

Mayor Jesse J. Nehez
Village of Northfield
10455 Northfield Road
Northfield, Ohio 44067

Chairman Blair, Ranking Member Clyde, and members of the House State and Local Government Committee, I am Jesse Nehez, the Mayor of the Village of Northfield. I am here before you today to express my stringent opposition to Substitute House Bill 377.

Substitute HB 377 proposes to take away \$190,900 of the one million dollar racino host community fund payment due to Northfield in April of 2014 from the Ohio Casino Operator Settlement Fund. Substitute HB 377 would give money due to Northfield to the Village of Walton Hills and the City of Macedonia because those communities have a small portion of the land owned by Northfield Park Racetrack, but not any part of the land that houses the Racino building and grounds, in their communities. Based upon the burdens on and needs of the particular communities in connection with the building, opening, and provision of services to the Hard Rock Rocksino at Northfield Park, the bill is unfair to the Village of Northfield, and the re-allocation of the payment is not warranted.

Pursuant to the proposed language of Substitute HB 377, Walton Hills would receive \$121,500 and Macedonia would receive \$69,400 of the one million dollar payment because 12.15% of the overall land owned by the Northfield Park Racetrack, but not any land near the portion housing the Racino building, is located in Walton Hills, and 6.94% of the overall property owned by the racetrack, but once again not any land near the portion housing the Racino building, is in Macedonia.

The 6.94% Macedonia portion of the land consists of a sliver of vacant land at the rear and east side of the property that sits behind the racetrack. All of the Macedonia property abuts railroad property that contains active railroad tracks. That Macedonia property cannot be accessed by any roadway, and visitors to the Rocksino will have no ability or need to use, enter, or even see the property owned by the racetrack in Macedonia. The closest roadway from the racino property going into Macedonia is at least one mile from the Rocksino building. No utilities servicing the Rocksino building come from or to Macedonia. Any road traffic coming through Macedonia to the Rocksino is via State Route 8, which is a roadway that is the State's, not Macedonia's, responsibility.

Likewise, the racetrack owned property in Walton Hills is on the north side of the property and abuts a Ford Plant. While the Walton Hills portion of the property includes one third of the oval of the racetrack itself, the Walton Hills property line is a great distance from the new free standing Rocksino building.

The issue of the allocation of these host community funds was considered in detail by the Legislature in June of 2013, and it was determined that Northfield should receive all of the host community payments from the Fund and Walton Hills and Macedonia should receive none. There is no need to revisit this issue again. The Legislature's prior determination as to this issue was justified by the fact that the entire new Rocksino building and surrounding areas are located entirely within the Village of Northfield. As a result, Northfield has had and will continue to have 100% of the law enforcement, prosecution, fire/ems, service, zoning, and administrative responsibilities related to the Rocksino, while Walton Hills and Macedonia have zero responsibilities.

To date, Northfield has either paid, or will have paid by the end of January of 2014, over \$1,000,000 in planning, infrastructure improvement, equipment, and staffing expenses directly related to the building of the Rocksino, which opened on December 18, 2013. At the same time, Walton Hills and Macedonia have not been required to dedicate any resources or incur any expenses related to the Rocksino development. The only participation in the Rocksino project by Walton Hills involved providing police assistance with parking cars at the Ford Plant during a Rocksino job fair in September of 2013 because the Rocksino parking lot was largely unavailable due to the construction of the facility. Walton Hills was reimbursed by Northfield Park for its additional police costs on that date.

The expenses incurred to date by Northfield Village include, but are not limited to, the following:

1. \$450,000 for three new traffic signals on Route 8 that traffic studies deemed were necessary to deal with the expected increase in traffic flow to the Rocksino. It should be noted that one of the three traffic signals is located at an intersection that is half in Walton Hills and half in Northfield. Despite the intersection straddling the communities, Northfield Village paid for the entire \$150,000 cost for that intersection's signal and did not request any funds from Walton Hills. Since the traffic signal was needed due to the Rocksino facility in Northfield and the statute provided that Northfield would receive the host community payments, Northfield felt

the traffic signal was its, not Walton Hills' financial responsibility. Therefore, Northfield paid the entire cost of that signal while Walton Hills paid none.

2. \$260,000 as the Village's contributing share to a 1.6 million dollar state grant for a new sewer line that services the new Rocksino facility. All of the sewer flow from the Rocksino building is serviced by the Village of Northfield and does not travel through Walton Hills.

3. \$240,000 for additional equipment needed by the Northfield Police, Fire, and Service/Building Departments in order to service the Rocksino facility and its employees and visitors. In contrast, the Rocksino facility has not impacted the equipment or staffing needs of the other two communities.

4. Additional amounts in excess of \$75,000 related to employee overtime and fees paid to the Village's Engineer, Law Director, and other outside professionals for work related to the Rocksino.

The second one million dollar payment scheduled to be received by Northfield in April of 2014 has been budgeted to pay for an additional traffic light on State Route 8 necessitated by the opening of the Rocksino, other necessary road projects, and additional Police, Fire, and Service Department staffing needs related to the increased services related to the Rocksino. Northfield also needs and has no present way to pay for an \$850,000 fire ladder truck suitable to respond to the Rocksino facility and the proposed hotel to be built in connection with phase two of the Rocksino project. In order to purchase such a truck, the Village will also need a \$200,000 addition to its fire station so that it can house that truck.

To date, Walton Hills and Macedonia have not provided any services to the Rocksino or incurred any expenses related thereto. Those communities have no plans for the use of any windfall funds they would receive if Substitute HB 377 were to pass that would have any rational relation to the Rocksino. The only impact the Rocksino has on Walton Hills and Macedonia is a minimal increase in car traffic through the communities. That minimal increased traffic will benefit their retail businesses. Because of the erection of the new traffic lights paid for by Northfield and the fact that the Rocksino is open twenty-four hours, the increase in traffic flow has not been burdensome to any of the communities, because the arrival of visitors is staggered throughout the day and night. The traffic impact from the Rocksino on Walton Hills is much less significant than the former traffic burden on Northfield from the Walton Hills Ford Plant when it

was running at full capacity. At that time, Northfield residents were unable to turn onto Route 8 from their residential streets during Ford Plant shift changes. Northfield never requested compensation from Walton Hills as a result of that impact on Northfield traffic.

Likewise, Northfield did not request or receive any compensation when the Macedonia Commons shopping center was built, which resulted in several businesses relocating from the main shopping plaza in Northfield to Macedonia Commons, leaving Northfield Plaza over one-half empty even to this day.

Not only do Walton Hills and Macedonia have no expenses or responsibilities related to the opening of the Rocksin, those municipalities are much more affluent communities than Northfield that do not need the money. Walton Hills has a similar population to Northfield and traditionally carries over at least \$3,000,000 from its General Fund to the next year. In contrast, Northfield Village's carryovers are just \$400,000. A good portion of the Northfield carryover needs to be spent this month on the final payments to the traffic light and sewer project contractors. As a result, Northfield Village desperately needs the full amount of the Casino Operator Settlement Fund payment, while the other communities do not need or have any justification to receive any of the money.

As a result of the above, I am imploring you not to adopt Substitute House Bill 377. The adoption of the Bill would have a devastating impact on the Village of Northfield. I appreciate the opportunity to testify on behalf of my community. If you have any additional questions or concerns regarding this legislation's impact on the Village of Northfield, please do not hesitate to contact me. Thank you for your time and consideration and service to the State of Ohio.