

# Detroit has no luck with casino trio eyed by Deval

Detroit – A trio of casinos similar to those proposed by Gov. Deval Patrick have hit a wall in Detroit, leaving the cash-strapped city reeling from plummeting gambling revenues and sending a harsh warning to Massachusetts.

A Herald review shows revenue generated by three Motor City casinos was down USD 82 million in 2007 while the state's take fell by USD 10 million.

Detroit City Councilor JoAnn Watson said the casinos have “created social and economic devastation” that has led to 20 percent of the city's small businesses going “belly up.”

“There were a lot of promises made in terms of how the economy would improve and jobs, jobs, jobs,” Watson said. “But the circumstances in the aftermath of the casinos has been ‘Lord have mercy.’ The ballyhooed promise of prosperity has not occurred.”

Patrick's controversial plan for two commercially operated casinos and one Indian gaming hall has been a reality in Detroit since voters legalized gambling more than a decade ago.

The city's casinos made USD 1.303 billion in 2006 but revenue dropped 6 percent to USD 1.221 billion last year, despite massive expansions. The amount paid to the state, meanwhile, fell 6 percent in 2007, according to the Michigan Gaming Control Board.

That's bad news for Patrick's headline-grabbing 2009 budget plan, which calls for USD 300 million in casino license fees to pay for schools, public safety, transportation and much-needed tax relief.

“What I’ve seen is there’s only a finite pot of gambling money that people have,” said former Michigan Rep. Allen Lowe, who opposed Detroit’s three-casino plan. “I don’t know that economically we’ve seen much of a boon here.”

Michigan state Sen. Alan Cropsy, a vocal casino opponent, said the declining revenue in Detroit shows the market is “tapped out.”

“This really is taking money out of the local area and putting it into the casino owners’ pocket,” Cropsy said, adding that it’s “foolish” for a government to rely on gambling revenue.

Kofi Jones, spokeswoman for Patrick’s economic development secretary Dan O’Connell, said the governor’s panel looked at several regions with casinos, but “no one model alone formed the basis of the governor’s legislation.”

“We are confident that our plan will meet its projections,” Jones said.

Detroit’s MGM Grand, Greektown Casino and the Motor City Casino each saw revenue declines last year, even as they added more gaming space and hotels. And their impact has been questionable as the city remains severely blighted, with entire blocks of vacant, boarded-up buildings infesting surrounding neighborhoods.

“They ruin the city,” said Detroit autoworker Mark Hauswirth during a recent visit to the Motor City Casino. “People blow all their money. It don’t help nobody but the people who own them.”

Howard Berenbom, who runs the online magazine Casino Detroit, said the casinos have been “disappointing,” mainly because a plan to spur local development by locating them all on the Detroit River never materialized. Still, Berenbom believes they’ve given the city a boost.

“It brings in jobs and revenue,” Berenbom said. “The negative is that some poor people go and gamble and a lot of people can lose.”

Michigan politicians pushed through legalization by focusing on how much local money was flowing to casinos across the Detroit River in Windsor, Ontario, much like Massachusetts’ drive has been fueled by concerns about tourism dollars going to Connecticut casinos.