

WRITTEN TESTIMONY
TO BE GIVEN BEFORE
NATIONAL GAMBLING IMPACT STUDY COMMISSION
CHICAGO, ILLINOIS
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BY
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CITY OF RIVERSIDE, MISSOURI

Ladies and Gentlemen,

Thank you for allowing me this opportunity to share with you the impact of riverboat gambling on our small Missouri City.

Riverside, Missouri, is a fourth class city, with a population of 3,390. The City is only fifty years old and was chartered with the understanding that no personal property or real estate taxes would ever be levied against residents or business owners living or operating in Riverside. This promise still holds true.

Because of this commitment, the City received only very limited funds with which to operate each year. Revenues were generated through a one cent city sales tax, utility franchise fees, and motor fuel taxes. While the elected officials are to be commended for their efforts to operate with very limited funds, a trip through the community only four years ago would demonstrate the dire need for permanent streets with curbs, gutters, sidewalks, and storm drainage, parks, a Community Center, facilities to house the departments of City government, and a general effort for planning the future and cleaning up the debris from the past.

The legalization of riverboat gambling in Missouri, and specifically, the large majority vote cast by Riverside residents in 1992 to open the city to riverboat gambling, has had nothing but the most positive effect on our community. While all our residents may not be staunch proponents of gambling, with many never having been to the boat, all are reaping the benefits the money provided by gamblers brings to the city's coffers each month.

One thing we have learned is that we cannot legislate morality. When the voters spoke so strongly in favor of gambling being permitted, it became the duty of the elected officials and our city staff to provide strong leadership to ensure the core values of the community were not undermined and that the receipts were put to use with infrastructure needs long overdue.

The elected officials chose to commit the riverboat funds strictly to Capital Improvements and Capital Equipment purposes. They have continued this commitment with none of the gambling revenues going into the General Revenue Funds. This means that no salaries or daily operation costs for the city are funded with gambling dollars. Consequently, should the riverboat float down

the Missouri River tomorrow, our community would have benefitted from the major improvements made to our infrastructure but no jobs would be lost, salaries reduced, or services discontinued.

As of this date, our city has received \$23,952,429 in revenues from the Argosy Casino. You may be interested to know what improvements have been provided with these gambling revenues. The list is growing but includes:

- * Development of a Master Plan for the City and a Master Plan for a proposed new Park
- * Development of the E.H. Young Riverfront Park - A \$3 million project running along the banks of the Missouri River with a riverwalk, walking trail, children's playground, picnic shelters, amphitheater, and formal gardens
- * Construction of a new Community Center - A \$3 million project to replace the former center lost in the 1993 floods but which includes a gymnasium with full basketball court, two volleyball courts, a stage area, large dining area, kitchen, meeting rooms, and an outdoor swimming pool
- * A master plan to totally rebuild every street in the city to include permanent street surface, curbs, gutters, sidewalks, and storm drainage with approximately \$4 million worth of projects either completed this winter or under construction at this time with engineering design in place for constructing the remainder in the next two fiscal years
- * Contribution of \$5.3 million towards the required local share of \$29 million for the only remaining flood protection levee not constructed on the Missouri River, the L-385, in addition to absorbing the escalating legal fees for development of this project. Completion of this project will provide much needed flood protection to our business community to alleviate the over \$80 million spent by federal, state, and local governments with the 1993 flood. The construction will also open up 1,600 acres of protected ground for development which will increase our revenue base for the future
- * Construction of a permanent facility for our Public Works Department
- * Proposed construction of a new City Hall facility anticipated to cost \$2.5 million with construction to begin this Fall
- * Retirement of outstanding sanitary sewer bonds at a cost of \$1.5 million thereby reducing the monthly bills for residents and businesses by a minimum of \$25 each month
- * Replacement of fire engines and apparatus, as well as equipment for public safety officers, totalling over \$1 million
- * Renovations to the existing "pocket" parks within the city

- * Upgrading of computer capabilities for both Administration and especially Public Safety Dispatch and record keeping
- * Contribution of \$150,000 by City and \$150,000 from Argosy Casino to pay off outstanding bonds on the Platte Purchase toll bridge to allow it to become part of the State bridge system for \$7 million worth of needed repairs or the bridge would have been closed causing a major hardship for residents working across the river.
- * Contributions of \$50,000 and \$25,000 to the Compulsive Gamblers Funds included in out state's legislation which is being used to assist in counseling for compulsive gamblers

I'm certain you're thinking, "OK, we've heard all the good stuff. Now let's hear about all the problems the boat has created." I would share our problems with you now but there have been no problems to share.

The City's Public Safety Department conducted a thorough study of the inherent problems associated with gambling in other cities in other states before the boat arrived in Kansas City. Since ours was the first license granted in the metropolitan Kansas City area, and we remained the only one in operation for approximately 2 years, we believed it was essential to set strong parameters for handling incidences which might occur.

To the full credit of the Missouri Gaming Commission, their regulations include the casino's funding Missouri State Highway Patrol officers located on each facility to deal with any problems which might arise. The Gaming Commission's enforcement of regulations which do not allow anyone convicted or associated with gambling problems to provide services or products to the boats or to be permitted to gamble on the boats has resulted in penalties being assessed to gaming companies in a relatively small number which seems to have been enough to teach valuable lessons.

Locally, we were prepared with procedures and policies to cover the problems of prostitution, robberies, domestic violence, bankruptcies, and on and on. No increase in any of these problem areas has occurred in the four years the boat has been in operation. Our calls to the Public Safety Department have increased by only an average of two (2) per day accountable to the riverboat, and the majority of these have been for disturbance of the peace.

We have not had bankruptcies nor housing foreclosures. We have no stories of family fortunes being lost at the tables or slots. If these things are happening, it is not to Riverside residents and we cannot address those things about which we have no knowledge.

I would not presume to insult your intelligence by saying that we do not believe any of these problems exist. I can only tell you, honestly, from our annual reports to the Board of Aldermen and Mayor, we have not experienced any of these problems in a greater number than in any other sector of our city.

We strongly support continued enforcement of our state's mandates for the control of gambling, including the voluntary banning of compulsive gamblers from the facilities. As previously stated, we do not believe government can legislate morality but we are responsible for controlling the surroundings. We believe we have done that successfully and will continue to do so.

To sum things up, the impact of gaming on the City of Riverside has been nothing but positive. Our residents have an improved quality of life without ever having to visit the boat or to pay higher taxes to provide for needed infrastructure. Tourists to our city have an added entertainment feature to complement the Kansas City Chiefs, the Royals Baseball team, the Blades Hockey team, Worlds and Oceans of Fun Amusement Parks, the Plaza, and the American Royal.

As you collect your data, the City of Riverside offers you positive input for your research. We trust this information will assist you in developing a fair assessment of the full impact of gambling across our country.

Thank you for allowing me this opportunity.