

CITY OF CANAL FULTON

April 25, 2006

COUNCIL MEETING

Mayor Grogan called the April 25, 2006 Special City Council meeting to order at 7:00 PM in Council Chambers at City Hall.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Mayor Grogan, Tony Crookston, Victor Colaianni, Linda Zahirsky, Nellie Cihon, Diane Downing and James Deans.

Others Present: Mark Cozy, City Manager; Chief David Frisone, Police Department; Joan Porter, The Repository; Steve DiPietro, Bear Management

CITIZENS' COMMENTS – AGENDA MATTERS - None

EXECUTIVE SESSION

Mr. Kincaid advised that the subject matter that Executive Session was originally scheduled for is not an exception to the meaning of law, as there isn't anything that is brought as a court section; the government body has to be involved in eminent or pending legislation. In his opinion, the city is not.

SHORT RECESS WAS CALLED BY THE MAYOR FOR A MEETING WITH MR. KINCAID AND MR. COZY

EXECUTIVE SESSION REQUEST WITHDRAWN BY MAYOR GROGAN

PRESENTATION BY STEVE DIPIETRO, BEAR MANAGEMENT

Mr. DiPietro was in attendance representing a group that attempted to bring the Destination Resort Project to the City of Massillon and himself. He stated Massillon will not be able to get "their hands around this issue" and it is the Eastern Shawnee Gaming Resort that was supposed to go at the Old Republic Steel site. They are still trying to preserve the project and keep it in Stark County. They feel the Rt. 21 corridor is much more attractive than anything on Rt. 77 because of the accessibility to Akron, Cleveland and the I-76 interchange. They asked that Council would be willing to look at the project and possibly signing an intergovernmental agreement with the tribe. He distributed information for Council's review and verbalize some background information about same.

Mr. DiPietro said this was not a casino like you would see in Las Vegas; it is "merely an elegant bingo parlor." Currently in Ohio, only Class 2 game is legal, and the tribe has to follow State of Ohio laws. The slot machines are based on a central processor and everyone in the site plays the bingo machines and play against each other on the floor. The only card game would be Black Jack, and people would also play against each other and not the house. The house takes a draw and that would go into a players' pool for prizes such as comps, free nights at the hotel, etc; it cannot be used for profits or revenue.

Along with the gaming part of it is a family destination resort, which they feel would lend itself perfectly with what is already done in Canal Fulton. Mr. DiPietro stated that by placing it on Rt. 21, it's far enough from the city's center that they can shuttle people daily down to the historic district to use the Canalway, take canoe rides, and promote the city in dozens of ways. The tribe also believes in the entertainment side of it; however, they are very conservative, and the city could have a clause in the agreement to approve the type of entertainment. The tribe likes entertainment like Toby Keith, Bill Cosby, and family-venue-type of entertainment. They use entertainment to promote the entire destination resort. A water park might also be a part of the resort.

Upon signing the IGA, the City of Canal Fulton does not become involved in the tribe's lawsuit, and at no point can the city be named in the lawsuit currently going on with the State of Ohio. It can only be used as a settlement to one of the named counties in the lawsuit. The Shawnees did extensive research, took it to Attorney Mason Morrisette in Seattle, Washington, who is an Indian law expert and is "3 for 3 in front of the United States Supreme Court on like matters with the Indian land claims." Mr. DiPietro gave the fact from this lawsuit "as good if not better . . . than the prior three cases he tried." He said the aboriginal claims the tribe has are on the western side of the state. In the National Indian Game and Regulatory Act, the tribe is allowed to come back to its last aboriginal reservation, which is the western part of the state, and the 33 counties named in the Federal lawsuit that the tribe has filed in Northwest District Court are all in western and southwestern Ohio. Neither Stark County nor any entity in Stark County is named in that lawsuit, and Canal Fulton "would be merely used as a settlement for another county named in the suit to set aside land claims."

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Mr. DiPietro said one of things that make this area a little more attractive is the green space - non-stressed environmental property. The tribe would never actually own the property. The government holds the property in trust for the tribe. There are two main criteria: 1) Flood plains cannot come into the Federal trust, and 2) any environmentally stressed property cannot come into the trust. He said the property (Massillon City site) would probably take several years and a lot of cleanup before it can meet the stringent requirements of the Federal EPA. They have looked at several sights in the area, but until they bring the land architect in that works for the Tribe and identify the right intersection, etc. "The IGA is a binding agreement but it is not written in stone. There is language in there," Mr. DiPietro said, "knowing that the infrastructure's going to be stressed on the city; you'll probably need more police; you'll probably need more fire trucks; you'll probably need a bigger ladder truck; probably need water tower possibly site worked out on the highway, and there is mitigation payments in there for the tribe to tend to that, so that there is no stress on your city budget."

Mayor Grogan said that if the location is closer towards the city there would be more traffic in through the city, and said it would probably a more viable location if the lands became available somewhere around the outskirts – especially regarding infrastructure issues. Mr. DiPietro said they would want it on Rt. 21 mainly for the highway access and to alleviate congestion in the city. Mayor Grogan said there would still be infrastructure issues with water and sewer. Mr. DiPietro said additional police would also be needed for both traffic on 21 and within the resort, and that the local police force would be cross-deputized with the police enforcement on the Tribal grounds, as they have their own police force, which are usually retired or laid-off police officers. Mayor Grogan said the police commission would have to be a different type, as it would be Federal properties as opposed to a municipal commission. Chief Frisone said that other Federal land controlled by Indian tribes, the Bureau of Indian Affairs – there are Federal agencies that provide law enforcement – which would expand the city's Police Department. These police could provide mutual aid into the city if needed.

The different types of gambling classes were discussed. Basically, Ohio is surrounded by Class 3. Ohio is one of nine states that do not have Class 3.

Mr. Colaianni asked if the 2% of net is negotiable (which is in the IGA). Mr. DiPietro said the 2% is actually 2% of their gross after game proceeds are paid out before any debt services apply to it, which is standard across America.

Mr. Colaianni asked what the advantages/disadvantages of being part of the settlement would apply to Canal Fulton. Mr. DiPietro said the advantages would be Canal Fulton would be a resort destination site. He said he feels Canal Fulton is more progressive than Massillon and realizes that this is "tourism and a resort destination and a service industry and that's kind of the way the economy's moving."

Mayor Grogan asked if the tribe would bring their own retail industry or would it be commercial-type like Starbucks, etc. Mr. DiPietro said, "They're landlords." They will lease space out, but it will not be a Wal-Mart. He said they would be employing quite a few people, and they will have health-care benefits with no employee sharing on the deductible, and all would be involved in a 401K plan with a wage scale of \$7/hour to \$500,000 for the General Manager. They've met with the local building and trade unions and assured them that all the work would be done locally, i.e. plumbers, electricians, etc. All the hiring would be done locally also.

The deadline for the current case pending was originally May 5, but their attorney applied for a 90-day extension. They got 30 days - until May 31 before their attorney has to be in Federal court in the Northwest District. Prior to that, they would like to have the IGA signed, so they can have it for court. Currently, Lordstown has signed and passed the IGA and passed a Referendum; City of Monroe has done the same. Mr. Cozy asked, as it is very likely that Council may approve this and there will likely be a Referendum on the ballot for public vote, would it hinder the process? Mr. DiPietro said if the voters voted it down in November, they would just "pull it out of the mix." The city is just ensuring itself a position at the table; the voters still have the right to vote it down. Mr. Crookston was told "yes" when he asked if Canal Fulton is the only municipality in Stark County being offered this. They feel the 21 Corridor is the best for the project, love the historic district, the family atmosphere, and the job the city has done to promote the historic district. DiPietro said, "What better to have 6,000 to 7,000 people daily on 21, which you would have shuttle rides and promote the historical district here?" Mr. Colaianni asked about the timeframe if the Referendum is approved by voters. Mr. DiPietro said it was more of a legal question, but he has been told anywhere from 6 months to 1-1/2 years before the case is over. Construction would start within a year after that.

Mayor Grogan told Mr. DiPietro he had a high comfort level with the opportunity and would like to see it move forward and, "It is what it is. It's a family resort. It's a gaming center. I don't gamble, but I would certainly love to enjoy going there – to the water parks and everything else – and the concerts and the cinemplex and everything else – absolutely! But, I don't think that one issue should be something that we don't at least present to the community and give them the information." Mr. DiPietro said it was important what the Mayor said, and the beauty of it is

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the family entertainment side of it, and it's important to remember that the casino part of this is nothing that illegal in the State of Ohio.

Mr. DiPietro explained how he came to Canal Fulton, saying Sheriff Swanson had a meeting at Skyland Pines. Then our Police Chief Frisone arrived with the City Manager Mark Cozy and one thing led to another and "here we are tonight."

Mayor Grogan asked, as a point of concern, if they were prepared to hold the others in abeyance until they have an opportunity to enter into this agreement. Mr. DiPietro said, "Yes, I already gave Mayor Grogan our word that Canal Fulton would not be used as bargaining chips to put pressure on somebody else and then be tossed aside. If Canal Fulton wants it, it's there for the taking." Mayor Grogan said what he had before him is an informal straw vote of support.

Mr. Colaianni said if you look at what the tribe (Eastern Shawnee) does, and they do have a Web site, that they seem to run a very extensive business and are very deliberate on how they do things. Mr. DiPietro said they are and added they are ultra conservative. He added that if there is a local minister or priest and perhaps a husband or wife goes to the minister/casino to tell them about her husband losing his paycheck at the casino that there is an open-door policy regarding same where the casino will take a picture of the husband (or whoever), distribute same amongst casino employees at the casino and he is barred from the site. He said, "They do not gain anything from breaking anyone in this community."

Mayor Grogan said there is a significant amount of revenue that leaves the State of Ohio towards other states, and it would be very appropriate for this city to take the lead for the State of Ohio. The Mayor said he would like to be on the forefront of that particular movement.

The Mayor thanked Mr. DiPietro and requested he attend the next Council meeting on May 3, 2006.

Mr. Kincaid asked to discuss the issue with another legal counsel who knows more about the business. He was given a few contacts that he could call. Based upon the Law Director's recommendation, the Mayor requested from Council that he bring in an attorney who is comfortable with the issue, depending upon the review of the Law Director to act on the city's behalf on the matter. Council will allow the Law Director to present to an attorney documents to work on the issue on behalf of Council.

OTHER BUSINESS

Mr. Kincaid asked if Council was in agreement with the Repland annexation. He said they will need to pass at the next Council meeting two or three pieces of legislation. This is in regards to 3.8 acres which covers some of the Corman Railroad and Stark Park District and borders Warwick Drive on the northeast. Mr. Cozy stated most of the land would be suitable for parks. Mr. Kincaid said he thought they should offer annexation to maintain both sides of Warwick Drive rather than have the Township running down one lane and the city the other.

ADJOURNMENT – Mrs. Cihon made a motion to adjourn. Mayor Grogan adjourned the April 25, 2006 Special City Council meeting.

Patricia A. Troccoli, Clerk of Council

Mayor John Grogan