

A unanimous, 10-0 vote by Davenport aldermen could prove to be the easiest step in developer Steve Edelson's quest to build a land-based casino facility in downtown Davenport.

While several residents advocated Wednesday night for either a site closer to the interstate or no casino at all, council members heaped praise on the

Chicago-based MSEG LLC for committing to a \$75 million project in the heart of the city.

"Davenport is a first-class city and it's about time we are treated like a first-class city," Mayor Bill Gluba said before the vote. "The bottom line is this is about bringing money into our community and it's about jobs. No public dollars are going into this and the \$75 million invested is going to put people to work."

The development agreement clears Edelson and his partners to begin negotiating with the city's current casino operator, Isle of Capri Inc., on a transfer of the gaming license held by the Riverboat Development Authority, or RDA. It requires the total investment in the project to be \$75 million, with a 30,000 square-foot casino, a minimum 75 hotel rooms and associated improvements. In addition, the agreement grants Edelson and MSEG 24 months of exclusive negotiating rights for the possible development of a downtown sports arena.

The development agreement includes a boost in revenue sharing for the city from the current 1.65 percent of weekly adjusted gross receipts to 1.89 percent, and also requires the property to have a \$55 million assessed value for property tax purposes.

If all that comes to fruition — and Gluba and aldermen noted there are a lot of details to work out and players like Isle of Capri, Iowa Racing and Gaming Commission, investors and the RDA to satisfy — the following financial results are forecast:

- \$2 million in gaming revenue to the city.
- Up to \$680,000 in property tax revenue.

- \$300,000 in revenue to the Downtown Partnership.
- \$3.4 million in revenue to Riverboat Development Authority based on a 4 percent share of gaming revenues.

“This act tonight is the equivalent to the firing of a starting gun in a race,” said Alderman Jason Gordon, at-large. “We’re not turning dirt tomorrow, or next month. This is going to be a long, ongoing process.”

Aldermen spent much of their time Wednesday answering questions and addressing criticism. Concerns ranged from the process being rushed through, to why a downtown site was preferable to an interstate site, to the inclusion of the sports facility clause.

Alderman Bill Lynn, 5th Ward, pointed out there is no city ownership assumed in the agreement of either the casino or a potential future arena.

Alderman Bill Edmond, 2nd Ward, noted it was Edelson who picked the site, not the city.

“It’s not the job of the council to tell a developer where to locate,” he said. “We gave options and got out of the way. And that’s what government is supposed to do.”

Edelson has said a downtown casino facility will build on the growing momentum in the central city he saw — the Hotel Blackhawk renovation, new housing projects and the \$400 million-plus in investment the city has made downtown over the past several years. He has vowed to work with existing hotels, restaurants and other amenities to try and make downtown Davenport an entertainment destination.

“I’m happy the entire council is behind what we’re trying to accomplish,” Edelson said when

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contacted by phone after the council's vote. "There are a number of steps that have to be accomplished in order to obtain the goals. Very shortly, we plan to sit down with Isle of Capri and try to come to an amicable arrangement. I have optimism on that."

Details still to be worked out include a specific location, a timetable for construction or property acquisition, design aspects and what economic development incentives might be forthcoming from the city.

Jim Smith, the mayor of Avon, Ohio — a suburban community of around 20,000 just west of Cleveland — said Edelson's group brought secure financing, community commitment and a "first-class" operation when the group started up a new minor league baseball franchise there in 2009.

"Steve and his group hit ground running with more than enough financing to make it a success," said Smith, who has been mayor of Avon for 17 years. "You worry when people come in from out of town, if they have money to go through from start to finish. But what they say they'll do, they do. On January 1, they came in and by May they had a team put together with all the amenities. They're not frightened of spending money."

The city built the ballpark, but Edelson's group put in all the furnishings, hired the front office and team staff and operates the team. In the first season, the Lake Erie Crushers attracted 300,000 fans and won the league title.

The ballpark complex has spurred further development on a 120-acre city-owned parcel in Avon, including a new recreational center just over the right field fence.

"Without one you wouldn't have had the other," Smith said. "He works together with some of the restaurants in town as well. They're good at that and they work with everyone in the community. I'm a hard person to please — and I looked at a lot of different projects — but this really worked out well and gave us an identity."

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