

Casino license splits county, city over issue

Written by Administrator

Friday, 13 December 2019 03:56 -

RUSSELLVILLE -- Land earmarked for a casino in Pope County will be voluntarily annexed into Russellville, giving the city the largest split of gambling revenue, if Cherokee Nation Businesses is awarded the casino license there, Ben Cross, county judge of Pope County, said Thursday during a joint meeting of the Quorum Court and the City Council.

According to state law, Cherokee Nation Businesses must first ask the city to annex the land in the northeast quadrant of the county off of Hob Nob Road, then Cross has to approve it before it becomes part of the city.

Cross and Russellville Mayor Richard Harris sat in the center of plastic tables arranged like a squared-off C with the Quorum Court members on one end and city aldermen on the other.

"We're here to clear up any issues that seem to be of controversy," Cross said.

The casino topic has been a source of division in the area since Amendment 100 was approved by state voters in November 2018. The amendment allows a casino in both Pope and Jefferson counties with the backing of local officials, and expansion of gambling at the racetracks in Hot Springs and West Memphis.

Under Amendment 100, 19.5% of the net casino gaming receipts would go to the city or town in which the casino is located and 8% to the county. If the casino is solely in the county, all 27.5% would go to the county.

Harris spoke very little during Thursday's almost hour-long meeting, while Cross animatedly presented a draft of a seven-page interlocal agreement between the county and the city. The city has been at odds with the county since the Quorum Court on Aug. 13 endorsed Cherokee Nation Businesses for the license.

[\[RELATED: See complete Democrat-Gazette coverage of casinos in Arkansas at arkansasonline.com/casinos\]](https://arkansasonline.com/casinos)

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The gaming amendment was rejected by Pope County voters, but officials of five casinos began courting people in the area after the election. Casino supporters were vocal they wanted one in the area, and then county officials reviewed casino proposals to decide which one to back.

The centerpoint of the agreement is a bond issue set to go before the voters March 3 -- the same date as the primary and judicial elections -- which would take advantage of Act 703 of 2019 allowing municipalities or counties to pledge casino gaming revenue for repayment of local government bonds.

The county, in the agreement, would pledge up to 80% of both the city's and county's portions of casino revenue to repay the bond.

Cross laid out the details of five proposed projects from which voters can choose all or none to pay for with the bond proceeds. They include:

- A new criminal justice complex doubling jail beds from 200 to 400, housing a coroner's office and four courtrooms.
- A new Russellville Central Library.
- A senior adult wellness center with a gymnasium for senior citizens and an upper-level walking track.
- A new Russellville Fire Department substation as well as a new pumper truck and five police vehicles.
- A multi-purpose event center at the Pope County Fairgrounds.

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All of the projects will be built on "free land," Cross said, meaning property already owned by either the city or the county.

Councilman Chris Olson questioned if operating costs for the facilities would be included in the bond.

"This is brick-and-mortar stuff," Cross said.

Olson pointed out the overhead, such as personnel and utilities, will be the responsibility of the city and will leave the city's budget short, according to the projected gaming revenue.

Harris followed up by saying the proposals would require at least 13 firefighters, which would cost about \$1.2 million annually in salaries alone.

"The current city budget is tight," Harris said.

Councilman Rick Harrell told Cross he's adamantly against a casino in Pope County and expressed concern local businesses will bear the brunt of competition from a casino complex. The city just doesn't have the money for the infrastructure to support the casino, he said.

"I think you sold the county out by what you said earlier and what you're saying now," Harrell said to Cross. "I think it's wrong for us to pursue a casino and this is just kind of a game we're playing, but trying to be nice about it. I'm against it. I stand against it. I think it's wrong for the county and the city. I think that we are just playing with numbers that aren't realistic."

Councilman Larry Brown said he's pro-casino.

"We're not going to be able to stop it, so let's get the best deal that we can," he said.

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Councilman Mark Tripp asked Cross if there was room to negotiate the 80% figure to ensure enough money was set aside for operating and overhead expenses of the improvements.

Cross said there was still room to negotiate once the "monies are flowing," but for the purposes of the proposed agreement, "I think it needs to stay where it is."

Olsen asked Cross what happens to the \$27.6 million upfront money the county gets from a \$38.8 million Economic Development Agreement that Cross negotiated with Cherokee Nation Businesses before the Quorum Court's endorsement in August.

Cross said a list of projects for that money -- which will come if Cherokee Nation Businesses is awarded a casino license by the state Racing Commission -- will be unveiled in January.

The projects covered by the bond will "generate Russellville tax revenue," Cross said.

Olsen protested Russellville will bear the brunt of the costs of the proposed bond improvements after they're built.

Cross countered Russellville is the "single biggest user of services." Residents of the city of nearly 30,000 make up more than 50% of every intake into the county jail, Cross said previously. He also estimated 56% of all 911 calls and about 66% of all medical runs by the Pope County ambulance service originate in Russellville.

Members of the Quorum Court were mostly silent during the meeting.

Justice of the Peace Bill Sparks, who voted against endorsing Cherokee Nation Businesses, asked Cross if taxes would be raised if the city couldn't pay for the increased operating costs.

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Cross said that's not likely to happen because of the economic growth sure to come with the casino resort.

Harris said he'd like to revisit the interlocal agreement to see if the two entities can "come up with something a little more amicable."

"The council and the mayor has really no say on whether a casino comes to Pope County or not. The concern of the council and the mayor is making sure that we have a revenue stream that will support the infrastructure and needs of our community if a casino comes into town," Harris said.

"I've said that from day one and I will continue to say that. There are some concerns, I think, expressed tonight, about the way the bonding is set up that it may impact the bonding sufficiently enough that the citizens of Russellville will be impacted in a negative way from a tax perspective, " Harris said.

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