

From: Casino-Free Philadelphia
To: Mayor Michael A. Nutter, State Representative Dwight Evans,
State Senator Vincent J. Fumo, and Governor Edward G. Rendell
Date: July 8, 2008
Re: AN OPEN MEMORANDUM TO THE RESITING COMMITTEE

We thank the fearless Mayor Michael Nutter and the insistent Senator Fumo for pushing to resite the two casinos proposed for the historic Delaware River waterfront. We applaud Evans' recent involvement and his understanding the need to resite these casinos. While Casino-Free Philadelphia opposes having casinos in our City, we support any effort to have the casino problem addressed in a way that is fair, open and democratic.

With 5,000 supporters, we represent the largest force in the anti-casino movement. We have trained hundreds of people in direct action, a necessity if these casinos sites try to break ground. We've emboldened Philadelphians to reject the done-deal mentality and to demand that their government correct its mistakes. Shut out by the Pennsylvania Gaming Control Board and by our Supreme Court, tens of thousands of Philadelphians with the support of Councilman Frank DiCicco, State Reps. Mike O'Brien, Bill Keller, Babette Josephs, and Tony Payton have resorted to citizen activism. Together we've brought this to a boil and we won't let it cool.

We are writing today as experts. We have studied these issues extensively. We've talked regularly with those holding a wide variety of viewpoints, including leading academics, economists, labor leaders, businesspeople and political analysts. We've talked to tens of thousands of citizens including those who signed our petition for a 1,500-foot buffer and those who voted in Philly's Ballot Box.

We want to advise you on how any resiting effort should occur. Naturally, we are opposed to casinos being in Philadelphia; but we understand that some locations are worse than others. The closer casinos are placed to residential neighborhoods, the greater the cannibalization effect, the higher the rates of addiction and problem gambling and, consequently, the higher the economic costs to our society. Given that location matters, we believe only a legitimate resiting effort will gain public acceptance. We offer four standards and values we believe must be part of any procedure you adopt:

1) The resiting process must be fair, transparent and inclusive. The process used by the PGCB was unfair, secret and exclusionary. Any effort to resite the casinos must be the opposite.

- *Fair* means that the process be based on merit. A public, credible, professional decision-making body should be created. Third-party land use, planning and economic experts should be utilized to explore various factors, including economics, traffic, environmental, historical and archeological, the social fabric of the surrounding areas, port and other industrial compatibility, and opportunity costs, to name a few. Casino consultants and the usual Philadelphia suspects should be avoided or given short shrift. No unreasonable time limit should be imposed.
- *Transparent* means that the entire process should occur in public. All documents should be on the internet and all hearings should occur during the evening to promote public attendance. There should be no confidential information and no closed sessions.

- *Inclusive* means that all citizens of Philadelphia should have the opportunity to participate in the resiting process. That ultimately means that any proposed locations, and the “no casino” option, should be approved only by a legally binding referendum, on November 4, 2008. Let the people vote.

2) Casinos cannot be built in or near any neighborhood. Act 71’s and the PGCB’s lack of social standards in its decision-making resulted in untenable sites. Placing around the clock 5,000 slot parlors with multiple liquor licenses, attracting tens of thousands of cars each day is a use incompatible with neighborhoods.

We therefore believe, along with the 27,000 signers who supported us last year, that no casino should be proposed within 1,500-feet of a home, school, place of worship, playground or park.¹ Over the past two years, polling on this issue has remained steady at around 75% of all Philadelphians, regardless of where respondents lived.² If a proposed site does not comply with the 1,500-foot buffer, we will mobilize against it.³

A 1,500-foot buffer reflects a clear public policy of protecting neighborhoods. Buffer legislation exists in state environmental protection laws, state liquor laws and local laws involving harmful uses. Violating the concept of a buffer will result in deeper resentment and more activism.

3) Any resiting process must consider the "no casino" alternative. Neither Philadelphia nor the state needs two casinos in Philadelphia. Prior assumptions deserve to be revisited.

There are at least two reasons why any resiting process must consider the option of no casinos. First, there has never been a full, objective cost/benefit analysis of casinos in Philadelphia to either the state or the city. On the income side, intra-state competition places a cap on the number of casinos that can effectively open with the same returns. Plus, factors like gas prices and the economy continue to drag-down the gambling sector across the country.⁴ External economic and social costs have never been tallied and

¹ Casino-Free Philadelphia volunteers gathered over 27,000 signatures in less than three weeks. See, for example: <http://www.hallwatch.org/news/1171900833527/index.html>.

² Polling in 2007 and 2008 both show 79% and 72% support for the buffer zone, respectively. A majority holds true in every region of the city and every demographic in the city. Poll results available from Casino-Free Philadelphia or on our website (www.CasinoFreePhila.org).

³ Public endorsers of the 1,500-foot buffer included: Labor: American Federation of State County & Municipal Employee’s District Council 47’s Tom Cronin, President, Local 1723 (Temple U), Coalition of Labor Women, International Longshoremens’ Association (plus locals), Pennsylvania Association of School Nurses & Practitioners, Temple University Hospital Nurses Association Businesses: Cohen & Company Hardware, Inc., Design for Social Impact, Gallery Joe, Gilbert’s Upholstery, Homemade Goodies by Roz, Philadelphia Bar & Restaurant Supply, Savory Off South, Scarlett Alley, Shannon FitzPatrick—Appraiser & Gemologist, Snyderman Works Gallery, Wexler Gallery, White Dog Cafe, Social Service/Community Organizations: Neighborhood Networks, Philadelphia Riders, Philly for Change, Project H.O.M.E., Southeast Pennsylvania ADA, Religious Organizations: Bishop Charles E. Bennisson, Episcopal Diocese of Pennsylvania, Old Pine Street Presbyterian Church, St. Peter’s Church in Philadelphia, St. John-Tinicum Lutheran Church, Civic Associations: Bella Vista Town Watch, Bella Vista United Civic Association, Center City Residents Association, Delaware River Neighborhood Alliance, East Kensington Neighbors’ Association, Fishtown Neighbors Association, Franklin Bridge North Neighbors Association, Hawthorne Empowerment Coalition, Kensington South NAC, Logan Square Neighborhood Association, Neighbors Allied for the Best Riverfront, Northern Liberties Neighbors Association, Old City Civic Association, Passyunk Square Civic Association, Pennsport Civic Association, Port Richmond on Patrol & Civic Association, Rivers Edge Civic Association, Society Hill Civic Association, Queen Village Neighbors Association, Washington Square West Civic Association, Whitman Council, plus numerous city and state political candidates and tens of thousands of voters.

⁴ Just as an example: <http://www.independent.co.uk/news/world/americas/down-and-out-in-las-vegas-860513.html>

considered.⁵ Our calculations show a minimum net loss to the city of \$52 million per year.⁶ If one cannot calculate whether and how the costs of casinos in Philadelphia are outweighed by the benefits, then promoting casinos is nothing but reckless indifference to the public's health, safety and welfare.

Second, the state has lost all credibility on the topic of casinos and, therefore, all prior assumptions must be reexamined. The state told us Act 71 was a good law; it's one of the worst. The state told us the PGCB would issue licenses fairly; the opposite occurred. There is almost no knowledgeable unbiased person who believes that slots parlors in Philadelphia represent good public policy -- the tired, sound bytes don't work anymore. Accordingly, the state must now justify why casinos are good for Philadelphia. Addiction and problem gambling rates and economic and social costs must be calculated. The data must lead to clearly substantiated conclusions.

4) Casino companies are not to receive bailouts. They did not merely participate in a system riddled with mistakes but actively tried to undermine the system.

When the casinos were proposed, neighbors quickly expressed their opposition. Over 98% of those commenting to the PGCB expressed hostility to the sites or casinos in general.⁷ Neither the PGCB nor the casinos listened. Indeed, over two years ago Casino-Free Philadelphia began to galvanize a movement to keep Philadelphia casino-free. We talked about the costs and dangers of casinos, including at the currently proposed locations. The casino investors did not listen; they do not deserve a bailout.

They went to the Supreme Court rather than negotiate with the city, denied Philadelphians an opportunity to have their voices heard by stripping questions off the city's ballot, hired private investigators to go door-to-door on their opponents, and misrepresented themselves to the PGCB (e.g. Foxwoods claimed no ties to Atlantic City, when they did; SugarHouse claimed I-95 serves as a natural buffer between it and residents, when hundreds of Philadelphians live east of I-95). These are not the actions of a companies "playing by the rules" as they claim.

We ask to be spared the rhetoric that these casinos have a "right" to build in Philadelphia – they do not. A gaming license is a privilege, not a right; it says so in Act 71. If you want them to exist in Philadelphia, tell them to move at their own cost, or leave town altogether. The casinos have no legal or moral right to be bailed out.

This is a time for solutions. We look forward to being involved as members of the public. We, of course, will increase our agitation until solutions are found.

Sincerely,

- Daniel Hunter, Karim Olaechea, Jethro Heiko, Lily Cavanagh on behalf of Casino-Free Philadelphia

⁵ Other issues, such as the \$265 million decrease in the state lottery occurring since slots parlors opened, and other hidden costs have never been calculated. See for example "Republicans, Rendell Debate Over Pa. Lottery Surplus Drop" by Tony Romeo of KYW news radio (February 25, 2008).

⁶ See report "You Pay Even if You Don't Play" (Casino-Free Philadelphia 2008). Available at: www.casino-freephila.org/keydocs

⁷ 1.7% of PGCB Public Comments Support Casinos 98.1% Oppose Casinos according to research done of the PGCB's public written comments. 2,969 comments were negative and only 51 were positive. Statistics available from Casino-Free Philadelphia's November 2006 report.