Ohio Gov. John Kasich has worked out a deal to get more money out of the developer building casinos in Cleveland and Cincinnati, clearing the way for construction to begin again on the $1 billion projects.

By JAMES W. WADE III

Staff Reporter

Ohio Gov. John Kasich has worked out a deal to get more money out of the developer building casinos in Cleveland and Cincinnati, clearing the way for construction to begin again on the $1 billion projects.

Both the governor and the developer, Rock Ohio Caesars, said the state will be paid more

money, but neither said how much more. That's because separate negotiations continue with Penn National Gaming Inc., the developer of casinos in Toledo and Columbus, someone close to the negotiations said. Details could be released this week.

The deal reached a month to the day after Rock Ohio halted construction of its casinos, puts Cleveland's casino back on track to open in the former Higbee Building early next year.

The agreement reached will put about 2,000 Greater Cleveland construction workers back to work this year on the casino and will create 1,600 permanent jobs for casino workers when Rock Ohio starts to hire staff later this year.

“I am very pleased to hear that the Governor and the casino owners have reached an agreement and that construction will resume and citizens in my district and Hamilton County will be able to go to work and have access to employment opportunities, says State Representative Alicia Reece who had a face-to-face meeting with Governor Kasich this past Tuesday regarding this issue.

“The Governor and I had a frank discussion on the importance of this project to the citizens of my district and Hamilton County and he thanked me for sharing the concerns and presenting a different perspective and he said that he would get this issue resolved very shortly and I am pleased to hear that an agreement has been reached this soon.”

Rep. Alicia Reece represents the 33rd House District, which includes a large part of Cincinnati, as well as Deer Park, Elmwood, Golf Manor, Norwood, Silverton, St. Bernard and parts of Columbia, Springfield, and Sycamore Townships.

Cincinnati's casino, however, might be delayed several months because Rock Ohio canceled a steel order when it interrupted construction. The steel needed to build the shell of that city's casino must be reordered.

Both Kasich and Rock Ohio have a lot to gain from a deal. Kasich heard criticism for trying to boost the financial deal that voters approved in 2009 casino owners are to pay a one-time $50

million licensing fee and ongoing 33 percent casino tax.

When Rock Ohio halted construction last month, the criticism increased because it delayed construction jobs and the hiring of permanent employees and made people hungry for casinos in Ohio wait longer to get in on the action.

Meanwhile, Rock Ohio, a partnership of Caesars Entertainment Corp. and Rock Gaming LLC, was having troubles of its own. Developers said they couldn't secure financing to finish the casino projects because they couldn't tell potential investors the amount of state taxes and fees.

Additionally, potential investors in the Cleveland casino were wary of putting up money until Rock Ohio had all the pieces of a customer parking plan in place, developers said.

Last week, the Cleveland Landmarks Commission helped Rock Ohio knock down the first financing obstacle. It approved demolition of the century-old Columbia Building, making way for the casino's valet parking operation.

Saturday's deal is establishing what the casino will pay the state now and in the future appears to have eliminated the final obstacle standing between Rock Ohio and the money it needs to finish the project.

"We are eager to resume construction, get people back to work and open our first-class casinos in downtown Cleveland and downtown Cincinnati," says Matt Cullen, president of Rock Gaming, said in a statement.

Work is expected to begin again soon at the downtown Higbee Building, and pre-demolition work could start this week at the Columbia Building.

Developers say the Horseshoe Casino Cleveland will bring Las Vegas-style gaming to the area

with about 2,100 slot machines, 65 table games and a World Series of Poker room with 25 tables.

Penn National's negotiating situation is different. Financing isn't a problem because it is putting up its own money to build the casinos. But Penn National wants something from the state, permission to move and add slot machines to two of its Ohio horse-racing tracks. Work at its casinos continues.

The Toledo casino is about half built. Penn National recently started foundation work on the Columbus casino.