

Greater Cleveland Partnership Board of Directors Resolution Exploring Casino Gaming in Ohio

WHEREAS the Greater Cleveland Partnership (GCP) strategic plan called for an exploratory casino gaming study to help “determine the benefits and risks associated with gaming as a possible source for financing and facilitating economic development”. In response, the GCP partnered with businesses in Cincinnati to commission studies on the potential economic and fiscal impacts of gaming in Ohio, along with analysis of the possible social costs.

WHEREAS these studies have been completed and the GCP now needs to determine if there is sufficient consensus among Board leadership to support a statewide campaign to pursue authorization of casino gaming in Ohio.

WHEREAS the studies contain several key findings that are pivotal to GCP’s further consideration of the gaming issues and its central mission of boosting rates of job and wealth creation in the region.

- Ohioans already are gambling now and their proximity to additional gaming opportunities outside of the State’s borders continues to increase through traditional and electronic means—both legal and illegal.
- Consequently, Ohioans are contributing to the tax base and payrolls of other neighboring states while bearing all social cost obligations out of existing and already over-stressed budgets.
- Gaming will create a substantial number of new jobs and stimulate physical development in Ohio along with enhancing the supply chain of industries involved with horse racing in the state.
- The social costs of an expanded gaming marketplace are significant, but problem and pathological gamblers already reside in Ohio and their numbers will continue to increase in any scenario.
- Currently, the state has inadequate resources available to treat either problem or pathological gamblers who reside in Ohio, and gaming tax revenues could help address this need.

WHEREAS job creation is an immediate need in Ohio and additional public resources could be generated through casino gaming to address this and related economic development priorities in the State, such as higher education and enhancement of the hospitality and tourism industries;

WHEREAS November 2006 is the next likely date at which gaming could be considered by Ohio’s voters;

WHEREAS the GCP executive committee is recommending to the Board that the organization move forward to further explore this issue through a two-stage approach;

WHEREAS the elements of the recommended two-stage approach are:

STAGE 1 - GCP will use its best efforts to build a statewide coalition among other metropolitan regions and public officials that would develop the components of a constitutional amendment to bring the benefits of economic development associated with gaming to Ohio. GCP’s continued participation in the first stage would be conditional upon inclusion of these key principles in any proposed amendment:

1. New tax revenues derived from gaming in Ohio must be reasonably optimized and benefits shared between all residents of Ohio and the local communities eventually

chosen for gaming locations. Such revenues should not be used to replace or reduce current State funding provided to local governments. Local revenues must be invested in job creation and economic development strategies developed by local public and civic leadership.

2. Clear criteria for selecting final casino locations must be identified that closely mirror those identified in the GCP gaming study (see addendum). Using these criteria, the geographic locations (not site specific) of casinos should be identified.
3. A significant portion of the new gaming revenues must be budgeted for education/prevention/treatment of existing and future problem and pathological gamblers that emerge in the state.
4. An acceptable governance model for casino gaming is created. Licensing fees are estimated and proceeds earmarked to state and local economic development entities and strategies.
5. Acceptable ways of addressing high priority local concerns, including input on ownership of casinos, specific location of casinos, and strategies for minimizing the degree and duration of local product substitution while maximizing opportunities for small businesses.

STAGE 2 – If and when (expected by the end of calendar year, 2005) a true statewide coalition of business and private sector leadership in Ohio reaches a consensus that incorporates the above principles, the GCP Board will reconsider its full endorsement of casino gaming. This will provide the GCP Board with the opportunity to evaluate the coalition's final consensus before finally endorsing a campaign for a constitutional amendment to permit casino gaming on the November 2006 ballot. If the coalition is unable to develop a consensus within this timeframe, then the practical likelihood of a successful campaign would not exist and future activity or support would become moot and possibly counter-productive to advancing other GCP priorities.

THEREFORE, BE IT RESOLVED that the Board of the Greater Cleveland Partnership hereby adopts this resolution supporting the above defined two-stage approach to explore legalized casino gaming in Ohio.

September 14, 2005
Date

Alexander M. Cutler, Chairman

Alexander M. Cutler

Addendum

Criteria for Identifying Potential Casino Locations

- Retain Ohio resident spending within the state (“seal the borders”)
- Attract new visitors, increase spending level of existing visitors
- Minimize competition between Ohio gaming markets (“avoid cannibalization”)
- Minimize redirection of existing spending within Ohio (local product substitution)
- Maximize tax revenues and employment in Ohio
- Maintain the competitive position and viability of both Ohio race tracks & casinos
- Leverage visibility and proximity to major arteries and ports of entry
- Consider existing infrastructure, adequate labor pool, amenities & attractions to augment casinos