



State of Connecticut

GENERAL ASSEMBLY
STATE CAPITOL
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Joint Committee on Public Safety and Security

Public Hearing March 13, 2018

AN ACT CONCERNING A REQUEST FOR PROPOSALS TO QUALIFY AN ENTITY TO DEVELOP A CASINO GAMING FACILITY IN THE STATE

Good Morning Chairman Larson, Chairman Verrengia, Chairman Guglielmo, and all the representatives and Senators on this committee. I am State Senator Marilyn Moore of the 22nd district. I represent the towns of Monroe and Trumbull, and the GREAT city of Bridgeport. But I do not appear in front of this committee alone. I am joined today by some of my colleagues who represent Bridgeport – the largest urban area in Connecticut.

We are here today in front of you in an act of unity because we wanted to speak with one voice about what our community wants – and where we want to go. As Senator Gomes has said many times – Bridgeport is a great and proud city with a formidable industrial past. Bridgeport used to generate so many manufacturing jobs that it was said you could leave one well-paying industrial job in the morning and have an even better paying job by afternoon. But like many northeastern industrial cities, by the 1980s the factories downsized and left town for cheaper labor. First to the American South, then overseas to Mexico and Asia. They left behind many thousands of people without jobs, concentrating poverty in the urban areas. Instead of Bridgeport being a city that produced things to make America work – where a man or a woman could work hard at a high skills job and take of their family – we became a city of great need, where too many neighborhoods were plagued with poverty, crime and blight.

Then in the early 1990s, casino gambling came into Connecticut when Foxwoods and later Mohegan Sun Casinos opened. The tribal compacts inked out between the state and the Mashantucket Pequots and the Mohegans in 1993 and 94 respectively were airtight – they guaranteed the tribes the sole right to operate a casino on tribal land in exchange for paying the state of Connecticut 25% of all slot machine proceeds. But – due to the great success of these two casinos in the early years – there soon developed interest in a third casino in Connecticut – off tribal land. One that could take advantage of the lucrative New York gaming market.

A bill was proposed right here in the General Assembly to accomplish this. Developers were interested in a site that could be easily accessible from New York City by car, rail and even

ferry. Something that would be much closer for New Yorkers than the booming Atlantic City casino sector. Major Casino developers heated up interest in one location that could fit all of those requirements – Bridgeport.

Locally, we were very excited. Lord knows we were the struggling city that needed the jobs. And these developers promised us that if Connecticut were to allow one more casino, Bridgeport would get thousands of jobs in construction and service workers, dealers, accountants, and everything else a casino requires. We in Bridgeport got very excited. We held a referendum in Bridgeport in 1995 – Did we want a casino and all the jobs and economic development it could bring? It passed overwhelmingly with the support of 80% of Bridgeport voters.

But elsewhere in the state, the feeling was different. Tribal interests in Eastern Connecticut did not want this significant competition standing in the way of traffic heading up I-95 on their way to play slots or take in a show at Foxwoods or Mohegan. Their legislative allies in the General Assembly moved to kill gaming expansion despite millions of dollars in lobbying and PR spent by the Wynn Casino interests. Does any of this sound familiar? Representatives from the suburbs of lower Fairfield County had objections to expanding gaming in Connecticut. They claimed a major attraction like a resort casino in Bridgeport could further snarl traffic in the area. These forces eventually won the day. They blocked casino expansion off tribal land in Connecticut.

And in Bridgeport – after we got our hopes up that a major casino expansion would lead to a comeback for our gritty and industrious city – we were left out in the cold, and got nothing. Nothing materialized with the economic heft of thousands of new jobs promised by the casino interests. And let's face it, we are still the struggling city that needs some major economic development.

We share this background as a cautionary tale because how much of this short history sounds familiar now that we are once again talking about the expansion of commercial gaming in Connecticut?

Here we have another prominent Las Vegas casino player – MGM – who sees the same potential in Bridgeport and our region that others saw 20 years ago. It's pretty obvious the strategic advantages to placing a casino in Bridgeport are the same factors that led Steve Wynn and others in the 1990s to salivate at the chance to build a facility in Bridgeport that could make Billions in profit over the years. But we in Bridgeport are cautiously optimistic. With emphasis on the cautious part. We have seen this casino movie before and it did not end well for us. We are still a city in great need, and though some development projects are starting to pick up, we are still in need of a major economic boost that will bring in thousands of new jobs.

MGM says their \$675 Million dollar Resort Casino proposal for Bridgeport will create 7,000 jobs including 2,000 permanent jobs – with a training center to open in New Haven. MGM says These are good, high paying jobs that may lead to other high skills careers down the road.

The Native American Tribal nations, trying to defend their turf, say that's nonsense, and MGM is not serious about expanding in Bridgeport. But they also say that if we do expand casino gaming into Bridgeport, they want in on that too.

Let me tell you what we in Bridgeport are interested in: Major, sustainable job growth and economic development. We need to improve the quality of life in our neighborhoods and improve our public schools. If this casino is going to lead to that by contributing millions of dollars annually into our community, then why not? But we as a city need to be careful not to put all of our eggs into one basket. A casino in Bridgeport might be a very strong attraction for our entire region and the lucrative New York gaming market. But it cannot be the only thing we rely on to move our city forward economically.

Let's not forget how much the regional gaming market has changed in the last 20 years when a casino in Bridgeport last seemed close to reality. At that time, there was only Foxwoods Casino. Mohegan came in the late 90s. A Bridgeport casino then was a new, fresh idea. Today, there are major casinos opening in Massachusetts and Rhode Island. There is a slot machine parlor in Yonkers New York at the horse race track. A brand new casino just opened in the Catskills in upstate NY. State revenues from slot machines at Foxwoods and Mohegan have declined by nearly 50% over the last decade as these facilities face more competition. In short, casinos in Connecticut are not as much of a slam dunk politically and economically as they may have been in the 1990s.

Ultimately, we want to increase the demand for economic development in Bridgeport, because an expanded tax base will be good for our residents and constituents. If expanded gaming in Connecticut can lead to that type of development in Bridgeport, then we are all for it. But I want to be cautious about what the people of Bridgeport and the Connecticut residents can actually expect, if the General Assembly moves to expand casino gaming in our state. This will take years. Just look at our neighbors to the north.

In Massachusetts, the state legislature enacted a new law to expand commercial gaming and establish a gaming commission – with an open, competitive process for companies to submit bids for three new casino licenses. That is what we are being asked to do today. In Massachusetts, the law was changed in 2011. And here we are, seven years later, with MGM Springfield just getting set to open its doors this fall. Every step of the way took time – from the gaming commission being established in 2012 to companies submitting local bids that same year. Local binding referendums were held the following year in 2013. Licenses were only awarded in 2014 with MGM breaking ground on its casino site in Springfield in 2015. So anyone who thinks that an open, competitive gaming licensing process will lead to a casino in Bridgeport being built overnight – history teaches us that this will take longer.

But Bridgeport still needs the jobs now – regardless of whether we expand commercial gaming in Connecticut. If we decide to expand casino operations off tribal land in CT, then the fairest and most transparent way to do that would be through a gaming commission, as is done in other states. This would be a non-partisan commission whose members would be appointed by the General Assembly leadership and the Governor. They could regulate expanded gaming, and fairly and transparently evaluate all who respond to a request for proposals – with a goal of

selecting the gaming licensees for our state based on what proposal offered the best deal for Connecticut taxpayers and for the host community. So if we're going to do it – let's do it right.

An open, competitive bidding process for new casino expansion in CT should increase the demand for places like Bridgeport because we have a lot to offer. We have a workforce in need of more employment, and we have thousands of people ready to fill whatever jobs will be created. Any company interested in building a major gaming facility in Bridgeport should show their commitment to our community by investing in Bridgeport now – not waiting for legislation to be approved. This investment can lead to real job creation.

But let's assume we as a General Assembly enact expanded gaming in Connecticut. We want to protect the long standing facilities that have generated billions for our economy over the years. And, we don't want to trade casino jobs in Bridgeport for the 9,000 jobs currently existing in Foxwoods and Mohegan Sun. If the tribes are interested in expanding gaming to Bridgeport, and so is MGM – then why could they not work in partnership to bring the best, state-of-the-art resort gaming facility to Bridgeport? Could both entities not share in the profits?

One thing is clear, and that is that the joint tribal casino expansion into East Windsor is very unlikely to happen. In a recent meeting with State Senators Moore and Gomes, Attorney General Jepsen shared that once the joint tribal entity decided to seek to build a casino facility off tribal land – that in reality broke the gaming compacts between the state and the tribes. We have already entered the world of commercial gaming. The proposed East Windsor facility needs federal approval, which does not appear likely. He believes that *Even IF* the Bureau of Indian Affairs approves East Windsor, MGM is ready to sue to block this on constitutional grounds and this lawsuit could easily take 10 years to complete.

One fear that opponents to commercial gaming have expressed is that in the time between when the compact is broken and a new casino comes online, the state could potentially lose hundreds of millions of dollars in gaming revenue. If there is no compact, the tribes could claim they are not obligated to pay the state. Again, according to the Attorney General, if the tribes chose to withhold such payments, they would not have a leg to stand on in court.

But if the tribal gaming entities work together with MGM – who knows, perhaps the lawsuit could be settled and the two sides could jointly enter into some arrangement to bring a major job creation to Bridgeport. The bottom line is: We who represent Bridgeport want the best deal for our city. We want jobs and economic development. Not 10 years from now, but now. Allowing Connecticut to expand gaming and build one more casino will not solve all of our problems. But it is something that could bring thousands of jobs to Bridgeport, even though it might take time. We should use that time to better prepare for the economy of the future and use the vast human capital and potential that Bridgeport has to offer. Thank you and we stand ready as a group to answer your questions