

January 28, 2013

Major Maurizio Bevilacqua
Vaughan City Hall
2141 Major Mackenzie Drive
Vaughan, ON
L6A 1T1

Dear Mr. Bevilacqua:

Please Say no to a Casino in Vaughan

Recently, the city council of Surrey, B.C. voted against a proposed casino. As one prominent council member, who voted against the casino but was initially in support of it, said:

"Looking at one side of the ledger, you have got the taxes and the jobs and the amenities. And on the other side you are looking at it from the community's perspective, how we evolved as a city, ***what our values are, and what our vision is.***" (*Emphasis added*)

Two years ago, Vancouver also rejected a proposed casino within its city.

As a citizen of Vaughan and on behalf of numerous concerned families in my community, I urge you and all council members to follow in the footsteps of the Surrey and Vancouver councils and **reject** the idea of a casino in Vaughan.

I believe that your rejection of a casino would show great leadership and foresight, as well as reflect the overwhelming sentiment of residents of this great city. It would also be wholly in line with the City of Vaughan's Vision 2020 strategic plan, which is built on the following key principles:

- A *Vision* to make Vaughan 'A city of choice that promotes diversity, innovation and opportunity for all citizens, fostering a vibrant community life that is inclusive, progressive, environmentally responsible and sustainable';
- A *Mission* that is focussed on 'Citizens first through service excellence' and;
- The *Values* of 'Leadership, Innovation, Fairness, Respect, Inclusivity, Integrity, Transparency, and Accountability'. (from City of Vaughan website)

If you allowed a casino to be built in Vaughan, this would be at complete odds with the city's strategic plan.

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In particular, the presence of a casino would conflict with the vision to foster a vibrant community life that is inclusive, progressive, environmentally responsible and sustainable; and it would contradict every one of the values set out above. A casino raises significant moral and ethical concerns that would be difficult, if not impossible, to overcome in order to achieve the city's strategic plan to turn Vaughan into a city that we can all be proud to call home.

In support of my views, I would point out that the most recent academic studies on casinos have concluded that casinos have negative social and economic impacts on a community which will require escalating resources to address, and thus negate any positive impact derived from the taxation revenue generated by a casino.

In general, the studies conclude that casinos cause social problems among vulnerable citizens of a society as well as certain types of crime rates to increase.

For example, a US review conducted by Harvard and MIT (March 2006) noted that most factors that reduce crime will occur before or shortly after a casino opens. However, those factors that increase crime, including problem and pathological gambling, will occur over time. The study concludes that no matter what, rates for certain types of crime will grow over time.

A study commissioned by the US Journal of Regional Sciences (Atlantic City Study, 2006) determined that crime rates have risen significantly in locations adjacent to Atlantic City.

Another study conducted by the US Contemporary Economic Policy group (2008) that looked at bankruptcy rates in the US, found that the proximity of casino gambling is associated with higher personal bankruptcy rates in a community.

I am also attaching various papers for your perusal that discuss the moral and ethical concerns associated with, as well as the potential negative effects and costs of introducing a casino to a community. I hope this will help to convince you and every Vaughan council member to say a resounding **NO** to a casino in Vaughan.

Your decision will reflect the type of city that Vaughan will become:

A city with a `fulfilling future – one where the social, economic and cultural essence of our community will flourish, inspiring a truly remarkable renaissance of civic pride` (from Major Bevilacqua's webpage),

or

A 'Casino city' where 'government preys on the weakness of its citizenry rather than serving them.' (from Gambling away our cities, attached)

Thank you for your attention to this matter.

Regards,

(Original signed and sent via regular mail)

Andrea Kuprejanov-Hatzis
198 Vanda Drive
Maple, Ontario
L6A 4G1
905-553-4675
(Citizen of Ward 4)

c: Councillor Sandra Yeung-Racco

Attachments

Gambling away our cities

By Les Florida

(Florida is director of the Martin Prosperity Institute at the University of Toronto, Global Research Professor at NYU and senior editor at The Atlantic, where he co-founded Atlantic Cities)

In an op-ed in Sunday's New York Daily News, Richard Florida has a must-read about the "casinoization" of American cities. Florida is director of the Martin Prosperity Institute at the University of Toronto, Global Research Professor at NYU and senior editor at The Atlantic. Read his piece below:

Early in September, Sheldon Adelson, the 79-year-old founder of The Sands (and a lavish political donor — he contributed more than \$50 million to help Mitt Romney and other Republicans get elected), announced that Madrid will be home to a massive EuroVegas gambling and entertainment complex. When construction is completed in about 10 years, there will be six casinos with 18,000 slot machines and a dozen hotels with 36,000 rooms.

Adelson would like to do something similar in New York City, on the site of the Jacob K. Javits Center on the West Side. As New York State begins the process of amending its constitution to allow up to seven new full-scale private casinos, eager gaming interests have flooded the state with lobbying money and campaign contributions, according to a report by Common Cause New York.

In Miami, the Genting Group — the same Malaysian company that operates the casino at Aqueduct — has proposed a \$3 billion plus city-within-a-city on the site of the Miami Herald building, which it has already purchased for \$236 million. The project would include two condo towers, four luxury hotels, 50 restaurants, 60 luxury shops and a yacht marina.

Casinos have either been built or proposed in Detroit, Cleveland, Chicago, Boston, Toronto and countless other cities across the United States and the world.

This "casinoization" of just about everywhere has been going on for some time. Three decades ago, only three American cities — Las Vegas, Reno and Atlantic City — had casinos. Today, gambling is legal in more than 40 states, and roughly 2,000 gambling venues can be found across America.

Gambling generates about \$90 billion in revenues annually, a figure that is projected to expand to \$115 billion by 2015. A third of this flows from casinos.

For politicians, casino money is a powerful allure. Casinos offer a potent triple whammy of big ground-breakings; new jobs in construction, hospitality and gaming tables; and substantial new sources of public revenue. "[I]t's important to look at other sources other than taxing people to death," Florida City's Mayor Otis Wallace (whose city just proposed a 25-acre horse racing, jai alai and casino complex), told the Miami Herald.

While politicians and casino magnates seek to sell gambling complexes to the public as magic economic bullets, virtually every independent economic development expert disagrees — and they have the studies to back it up.

More than a decade ago, the bipartisan National Gambling Impact Study Commission's Final Report concluded that while the introduction of gambling to highly depressed areas may create an economic boost, it "has the negative consequence of placing the lure of gambling proximate to individuals with few financial resources."

When gambling is added in more prosperous places, "the benefits to other, more deserving places are diminished due to the new competition. And as competition for the gambling dollar intensifies, gambling spreads, bringing with it more and more of the social ills that led us to restrict gambling in the first place."

In his 2004 book "Gambling in America: Costs and Benefits," Baylor University economist Earl Grinols totaled the added costs that cities must pay in increased crime, bankruptcies, lost productivity and diminished social capital once they introduce casinos to their economic mix. He found that casino gambling generates roughly \$166 in social costs for every \$54 of economic benefit. Based on this, he estimates that the "costs of problem and pathological gambling are comparable to the value of the lost output of an additional recession in the economy every four years."

Atlantic City's first legal casino opened in 1978 amid expectations of economic spillover in the form of retail businesses, restaurants, rising property values and jobs. But a study conducted 13 years later found that any "anticipated multiplier effect has not moved much beyond the core industry . . . Half of the population still receives public assistance, and city services continue to be substandard. Social problems, including increased crime and prostitution, are worse than ever. Since most people holding the better casino jobs live in Atlantic City suburbs, they contribute little directly to the city."

Casino cities are "dual cities" defined by "two-tiered economies," according to John Hannigan of the University of Toronto. "[C]rack cocaine-addled prostitutes struggle to survive in the underground economy that flourishes . . . in close proximity to the glittering casinos."

The typical customer of an urban casino is neither a tourist nor a deep-pocketed whale, but a local of modest means. Dave Jonas, president of Philadelphia's Parx Casino, told the Pennsylvania Gaming Congress in 2010 that his typical customer spends \$25 or \$30 dollars a visit — and many of them return three, four and five times a week.

Much of the tax revenue produced by gambling comes out of their pockets. A "tax on ignorance" is what Warren Buffett once called it.

"I find it socially revolting when a government preys on the weakness of its citizenry rather than serving them," he added. (Emphasis added)

Even the profits from vice are subject to diminishing returns. According to a report from the University of Las Vegas' Center for Gaming Research released in March 2012, Atlantic City's gambling revenues have fallen by more than 36% since 2006, when the first casino in nearby Pennsylvania opened its doors.

The city had been plowing \$100 million into restoring its vaunted Steel Pier, upgrading its beach and boardwalk, making improvements to the Atlantic City Historical Museum and the Atlantic City Arts Center — efforts that suffered a devastating setback from superstorm Sandy last month.

Competition from Bay Area tribal casinos has taken a devastating toll on Reno, which has seen its gambling revenues fall by a third since 2000. Its leaders hope that a \$1 billion Apple data center and a 78-lane National Bowling Stadium will help revitalize the city.

Meanwhile, Las Vegas is trying to reduce its dependence on casinos, transforming itself into part clubland, part Disneyfied family resort destination — and is emerging as the world's leading destination for high-end business conferences. The city is working to create mixed-use urban living around the huge City Center complex on the Strip, while Zappos CEO Tony Hsieh has invested \$350 million in a live-work-play district in the area surrounding the old city hall, where he has opened his new corporate headquarters.

It's ironic: Even as America's original gambling resorts seek to remake themselves, countless struggling cities are looking to gamble their way out of these tough times.

The late Susan Strange read the writing on the wall in her landmark 1986 book "Casino Capitalism," in which she compared the whole economy to a giant game of Snake and Ladders: "This cannot but have grave consequences," she wrote. "When sheer luck begins to take over . . . then inevitably faith and confidence in the social and political system quickly fades."

The recent surge in gaming across American cities is an outgrowth of this system of casino capitalism, which, as Daniel Denvir wrote in Salon last March, "feeds on America's job insecurity; people, whether gambling or seeking employment, have fewer viable ways to make good money." Indeed, casino capitalism has given way to casino fiscalism.

While gamblers might fool themselves into thinking that they can get something for nothing, public officials and civic leaders should know better. "I don't think the state should be in the position of selling the needle," Buffett said.

"When the capital development of a country becomes a by-product of the activities of a casino," John Maynard Keynes famously wrote in "The General Theory of Employment, Interest and Money," "the job is likely to be ill-done."

It could be the punch line of a joke, if it weren't so tragic.

Excerpts from other studies:

1. Casinos, Crime and Community Costs

Earl L. Grinols III

Baylor University - Department of Economics

David B. Mustard

University of Georgia - C. Herman and Mary Virginia Terry College of Business - Department of Economics; Institute for the Study of Labor (IZA); University of Georgia Law School

Cynthia Hunt Dilley

University of Illinois at Urbana-Champaign - Department of Economics

June 2000

This paper studies the connection between casinos and crime using county-level data for every US county between 1977 and 1996, spanning the introduction of casinos to states other than Nevada. We find that casinos increased crime after a lag. The data indicate that 8% of crime observed in casino counties in 1996 was attributable to casinos. The average annual cost of increased crime due to casinos was \$65 per adult per year. Furthermore, by studying the crime rates in counties that border casinos host counties we show that casinos create crime, not merely move it from one area to another. If anything, the neighbor data indicate that casino crime spills over into the border counties rather than is moved from them. Last, we explain why other studies have sometimes failed to identify a link between casinos and increased crime rates.

2. Social Capital and Casino Gambling in U.S. Communities

- Mary Tabor Griswold,
- Mark W. Nichols

July 2006, Volume 77, Issue 3, pp 369-394

This paper empirically analyzes the impact that the spread of casino gambling has on social capital in communities throughout the United States. Social capital is a networking process that translates into an individual's effectiveness in the community and workplace, and binds communities together. Several recent studies have also demonstrated a link between higher levels of social capital and quality of life. In this study, social capital is measured based on six dimensions: trust, civic, volunteerism, group participation, giving, and meeting obligations of family and friends. Using data from the DDB Needham database for the years 1978, 1988, and 1998, regression analysis is conducted on over 300 Metropolitan Statistical Areas throughout the United States to determine the impact that the spread of casino gambling has on social capital. The results of the analysis indicate that the presence of casino gambling significantly reduces social capital when a casino is located within 15 miles of a community, suggesting that a casino's location influences a community's quality of life and should be a consideration when deciding on the merits of gambling legalization.

3. Gambling with the nation's health

John Middleton, director of public health, UK and Farid Latif, senior house officer, paediatrics

This article has been cited by other articles in PMC.

Decisions about building casinos in the UK have not given enough weight to the potential health effects, argue **John Middleton** and **Farid Latif**