"They wrote the (constitutional) amendment and they wrote it for their own personal benefit," said Rob Walgate of the Ohio Roundtable, a persistent critic of gambling proposals. "We're

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seeing now that they're taking us for everything they can."

Penn National and Rock Ventures reject that idea. The companies say they're committed to working with local officials for the best design and traffic circulation around their casinos.

Penn National also noted that its Columbus site wasn't its first choice. Voters statewide approved a location in the Arena District as part of the 2009 measure, but Penn National heeded criticism of that site and went back to the ballot this year to move the casino to the West Side.

Bob Tenenbaum, a spokesman for Penn National, said casino developers haven't reneged on promises to create 20,000 jobs and invest about \$1.5billion in the four casinos. The jobs promise, however, isn't locked into the Constitution and the minimum investment is \$1 billion. Casino developers interpreted that figure as including slot machines and other fixtures, not just buildings.

"It's still about jobs," Tenenbaum said. "It's still about investment."

Rock Ventures hasn't made any major demands of Cincinnati. The company has asked the city to consider closing part of a downtown road to facilitate access between a planned urban plaza and the casino entrance.

Penn National hasn't leaned hard on Toledo for its casino there. *The Blade*, a Toledo newspaper that opposed the casino measure, questioned whether the company would go back on its promise not to build a hotel unless nearby lodging facilities reached full occupancy.

Tenenbaum insisted that Penn National would adhere to its no-hotel pledge in Toledo.

Penn National and Rock Ventures' wheeling and dealing in Columbus and Cleveland isn't unique to casino developers, said I. Nelson Rose, a California-based consultant to gambling

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regulators and operators.

He noted that manufacturers regularly shop around for tax breaks and other incentives when seeking to locate their plants. The Ohio casinos, however, don't have the same flexibility on locations, which were part of the voter-approved constitutional amendment.

"It's typical of any big business that's going to bring in a lot of jobs and a lot of money into an area," Rose said. "They're trying to get the most they can."

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