

1 CHAIRMAN JAMES: Mr. Murphree?

2 MR. MURPHREE: Thank you, Mrs. James. Good morning,  
3 ladies and gentlemen. My name is Kenneth Murphree. I'm the  
4 County Administrator for Tunica County, Mississippi. To tell you  
5 from what perspective I'll be speaking, I'll tell you briefly  
6 about myself.

7 I was born and raised in Tunica. I've lived my  
8 entire life in Tunica County or the adjoining county of DeSoto.  
9 I've been involved in county government in either or both of  
10 those counties for the past 25 years, the last 18 as the chief  
11 administrative office of county government in one of those two  
12 counties.

13 Thank you for allowing me to be here today to tell  
14 the Tunica story. It's a story about economic development, about  
15 a county which was statistically one of the most impoverished  
16 counties in the United States, about a county for which the  
17 gaming industry provided the opportunity to reverse its fortune.  
18 I'm proud to say that it's a true success story for Tunica.

19 Tunica County approved gaming without protest. We --  
20 no petition was even presented to require a referendum for gaming  
21 in Tunica County and Tunica became the northernmost county in  
22 Mississippi to allow gaming. In 1992, a small casino opened with  
23 phenomenal success. It had revenues of over \$500 per day per  
24 gaming position.

25 This led many of the most successful gaming  
26 corporations in the United States to locate facilities in Tunica.  
27 The list includes Hollywood Casino, Harrah's, Boyd Gaming,  
28 Fitzgerald's, Circus Circus, Horseshoe, ITT Sheraton, Bally's,  
29 which is now owned by Hilton, and the Grand Casino Corporation.

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1           There are currently nine casinos in Tunica County and  
2 they enjoy an approximately \$950 million per year market. That  
3 trails only Las Vegas and Atlantic City. Collectively, the  
4 casinos have invested well over \$2 billion in Tunica County, by  
5 some estimates, with current construction underway, as much as \$3  
6 billion.

7           The effect of these developments on a county of  
8 approximately 9,000 residents with an almost totally  
9 agriculturally based economy is startling. The casinos brought  
10 16,000 jobs to Tunica. That's a county of 9,000 people. It  
11 brought 16,000 jobs to Tunica County, but more importantly, they  
12 brought a sense of hope and opportunity which had never existed  
13 in Tunica.

14           The fact is now that everyone in Tunica County who  
15 wants a job, regardless of their educational or skill level, can  
16 have one. The double digit unemployment which annually ran as  
17 high as 25 percent during the winter months had been reduced to  
18 as low as 4 percent.

19           The latest results we have in July 1998 unemployment  
20 was 4.9 percent. That figure, I have to say, is partially caused  
21 by a problem we have in Tunica like many parts of the United  
22 States, by pre-employment drug screening which eliminates some  
23 people from being able to enjoy these jobs at the casinos.

24           Not only are the jobs available for everyone but  
25 demand for labor has caused salaries for all workers to be at  
26 least 25 percent higher than those rates prevalent prior to the  
27 arrival of the casino industry. The secretary at the law office,  
28 the waitress at the cafe, everyone has seen the demand for labor  
29 raise their salaries at least 25 percent.

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1 Other statistics are just as dramatic. In 1992, over  
2 50 percent of the residents of Tunica County lived in households  
3 receiving food stamps collectively totaling over a quarter  
4 million dollars. By 1997, those numbers had been cut in half,  
5 less than 25 percent of the residents collectively receiving only  
6 \$107,979.

7 During that same time period from '92 to '97,  
8 families required support through temporary assistance to needy  
9 families. That was formerly what we called AFDC. It's now  
10 called temporary assistance to needy families but it was reduced  
11 from 541 families to only 225 that required that assistance. On  
12 the other hand, child support payments from fathers who now have  
13 jobs have more than doubled.

14 Prior to 1992, Tunica County was regarded as one of  
15 the most impoverished counties in the United States. As Jimmy  
16 alluded to a minute ago, in the mid-1980s during a visit there by  
17 Reverend Jesse Jackson, he referred to it as America's Ethiopia.

18 And, in fact, Department of Commerce statistics  
19 verify Tunica County as having the lowest per capita income of  
20 any county. That has changed.

21 The Bureau of Economic Analysis of the U.S.  
22 Department of Commerce now reports that Tunica County's per  
23 capita income had risen by 1996 to \$19,139, which makes it the  
24 ninth highest in our state, from last to ninth highest.

25 Statistics concerning general business conditions in  
26 Tunica reflect the same positive directions as the previously  
27 mentioned social indicators. Retail sales are almost ten times  
28 what they were in 1992. Total assessed valuation of the county

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1 has increased from \$30 million, almost totally agriculturally  
2 based property, to over \$200 million.

3 The total number of hotel rooms has increased from  
4 the 20 that we used to have to about 5700 now. By the end of  
5 this year with the other 600 we have under construction, it will  
6 be over 6,000.

7 The gaming industry has also had a dramatic effect on  
8 county government and its ability to provide services. The  
9 predominantly agriculture tax base that existed prior to 1992  
10 could hardly fund the minimum services that were necessary for  
11 our assistance.

12 Tunica County's local support for schools, 941,000,  
13 made up only 13 percent of the total 1992 school budget. The per  
14 pupil expenditure of \$3423 was somewhat exaggerated because of  
15 the high expenditures for the free lunch program when that was  
16 calculated into it.

17 By allocating ten percent now of the gaming revenues  
18 which we receive to education, the county has gone into the fifth  
19 position in the state in per pupil expenditures of \$5,488.  
20 That's over \$2,000 per student.

21 The over \$5 million in local support now that went to  
22 schools in 1997 made up 47 percent of the total budget, from 13  
23 percent to 47 percent of being covered by local expenditures.

24 The gaming revenues have also allowed us to address  
25 other needs. We've been able to implement a housing  
26 rehabilitation program for elderly and handicapped homeowners.  
27 You have to understand there is tremendous needs for improvement  
28 to substandard housing and we're able to address those issues  
29 now.

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1 We have funded a public transportation program  
2 through the Aaron Henry Foundation which is facilitating our  
3 workers now to be able to get the jobs. We're able to fund that  
4 for them.

5 We have a youth recreation program with a brand new  
6 \$2 million facility. I just refer to it as somewhat of a YMCA  
7 type facility but it's able to get our children where we can have  
8 good recreation, good leadership and be exposed to those things  
9 that they formerly just weren't getting in Tunica County.

10 We've increased elderly services for meals and  
11 transportation and for homemaker services. We have hired through  
12 Mid-State Opportunity, a local community action agency, an  
13 advisor to work with at-risk teenagers, those who have dropped  
14 out of school or are just struggling in school, to assist them  
15 with a transition from school into the workforce.

16 We bought a new emergency communications system for  
17 the county. We have a new landfill which is operated by the  
18 largest landfill company in the United States.

19 In 1992, there was -- we didn't have 24-hour medical  
20 service available in Tunica County. We had one doctor's office  
21 which was open about 40 hours a week to attend to medical needs.  
22 After hours or on weekends, you had to travel some 40 miles to  
23 adjacent counties to get medical services.

24 We have contracted with the Methodist Health Care  
25 System, the largest medical health care provider in the mid-  
26 south, who has opened a 24-hour medical clinic in Tunica County  
27 now.

28 We purchased four new fire trucks. We've increased  
29 the funding and staff for our sheriff's department and

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1 constructed a new jail. Like all communities, our jail's  
2 overcrowded.

3 We made extensive improvements to the water and sewer  
4 systems and improvements to our county roads. We focused a lot  
5 of the income that we received these first few years on water and  
6 sewer and road systems to try to support this casino industry to  
7 secure and stabilize those jobs. That's what it's about, trying  
8 to get these people good jobs and that's what we've achieved.

9 We've had -- we funded a full-time youth court  
10 counselor. We've created summer youth jobs for our young people.  
11 We've been able to provide financial support to the Tunica County  
12 Literacy Council for adult education and literacy. We've  
13 expanded our local library. We have a new agricultural  
14 exposition facility under construction.

15 There's a sense of hope and opportunity in Tunica  
16 County in 1998 that has not existed for decades. Everyone has a  
17 job. Those who already had jobs have had their wages increased  
18 by 25 percent or more. The jobs provide good health and  
19 retirement benefits.

20 People are able to buy new cars, new furniture,  
21 correct past credit problems to enable them to qualify for home  
22 loans and to buy things for their children that they formerly  
23 just had to do without. It clearly is a quality of life that has  
24 never existed in Tunica County.

25 Where does this newfound prosperity come from? Well,  
26 the Tunica County Convention and Visitors Bureau and the  
27 Mississippi Gaming Commission have performed research that helps  
28 us to answer that question.

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1           The profile that they have developed indicates that  
2 more than two-thirds of our visitors come from outside the  
3 Memphis area and I think you understand what our local area is.  
4 Over two-thirds of our visitors come from outside the Memphis  
5 area. In fact, less than 15 percent comes from Mississippi; less  
6 than 1 percent come from Tunica County.

7           Over 75 percent are married or living as married.  
8 Two-thirds are over 45 years old and 60 percent have an annual  
9 family income in excess of \$50,000.

10           In summary, Tunica has become a two to four-day  
11 resort destination for upper and middle income families living in  
12 the mid-south and midwest.

13           Thank you for allowing me to be here today to tell  
14 this story about Tunica. I've simply tried to give you my  
15 perspective of the impact of gaming on an economically depressed  
16 community.

17           Tunica County was not any smarter than the other  
18 communities -- DeSoto County or those other communities in our  
19 area -- by allowing gaming within its border. Frankly, it was  
20 simply more desperate for some type of economic development. It  
21 took a risk by inviting that industry. It took the gamble, if  
22 you want to say it, and it won. Thank you for allowing me to be  
23 here.

24           COMMISSIONER MOORE: Thank you, Mr. Murphy.

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