

Southeastern Regional Planning & Economic Development District

88 Broadway * Phone:(508)824-1367 * FAX:(508)823-1803 * E-mail: info@srpedd.org * Taunton, MA 02780

SRPEDD Position on the Development of a Casino in Southeastern Massachusetts

The Commission of the Southeastern Regional Planning and Economic Development District opposes the location of a casino in southeastern Massachusetts. As a planning agency, SRPEDD has no comment on the social and moral questions associated with gambling, but does not support the development of a new casino for two fundamental reasons:

1. **Economic Impact:** The Commission believes that the economic gains associated with a casino may be largely offset by other costs associated with the introduction of a large scale gambling facility in the region (i.e. the jobs and related economic activity that may be generated by a casino must be measured against the job and business loss of surrounding smaller businesses). Economic policy should be based upon the principle of adding value to the regional economy, and a casino has very little value-added benefits.
2. **Development Impact:** A facility of the size that has been proposed in the recent past could have an enormous negative impact in the immediate vicinity and the region. The mitigation necessary to offset the negative impacts is unlikely to be provided by the state or host community due to expected high costs, and a Native American facility may be exempt from the normal environmental impact reviews and mitigation.

More specifically, the Commission offers the following in support of this position:

- There are three major economic impacts from a casino that are not favorable to the regional economy:
 - a. **Shift in discretionary spending:** Discretionary spending shifts to a casino primarily from entertainment dollars; its impact differs from spending on the lottery because visiting a casino takes money and time. For example, one can buy a lottery ticket and still go bowling; one may choose, however, to go to a casino instead of bowling.
 - b. **Casino spending will favor one large business at the expense of many smaller ones.** A regional casino will draw patrons from smaller regional businesses (restaurants and other entertainment businesses). Even if there is a small net regional gain in jobs and economic activity, there will still be a concentration of activity in a larger business rather than a diversified set of smaller businesses.
 - c. **Economic cost of dealing with problem gamblers:** The cost of dealing with problem gamblers estimated at \$13,200 per year per gambler in public costs (criminal justice system, bad debts, etc.) Estimated cost to Iowa = \$75 million/year; for California, \$1 bill./year; 1995 dollars.

- The positive impacts of a casino cannot be evaluated solely on the basis of total jobs and total revenue gains. Any evaluation must also consider lost jobs and lost revenue from businesses that may be displaced by a casino. A true appraisal must be based upon net job gains and net tax gains. Depending upon its location and the amount of related development allowed within the casino (restaurants, hotels, etc.), we can expect that nearby businesses will be put out of business due to a casino, and lost jobs and lost tax revenue must be factored into the overall equation.
- A casino in the region will attract our local residents more than Foxwoods or Mohegan Sun casinos in Connecticut. The area of influence for a casino is estimated to be a two hour drive, which requires a special trip. The commuting area for workers is generally a maximum of 1 hour, making impulse trips to a regional casino by local residents far more likely. In general, the closer to the casino, the greater impact on the individual patron.
- The last casino proposal for New Bedford in 1994-95 was estimated to generate 19,250 trips/day. There are few locations in the region that can absorb that amount of traffic without significant mitigation.
- In taking this position, SRPEDD is not taking a position pro or con on the issue of adding slot machines at existing race tracks. Such proposals would have to be evaluated on a case by case basis.

*The SRPEDD Commission adopted this resolution on March 26, 2003 by the following vote:
Yeas – 19; nays – 0; abstentions - 2.*