

7 February 2006

Kyle W. Foust, Chairman
Erie County Council
140 W. 6th St.
Erie, PA 16507

RE: Slots Revenue/Gaming Law

Dear Kyle:

Over the last year and a half, we have witnessed a great deal of controversy over deciding what to do with revenues which will accrue to Erie County from the eventual arrival of slot machines. The controversy has flared-up again in recent weeks; in order for the confusion to come to an end, decisions must be made. While we are still a good many months away from seeing penny one of that revenue, it is time that we -as a community- decide what are the highest, best uses for those funds to leverage the greatest possible investment for the maximum benefit to Erie County in the most inclusive fashion possible.

According to the parameters of Act 71 of 2004 (the law legalizing slot machines in the Commonwealth), Erie County government can expect to receive roughly \$10 million *annually* in slot machine proceeds, with very liberal "restrictions" as to how that money can be spent. The goal when crafting the legislation was to permit local control over priorities and decisions on how to use this money, within certain parameters. The hope was to drive this revenue out to many segments of the community, with the county as a whole benefiting.

(more)

Other communities in Pennsylvania that will be impacted by gambling (most notably Philadelphia and Pittsburgh) have established ad-hoc "Gambling Impact Commissions" as a mechanism to determine the best ways possible to drive out their slots revenues. As the eventual repository of this community's slots windfall, I **strongly** urge that Erie County -via the Council- do the same thing here. This decision-making process should be a public and open one, allowing all corners and all sectors of the County to participate. I urge County Council to conduct public hearings and get input from all interested groups from all the municipalities who have needs and opinions.

I and many other elected officials such as you are continually inundated by requests from municipalities, the County, public safety officials, nonprofits, the business community, and more for funding of some kind. We should use the slots revenue to address some of these needs.

For example, Erie County and its many municipalities have significant infrastructure needs. There are countless local road and bridge projects that have constantly been pushed-down the Erie MPO's TIP year after year after year- especially in smaller municipalities. How many local roads are washed out each year due to heavy snowfall that cannot be repaved in the summer because municipal budgets are exhausted?

In addition, there are many communities in Erie County under Act 537 decrees from the DEP for water or sewer projects that will cost municipal residents large sums of money to complete. The list of needs goes on and on and grows each year.

Another concept to explore is the establishment of a building trades/capital facilities projects consortium, to weigh-in on ways to use a portion of this money as local match for state or federal government construction projects, or as funding for smaller, local projects. This would enable us to leverage more consistent work and jobs for local tradespersons.

(more)

This list merely scratches the surface of possibilities. Should the money be distributed to municipalities according to population, to do with as they please? Or should it be project-specific? An open, public process will allow you to work through these issues and gain consensus amongst interested residents of Erie County.

Lastly, I firmly believe that a portion of these revenues should be designated as a dedicated source of funding for a pressing need – our numerous regional assets. For at least six years, if not longer, The Regional Assets Task Force (of which I and Councilman Joe Giles are members) has been gathering data and making recommendations for distribution of various potential revenue streams to those who meet the definition of “regional asset.” I urge County Council to consider this work product and to fund this request.

How we apportion these slots revenues –much of which will come from Erie gamblers in the first place- is a significant question challenging Erie County government over the course of the next year. I implore you and your County Council colleagues to establish a task force representative of the entire county, and to conduct public hearings on how to spend this windfall to the highest, best uses. I stand ready to assist you in any way possible, and urge you to contact me directly at any time to further discuss the issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jane Earll', written in a cursive style.

Jane M. Earll
State Senator-49th District

JME/cac

cc: Joy Greco, Council District 1
Joseph F. Giles, Council District 2
Fiore Leone, Council District 3
Ronald Cleaver, Council District 4
David E. Mitchell, Council District 6
Carol J. Loll, Council District 7
Douglas R. Smith, County Clerk
Thomas Talarico, Esq., County Council Solicitor
Mark Divecchio, County Executive
Wallace J. Knox II, Esq., County Solicitor