

# Casino plan craps out

The effort to bring casino gambling to Southwest Ohio was being soundly rejected by voters, who were turning down a statewide ballot that would have amended the state's constitution to allow a new facility near Wilmington.

Issue 6, which would have paved the way for legalizing the construction of a USD 600 million casino development near Interstate 71 in Clinton County, was trailing 61 percent to 39 percent – and the Associated Press said it would not pass based on those early returns.

“It is encouraging,” said Bob Tenenbaum, spokesman for the No on 6 Committee. “It appears that this is passing in Clinton County and the surrounding small counties, but losing significantly everywhere else.

“There were just a lot of people who were both against gambling in general but also some who just saw this as having too many loopholes and putting one casino in one part of the state as simply the wrong way to do it.”

The proposal would have allowed developers to build the casino in an area facing the loss of thousands of jobs with the potential pullout of air cargo shipping company DHL from its hub in Wilmington. The casino would have been the Midwest's largest, according to analysts.

Indeed, proponents of the proposal aired television ads close to the election featuring a DHL worker pleading for passage of the measure to protect jobs in the region, located about 50 miles northeast of Cincinnati. But the opponents countered with ads questioning the background and experience of Lyle Berman, one of the proposed casino's developers.

Officials with the campaign touting Issue 6 did not return messages seeking comment.

The Ohio constitution bans casino gambling.

Issue 6 would have taxed gambling revenues at 30 percent. That would have brought in an estimated USD 200 million-plus in revenues, with most of that to be split equally among the state's 88 counties.

But opponents argued that the measure would have given one operator an effective statewide monopoly without getting Ohio much of an upfront license fee. The proposal would have called for a fee of up to USD 15 million, and effectively a down payment on future taxes owed – other states have collected hundreds of millions for a license.

The proposal also would have required the state to match the tax rate at the Wilmington casino to that of any another casino that could possibly open in the state in the future. That includes any opened by an Indian tribe, which can't be taxed, although legal experts are skeptical any tribe would ever operate a casino in Ohio.

Still, opponents jumped on that amendment to suggest that the Wilmington casino's tax rate could go to zero.

Opponents also charged local and Ohio officials would have had little oversight over the Wilmington casino.

The ballot issue instructed the state to form a gambling commission, but that panel would have had no power to regulate hours, types of games or betting levels.

Opposition officials also noted that if the measure passes, there won't even be a zoning board review of the building plan.

The ballot measure had huge implications for Penn National, the parent company of the Argosy casino in Lawrenceburg. Legalizing gambling so close to Cincinnati would have likely siphoned business away from the riverboat casino, which did

USD 480 million in gambling revenue last year.

Penn National, which is expanding the Argosy (its most-profitable casino), opposed the amendment and spent at least USD 27 million since September trying to kill it.

This was the fourth such attempt to legalize casinos or expanded gambling by way of state ballot since 1990. Tenenbaum said it is too early to tell whether gambling proponents would try again anytime soon.

“People said that the last three times were a clear vote against expanded gambling, but I’m not sure this was the case here because this one was so specific,” Tenenbaum said.