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March 9, 2017

Testimony in Opposition to S.B. 957: An Act Concerning the Regulation of Gaming and the Authorization of a Casino Gaming Facility in the State; and

Testimony in Opposition of H. B. 7239: An Act Providing for the Regulation of Gaming to Protect Public Safety and a Competitive Process to Issue a Gaming License.

Co-Chairs Larson, Verrengia, Guglielmo, Ranking Member Sredzinski, and distinguished members of the Public Safety and Security Committee:

Thank you for considering this written testimony on SB 957 and HB 7239. I ask that you **oppose** both SB 957 and HB 7239 at this time.

As you are aware, opening commercial gaming¹ opportunities within our State comes with all types of obvious and sometimes hidden societal costs. More practically, it may cause attendant problems with the current compacts (e.g., elimination or reduction of slots revenue sharing with the State). These are real problems, but I commend the deliberation of these issues to those social scientists and economists better informed on these issues than am I.

To my mind, the real issues underpinning the seemingly breathless pursuit of commercial gaming are the promise of economic development (including incremental job increases), and protectionism against anticipated “leakage” of gambling patrons to casinos poised to open in the Commonwealth of Massachusetts. East Windsor is the location selected by MMCT Venture,

¹ I refer to “commercial gaming” to distinguish this from the current Mashantucket and Mohegan casinos operated by the tribes on sovereign land. That said, the current plan to approve commercial gaming by MMCT Venture, LLC (comprised of the tribes) is a commercial venture that would be considered under this legislation.

LLC to advance these goals. However, at this juncture, I fail to see these as legitimate reasons to open commercial gaming in Connecticut generally or East Windsor specifically. Our collective hair is not on fire.

I have been a resident of the Town of East Windsor since 1987 and have during that time watched the Town's economy ebb and flow, businesses come and go, a phenomenon not unknown throughout the State of Connecticut and many of our peer communities. Many of my neighbors who support commercial casinos focus on the development issues. That said, Connecticut's economy grew 5.2 percent from 2010 to 2014 with some towns far outpacing that growth, according to the last Connecticut Town Economic Index (CTEI) created by the state Department of Labor. The CTEI is a measure of a municipality's overall economic health based on total covered business establishments, total covered employment, real covered wages, and the unemployment rate. East Windsor's local economic performance is squarely within the statewide average during the period 2010-2015, growing 20% over that period.

So, would a commercial casino in the Town accelerate that rate of economic growth and increase new and more well-paying jobs? *Doubtful, but the fact is that we really haven't explored the facts necessary to reach any conclusions, pro or con.*

In the case of my Town, our elected leadership chose not to put the question before the voters, thereby obviating the need for the Town or MMCT to answer some hard questions about the decision to site the commercial casino in East Windsor. Specifically:

1. The Town's Economic Development Commission issued a press release conclusively stating that "MMCT chose East Windsor for all the right Reasons" (sic). But there has been no articulation of what those "Reasons" might be. While we may be "open for business," there are some businesses not worth having, and perhaps MMCT is among them. There has been no cost-benefit analysis;

2. There is no publicly-released comprehensive review of the MMCT development in East Windsor. Reasonable citizens being asked to share their community would like to see the impacts (supported by hard numbers and reasonable projections) on the Town's infrastructure, especially municipal services like Police, Highway, Water Pollution Control (i.e., sewage treatment and discharge);
3. The Town contractually committed to provide fire protection and emergency medical services, but these currently are not provided by the Town but only by private entities that the Town doesn't control and aren't parties to the development agreement the Town signed with MMCT;
4. There has been no articulation of how proposed incentive payments to the Town were arrived at, but they seem to be in the range of about 10-20% of what commercial gaming operators were offering Western Massachusetts towns. Likewise, other commitments made by MMCT don't have explanations as to how the dollar commitments were arrived at or whether they're realistic;
5. The proposed East Windsor "day casino" isn't designed to increase the size of the "gaming pie;" rather, MMCT is merely introducing competition for a more substantial "destination" casino just up the road, adding to casino saturation — making two casinos each less viable;
6. Finally, much has been made of job creation, but the development agreement commits MMCT to employ "reasonable efforts to achieve a workforce of no fewer than 4% Town residents and no fewer than 15% to be residents from inside a 25 mile radius. Four percent of 1,700 is 68 jobs, and proportionally only 51 are likely to be full-time. The 68 also falls within - and not in addition to - the "15% w/in 25 mile" subset as well. Related construction jobs are only for a short time, considering that MMCT wants to be up and running to compete with MGM Springfield in 2018.

I offer these observations not to question the good intentions of our Town leaders but to point out that informed decision-making suffers in the face of a lack of rigorous analysis. In addition, I commend to your reading the written testimony already submitted by Rep. Scott Storms (R-60) regarding the need for rigorous reviews of impacts on host towns and the

surrounding region. All of these analyses should be done well before we are faced with a *fait accompli* in East Windsor.

I recommend that the State take this opportunity to study in depth the wisdom and need for commercial gaming, the processes by which commercial gaming licenses are awarded, and appropriate terms under which towns and cities and their neighbors should accept such commercial establishments. Should the East Windsor project move forward, that will set the precedent for future commercial casino ventures.

Thank you for considering these comments.

Sincerely,

Paul L. Robert