
2-ABC - Lottery's secret plan & Vote on taxes for

Posted by cubana - 2009/02/03 08:08

FYI. - Kwabena

To APAB, NPU's, and Others, (two articles)

Whether you favor or oppose 1) gambling in downtown Atlanta, please consider the following comments and/or 2) Amtrak rail service which uses the Piedmont Park segment of the Beltline, please consider the following comments.

Ga DOT has been formally considering commuter rail since creating the little-known Georgia Rail Passenger Authority (GRPA, circa 1991), however, the Legislature and DOT have only allocated enough funding for planning studies.

Gov. Perdue is beginning to promote commuter rail but he continues to "sit" on ~\$90M of available federal funds for a Lovejoy-to-Atlanta commuter rail project.

If gambling makes Underground a viable entertainment destination, then the value of a downtown Multi-Modal Passenger Terminal (MMPT) at Five Points becomes more than just a rush-hour commuter rail station for daily workers.

Mid-day, weekend, and special event rail service from outlying metro-communities into Five Points will be touted as a way to provide auto-free transportation into an emerging downtown Atlanta which offers offices, family entertainment (sports, aquarium) and revenue-generating legalized gambling.

Preliminary financing for an MMPT could be derived from the existing \$90M plus federal Economic Stimulus funds and that would jump-start the MMPT. Casino gambling makes the terminal even more attractive and viable.

And current MMPT plans which do not include rail service from downtown toward points-east of downtown will also become more attractive.

Will opposition to gambling from Gov. Perdue and the Christian Coalition prevail? Or will support from Atlanta Convention and Visitors Bureau, the downtown business community prevail? Will gambling industry lobbyists get involved? What is the relationship of downtown gambling and rail service to the northeast?

What are the preferences of Atlanta's residents from a city-wide perspective?

Even if the plans for Underground gambling begin to take shape, revenue will not be generated in time to offset the City's growing budget deficit -- the severity of which has yet to be disclosed by Mayor Franklin.

Nationally, economic analysts are shifting to projections of a longer-than-anticipated downturn.

For each of the most recent several months, Georgia has been reporting that actual sales tax revenue has been declining.

City budget-planning documents which were due in December have yet to be released by the Mayor.

News about placing a referendum on the November ballot so that "Atlanta voters could decide whether to tax themselves to hire more police officers and firefighters" is simply political grand-standing (see second article). A property tax increase will become a necessity even if more efficient use of available funds is implemented.

Question: What do the following projects all have in common"?

- Piedmont Park parking deck
- Sewer Consent Decree projects which involve deep-rock tunnels
- Plans for gambling in Atlanta
- Plans for the use of existing rail corridors
- Atlanta's budget deficit
- Etc., etc., etc.

Answer: The public never gets accurate and complete information in a timely manner so that informed decision-making is truly the result of participatory democracy.

Bob

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Re:2-ABC - Lottery's secret plan & Vote on taxes for

<http://atlanta.bizjournals.com/atlanta/stories/2009/02/02/story1.html>

Lottery's secret plan for downtown gaming

J. Scott Trubey Staff Writer, Atlanta Business Chronicle - Friday, January 30, 2009 -- Reach Trubey at strubey@bizjournals.com.

"CEO Margaret DeFrancisco received an informal legal opinion from state Attorney General Thurbert Baker stating that the lottery's executive board could approve video lottery terminals."

Georgia Lottery officials have been publicly silent about a proposal for a casino in downtown Atlanta. But privately, they have been actively exploring a casino since at least last spring.

Underground Atlanta developer Dan O'Leary on Jan. 13 disclosed a plan to build a half-billion-dollar, lottery-tied casino and hotel at the struggling downtown entertainment complex.

Documents obtained by Atlanta Business Chronicle show lottery officials have studied a casino since last May.

The Georgia Lottery commissioned a public relations strategy to sell a casino to lawmakers, business leaders and the public, the documents obtained through the Georgia Open Records Act show.

Lottery officials also explored what types of games would be legal under Georgia law. Georgia Lottery Corp. CEO Margaret DeFrancisco received an informal legal opinion from state Attorney General Thurbert Baker stating that the lottery's executive board could approve video lottery terminals — virtual scratch tickets that play like Las Vegas-style slots and card games.

Russ Willard, a spokesman for Baker, said the attorney general told DeFrancisco in a telephone conversation the lottery board has the authority to approve lottery-based gaming and that "if they proceed we could make arguments to defend that action."

In July and August last year, DeFrancisco and other lottery officials toured a lottery-based casino in Delaware whose parent company, Dover Downs Gaming & Entertainment Inc. (NYSE: DDE), is a partner with Underground principals to operate the proposed development.

In addition, in May 2008 lottery officials prepared a brief overview of what gaming in Georgia could look like, including market research, prize payout percentage, splits of net machine income, security, and marketing and advertising of a potential facility.

Lottery officials' interest in a casino stems from concerns that in coming years, lottery revenues won't be sufficient to pay for the HOPE Scholarship and pre-K programs. Since its inception, the lottery has raised \$10 billion for educational programs.

Separately, Michael Robison, a parking lot magnate and former chairman of the Atlanta Convention & Visitors Bureau, in October approached the Georgia Lottery board with a letter of intent to serve as a consultant to develop a casino. The lottery has not replied to Robison's request.

Gov. Sonny Perdue has not shown support for gaming. Bert Brantley, a spokesman for the governor, said he was not aware if Perdue had talked with DeFrancisco about gaming proposals.

"The governor would certainly have serious concerns about a proposal like that," Brantley said.

Tandi Reddick, a lottery spokeswoman, said the lottery has not solicited any proposals for casinos and has no timetable to discuss any developer's plan.

Reddick said the lottery board "feels it is their responsibility to look at concepts and ideas to maximize revenues," and that it is prudent for board members to educate themselves.

The board includes Chair Tony Campbell and members James F. Braswell, Rayna Casey, Ann Crowder, Marty Kogon, Celeste Osborn and John Watson.

Trips made to Dover Downs, Reddick said, were part of "an educational trip regarding a much broader state of the lottery industry."

O'Leary estimates the lottery could generate \$150 million a year for HOPE and Pre-K programs in his proposed casino's

first phase. A second phase, which would include a 29-story hotel and entertainment complex, could generate \$300 million annually for lottery-funded programs.

Documents obtained by the Chronicle repeatedly mention Underground Atlanta as a possible site and Dover Downs as an example for video lottery terminal casinos.

The confidential media strategy delivered to lottery officials Oct. 30 by public relations firm Fleishman-Hillard states that revenue, though historically robust, might not support future demand.

Video lottery terminals, or VLTs, were described with the term "Velvet."

"Velvet secures HOPE for Georgia" was a marketing position Fleishman-Hillard suggested.

"...Though recent growth in revenues have been impressive, especially against the backdrop of a soft economy, it's clear that the supply of HOPE and pre-K funds run the risk of falling behind demand," the media strategy said. "Lotteries in general are a mature industry and Georgia's Lottery shows signs of reaching a saturation point."

The Fleishman-Hillard study also suggested newsroom visits for DeFrancisco to discuss the lottery's \$10 billion impact to state education and its maturity, prior to making a lottery-run casino proposal public.

The media strategy suggested DeFrancisco send e-mails to about 600 civic, academic and business leaders in Georgia about Velvet.

"FH will confer with GLC public affairs as well as the CEO regarding timing and content of outreach to members of the General Assembly and other political figures," the media strategy document said.

The communications strategy was commissioned to educate the board, Reddick said.

In an Aug. 28 confidential memorandum to lottery Chairman Campbell outlining the challenge of potentially enacting video gaming, DeFrancisco and lottery General Counsel Kurt D. Freedlund said the state "would benefit greatly from the creation of a VLT site. The income generated could guarantee the success of Hope (sic) and Pre-K programs for generations to come."

The memo also said that any plan would need stakeholders, such as the governor, key state legislators, tourism officials, chambers of commerce and the city of Atlanta to back the initiative.

Gaming, if approved by the Georgia Lottery board, could boost Atlanta's \$11.4 billion hospitality industry, which has been bruised by the recession.

Bob Sutor, the president of Dover Downs, said in an interview on Jan. 21 the lottery-based casino has generated \$2 billion in revenue for Delaware in the past 10 years.

Several Southeastern states have some form of gaming generating \$200 million in annual revenue from players hailing from the Peach State alone, the Underground partners have said.

Harrah's Entertainment Inc. reported revenues of \$1 billion from its casinos along the Gulf Coast during the first nine months of 2008, according to a Securities and Exchange Commission filing.

Harrah's manages the casino in Cherokee, N.C.; however, its management contract ends in 2011, according to SEC filings. The Eastern Band of Cherokees have announced a five-year, \$650 million casino expansion.

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Posted by cubana - 2009/02/03 08:15

I just want to put it on the record that I am totally against casinos in Atlanta. I am also not going to let the politicians jeopardize our safety by closing down fire stations, furloughing police and killing the morale of both fore mentioned groups so they retire or seek more desirable employment with other municipalities only to make Atlanta's ravines to agree with a tax increase to restore public safety funding. We should first by looking into privatizing Hartsfield airport where it has been said could raise 3 billions dollars for the residents of Atlanta. Why wouldn't they do it? The airport gives the city so much power and like most politicians that is the racket. Please people do not fall for this BS.

JOHN E. PAVLIN

