

Testimony in opposition to:
Senate Bill 957: AN ACT CONCERNING THE REGULATION OF GAMING AND THE
AUTHORIZATION OF A CASINO GAMING FACILITY IN THE STATE

Submitted by:
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Dear Sen. Larson, Rep. Guglielmo, Rep. Verrengia, and members of the Public Safety & Security Committee,

Over the years I have invested in small businesses, startups, real estate and other non-securitized ventures. I have had my share of success and failure. A few years ago I invested in a self-serve frozen yogurt shoppe in New Haven. At the time business was booming: some early players had lines out the door. So I invested in a store with an operating partner who would build and run the store and provide as-needed additional capital. I lost my shirt! Too many wide-eyed players opened stores. The novelty of self-serve frozen yogurt wore off. Operating losses were high and my operating partner ran out of capital to cover them.

When I learn about the proposed casino on East Windsor, I hear echoes of a similar kind of disaster:

- Gambling revenues at Foxwoods and Mohegan Sun are down and falling. We are all aware of the increased competition from Rhode Island, New York and Massachusetts. More ominously, according to a study published in December, 2014 by The Innovation Group, total gaming revenues in New England are trending down, dropping from \$2,692MM in 2009 to \$2,402MM in 2013.
- The MGM casino in Springfield will dwarf the East Windsor casino and have superior food, shopping and entertainment.
- The Pequot tribe is a questionable partner as Foxwoods, its primary asset, is floundering. As explained in its Annual Report, released in December, Foxwoods is in default on its debt and relying on the forbearance of its lenders. Auditors Deloitte & Touche note: "These matters raise substantial doubt about the Enterprise's ability to continue as a going concern."
- Casino failures are not uncommon and have required state intervention. The state of Delaware anteed up \$10 million to bail out its casinos in 2013 and has had to resist calls for more help. The state of New Jersey has come to the aid of Atlantic City because of failures of casinos there. Taxpayers in Connecticut will be up in arms if the proposed casino in East Windsor is built and fails, requiring state intervention.

The lure of additional revenue for the state is enticing, but those promises come with significant risks. I urge caution. And I urge you to oppose Senate Bill 957 so that the joint venture of the Pequot and Mohegan tribes would not be authorized to operate a casino gambling facility here in Connecticut.

Thank you for your consideration.

