

Warren County agency to hold leases on racino buildings
By Lawrence Budd
Staff Writer

The Warren County Port Authority is negotiating leases to build and lease back facilities for a new \$175 million racino to the operators, Miami Valley Gaming & Racing, according to officials. The racino site is off Ohio 63 near the Cincinnati Premium Outlets shopping center and across from Trader's World.

"The ground interest gives the Port access to the site in order to own the building constructed. The constructed building will be leased back to the private user for their use," said Warren County Economic Development Director Martin Russell in an email.

The facilities are to include a 5/8 mile track, 28,000 square foot grandstand, a 51,000 square foot barn and support structure, 188,000 square feet of gambling, food and beverage services and a 3,000 space parking lot, according to a port authority resolution, supporting the proposed leases, approved on Feb. 4.

Site work began in early January, Ron Sultemeier, director of new property planning and projects for Miami Valley Gaming and Racing, said Thursday.

"We're proceeding ahead," Sultemeier said. "There are a lot of steps that all tie together for this project."

Miami Valley Gaming & Racing, a joint venture of Kentucky-based Churchill Downs, and New York-based Delaware North, is leasing the 120-acre property from Warren General Property, a limited liability corporation, that purchased the land for \$4.5 million from the State of Ohio, according to records.

"The land is expected to transfer before the end of the year, indicating this project will move more quickly in early 2013," according to minutes from a December port authority meeting. The deed was transferred from the state to the holding company on Dec. 28, according to records.

A 35-year land lease between the port authority and Miami Valley Gaming calls for the operators to provide \$1 million in title insurance. The land and project leases call for \$1,001 a year in rent. Miami Valley Gaming will pay the port authority a \$800,000 closing fee, according to the lease.

There are two project leases, a 10-year one for the planned buildings and another lease for to-be-determined projects at the site.

"The leases have a few items outstanding, but are near to final form," Russell said Thursday. Russell did not pinpoint an exact date for the signing of the leases.

About 1,700 jobs, including 1,000 during construction, are to be created by the racino. Workers will be taxed through a joint economic development district to be formed for the area, Sultemeier said.

The leasing arrangement between the port authority and Miami Valley Gaming continues a collaboration between Warren County agencies and operators, dating back to the opening of the harness racing track at the Warren County Fairgrounds in downtown Lebanon in the 1950s.

The port authority is part of the county's economic development department, established by the county commissioners in 2007 to provide financing and other economic development assistance.

Last year, Miami Valley Gaming bought the state licenses for the racino from the Lebanon Trotting and Miami Valley Trotting, operators of the existing Lebanon-based track and off-track betting facilities. The existing facilities are leased from the Warren County Agricultural Society, which also manages the county fairgrounds.

Ohio's first racino is open at Scioto Downs, near Columbus. A second racino is opening in March at the former Thistledown Racetrack, outside Cleveland.