Written by Jeff Ignatius
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Last week's Davenport City Council approval of an agreement with the Isle of Capri Casino sets the stage for a new riverboat casino opening next year – and possibly more money for community projects. "We're just happy we can move forward," said Mary Ellen Chamberlin, president of the Riverboat Development Authority (RDA).

The RDA holds the license of the President Casino, whose assets are in the process of being sold to Isle of Capri. The RDA also distributes several million dollars in gambling revenues each year to various community programs and projects. Chamberlin said a new boat and new management should revitalize riverboat gaming in Davenport and bring the RDA more money.

As recently as two years ago, the RDA had $3 million in revenue. "That's been going downhill," Chamberlin said. RDA revenue has fallen a total of between $250,000 and $350,000 a year over the past two years as the President's intake has dropped.

That amount of money could pay for a lot of projects, Chamberlin said. "That would have been our [grant] portion of the River Center," she said. The average RDA grant is between $15,000 and $20,000.

The problem has not been that gambling revenues have fallen in the Quad Cities, she added. "We need to recover that market share" that the President has lost to competitors.

The agreement Isle of Capri has with the RDA changes the formula that determines how much the authority gets. Currently, the RDA gets a portion of admissions and adjusted gross receipts; under the new pact, it will get 4.1 percent of adjusted gross receipts. The formula is simpler, and it should also improve cash flow, Chamberlin said. "We shouldn't make any less" because of the formula, she said.

Last week's city council vote removed a few obstacles that threatened to leave Davenport without a riverboat casino for several months. Isle of Capri management needed to resolve several issues with the city by the end of September to ensure that a new riverboat to replace the President could be brought up the river before winter. If an agreement had not been approved last week, the Isle of Capri would have had to wait until spring to bring up a new boat. And the President will be gone by the beginning of March for mandatory inspections.

The unanimous September 28 vote resolved two key issues: an outstanding lawsuit over property taxes and an arrangement for the casino to lease spaces in a planned city-owned parking garage.

The owners of the President casino agreed to put the amount of the disputed taxes – $145,000 plus penalties and interest – in escrow until the lawsuit is resolved, thus giving the city some guarantee that the money will be paid if the casino loses. The owners argued that they were not properly notified of the taxes for 1998 and 1999 and therefore do not have to pay them.

The agreement also included stronger language on the leasing of parking. Previously, the city and the Isle of Capri agreed only to enter into negotiations. "It seemed like an opportune time for the city and the Isle of Capri to put a little more detail on it," said Davenport Corporation

Counsel John Martin. The new agreement sets forth basic rental terms, although a final agreement has not been signed.