

A proposal for a new, eight-year lease with Prairie Meadows Racetrack and Casino was endorsed unanimously Tuesday by the Polk County Board of Supervisors.

The lease agreement will not become official unless it is approved by the Altoona racetrack-casino's board of directors and the Iowa Racing and Gaming Commission. A nonprofit board runs the

racetrack-casino, and Polk County taxpayers own the facility.

The current lease between Polk County and Prairie Meadows is set to expire on Friday. Terms of that lease are expected to be followed month to month until a new agreement is approved by all parties.

The proposal backed by county leaders generally mirrors the current lease with a notable exception. As landlord, the county currently pays 100 percent of the racetrack-casino's annual property taxes, which total about \$4.5 million. That amount would be frozen under the lease proposed by Polk County. Prairie Meadows would be responsible for paying any property tax amount above Polk County's \$4.5 million ceiling.

Under the soon-to-expire lease, Polk County receives about \$27 million per year, with \$15.6 million in annual rent, plus revenue sharing and income based on Prairie Meadows' state tax rate and the amount paid to horse purses.

Negotiations on a new lease began in July. The county's negotiating team consists of County Administrator Ron Olson, Supervisors John Mauro and Robert Brownell and other county staffers. Those negotiations have been productive, thus far, Brownell said Tuesday.

"The board, I think it's fair to say, is open to counters from Prairie Meadows," he said. "But we felt it was important to put something on the table in the form of a concrete proposal issued by the board of supervisors as a landlord."

Mauro added: "I felt it was time for us to give them a direction saying: 'Listen, we're very

satisfied with what we have now. It's a very good lease. It's worked very well.' The only difference is we're not going to continue to pay the taxes on improvements, which is a very, very fair lease."

Prairie Meadows officials could not be reached for comment on Tuesday.

Revenues from the casino are channeled to the county to pay for roughly \$5.6 million in community development and betterment grants each year.

The county also uses about \$14.5 million in gambling revenue each year to pay off the debt for the \$218 million Iowa Events Center.

Gambling money will also pay for the \$42.8 million renovation of Veterans Memorial Auditorium that began in October.

State law requires voters to decide every eight years whether casino gambling should be permitted in their county.

In November, roughly 74 percent of Polk County voters approved another eight years of gambling at Prairie Meadows. That was up from 2002, when the gambling referendum earned 67 percent approval from voters.

Prairie Meadows has generated more than \$1 billion in taxes, charitable contributions and other community contributions since 1995.

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