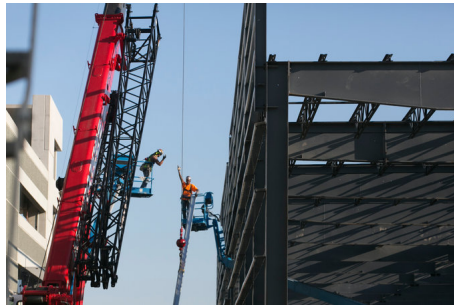


Massachusetts May Shut Down Casinos Before Even One Opens

Written by Administrator
Saturday, 30 August 2014 22:26 -

Photo



Workers this month at the site of a planned slots parlor in Plainville, Mass. Penn National Gaming is proceeding with the parlor even though voters may repeal gambling legislation in November. Credit Katherine Taylor for The New York Times

BOSTON — With the casino industry showing signs of retrenchment, voters in Massachusetts may do something that voters nowhere else have done, at least in the last century: slam on the brakes on casino gambling.

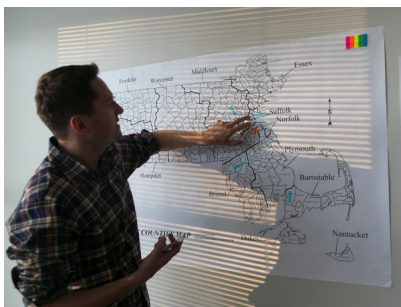
Massachusetts was one of the last states to climb aboard the casino craze, approving legislation in 2011 to allow three casinos and a slots parlor. Now it may be the first to reverse itself, with voters deciding in November whether to repeal the law before a single casino has been built.

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The stage is set for a multimillion-dollar campaign pitting the casino industry and its allies in organized labor against a coalition of grass-roots activists, religious leaders and mom-and-pop businesses. The two sides have already squared off in several town-by-town referendums across much of Massachusetts over the last year, fighting each other to a near draw. Now they are laying the groundwork for an all-out, statewide donnybrook that will burst into public view in September in television ads and on doorsteps as both sides try to secure support, house by house.

Photo



Darek Barcikowski of the Repeal the Casino Deal group at its headquarters in East Boston. Credit Katherine Taylor for The New York Times

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The November vote will be closely watched as a bellwether of the industry's future in the Northeast, where [two dozen casinos have sprouted](#) in the last decade, to the point, some analysts say, of saturation.

"If Massachusetts votes to repeal casinos, this could represent a turning of the tide," said Richard McGowan, who teaches business at Boston College and specializes in casino gambling. "But even if the casinos win, the fact that they're even having this vote says to the industry that maybe they should think twice about how many casinos they're opening."

The nation has [a long history](#) of embracing gambling and prohibiting it. After corruption scandals led to bans on casinos and lotteries in the mid-1800s and again in the early 1900s, states brought them back, most recently during the Depression in the 1930s to stimulate the economy. Since then, 23 states have approved commercial casinos. Some states have rejected them, but analysts say no state in recent times has spurned them after legalizing them.

"No state has ever repealed expanded gaming legislation since the modern industry of gambling started in 1931 with Nevada," said Clyde W. Barrow, a political scientist at the University of Texas-Pan American who studies gambling.

Why is Massachusetts having second thoughts?

When the legislature voted to allow casinos, the state was limping through a nationwide recession. And Massachusetts gamblers continued to plunk their money down in other states.

But since then, the economy has improved. Red flags have been raised about the overall health of the casino industry. And the tortuous process of awarding casino licenses here has dragged on for three years, with no tangible benefits.

The Massachusetts Gaming Commission has designated only one of the three casinos, MGM Resorts International in Springfield. But it has not formally issued the license because that

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would force MGM to start paying millions of dollars in obligations, and the company wants to hold off until after the November vote. The commission has awarded the sole slots parlor license to Penn National Gaming in Plainville. Construction has begun there, but if the repeal measure is defeated, the slots parlor is not due to open until next year.

Photo



Proponents of the state gambling law say the slots parlor, at right in a rendering, and casinos will create jobs, a promise that opponents say is hollow.

Credit

JCJ Architecture

“A lot of the negative attitude toward casinos has been driven by the gaming commission’s performance,” Mr. Barrow said. “Massachusetts has already taken longer than any state in history on its licenses.”

The process of awarding a license for the Boston area, the last untapped big market in the Northeast and by far the most lucrative in Massachusetts, has been especially convoluted and is still underway; the gaming commission is to name the winner by Sept. 12. That hard-fought contest is between a \$1.6 billion proposal by Wynn Resorts, for a casino on chemically contaminated land in Everett, and a \$1.3 billion proposal by Mohegan Sun at the fraying Suffolk Downs thoroughbred racetrack in nearby Revere.

The commission chairman, Stephen P. Crosby, was accused of conflicts of interest, and although he said he could be impartial, he eventually recused himself from all decisions involving the Boston-area license.

Polls here show that support for casinos, favored late last year by a ratio of two to one, has ebbed. More people still back them than oppose them, but support has dropped to about 50 percent, with 8 percent to 10 percent undecided. Even Gov. Deval Patrick, who helped push through the casino legislation, has said he would vote against a casino near his home.

The debate has unfolded against a backdrop of bleak forecasts for the industry. In July, Fitch

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Ratings said [industry weakness would persist](#), citing the saturation of regional markets, stagnant wages among lower-income players and the growth of online gambling. The steady drumbeat of bad news from Atlantic City has also caused concern here. Atlantic City is [plagued with problems](#)

, many of them caused by competition from casinos in neighboring states.

[Four of its 12 casinos are shutting down](#)

this year, putting 8,000 people out of work, even as casino fever [intensifies near New York City](#).

Despite this grim environment, casino advocates here express confidence that they will prevail. They say Atlantic City's woes are not relevant because New Jersey put 12 casinos in one place; Massachusetts has planned just three, in three separate regions.

Their chief argument is that casinos will fuel an economic boon, providing 6,500 construction jobs and 10,000 permanent jobs, virtually all of them unionized, with benefits and an average yearly salary of about \$45,000 (more with tips). The casinos have pledged millions of dollars annually to their host and surrounding communities, thanks to the "repatriating" of cash that Massachusetts residents will no longer be dropping in other states.

"We can generate more than \$400 million a year for state government, cities and towns, and that can go to improving fire, police, adding more teachers, infrastructure, roads and bridges here," said Justine Griffin, a spokeswoman for the pro-casino coalition, which calls itself the [Committee to Protect Mass Jobs](#).

Photo



In Atlantic City, the Showboat casino, above, and three others are shutting down this year, putting 8,000 people out of work. Credit Spencer

Platt/Getty Images

Because MGM is delaying construction of its casino in Springfield until after the November vote, the pro-casino campaign is focusing on the slots parlor in Plainville, where construction is underway and television ads are being shot. Penn National is so confident of the outcome of the vote that it will have spent \$100 million there by November.

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“We want voters to understand this project is real,” said Jay Snowden, Penn National’s chief operating officer, as he looked out the other day on 200 workers; soon, 1,000 workers will be on the site. “If Massachusetts votes to repeal the law, these jobs all go away the next day,” he said.

The campaign to repeal casinos maintains that the promise of jobs and prosperity is hollow. It says casinos will not bring a net gain of jobs but a net loss, that people will spend their discretionary income at the casinos and sap local businesses, forcing them to lay off workers.

“Maybe Massachusetts is unique,” Scott Harshbarger, a former state attorney general, said last month at the start of the anti-casino drive in Springfield. “Maybe in fact we will be the first state in the nation and first city to actually see real economic development come from casinos. But it’s hard to believe.”

What critics do believe is that casinos will destroy their communities with more crime, traffic and addiction and that Massachusetts should not rely on a predatory industry to improve its economy because it will only fail.

The anti-casino campaign, called [Repeal the Casino Deal](#) , acknowledges that it faces an uphill battle. It lacks the resources of the casinos. It lacks a simple, bumper-sticker message like “jobs” to appeal to voters. And the ballot question could work against itself: To oppose casinos, voters must choose “yes.” Aware of the problem, the repeal group has created a slogan that it hopes will stick in voters’ minds: “Vote yes to stop the casino mess.”

Still, Darek Barcikowski, the campaign manager for the repeal group, is optimistic. He said his side had been outspent 100 to 1 on the casino referendum in East Boston in November and still pulled off a surprising victory.

“We prevailed on the doorsteps and on phones and by reaching out to neighbors,” he said. “We are putting that organization in place again, all across the state.”

The pro-casino side is doing the exact same thing.

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