CHAIRMAN JAMES: Mr. Murphree?

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

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

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

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

This led many of the most successful gaming corporations in the United States to locate facilities in Tunica. The list includes Hollywood Casino, Harrah's, Boyd Gaming, Fitzgerald's, Circus Circus, Horseshoe, ITT Sheraton, Bally's, which is now owned by Hilton, and the Grand Casino Corporation.
There are currently nine casinos in Tunica County and they enjoy an approximately $950 million per year market. That trails only Las Vegas and Atlantic City. Collectively, the casinos have invested well over $2 billion in Tunica County, by some estimates, with current construction underway, as much as $3 billion.

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

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

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

Not only are the jobs available for everyone but demand for labor has caused salaries for all workers to be at least 25 percent higher than those rates prevalent prior to the arrival of the casino industry. The secretary at the law office, the waitress at the cafe, everyone has seen the demand for labor raise their salaries at least 25 percent.
Other statistics are just as dramatic. In 1992, over 50 percent of the residents of Tunica County lived in households receiving food stamps collectively totaling over a quarter million dollars. By 1997, those numbers had been cut in half, less than 25 percent of the residents collectively receiving only $107,979.

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

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

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

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

Statistics concerning general business conditions in Tunica reflect the same positive directions as the previously mentioned social indicators. Retail sales are almost ten times what they were in 1992. Total assessed valuation of the county
has increased from $30 million, almost totally agriculturally
based property, to over $200 million.

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

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

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

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

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

The gaming revenues have also allowed us to address
other needs. We've been able to implement a housing
rehabilitation program for elderly and handicapped homeowners.
You have to understand there is tremendous needs for improvement
to substandard housing and we're able to address those issues
now.
We have funded a public transportation program through the Aaron Henry Foundation which is facilitating our workers now to be able to get the jobs. We're able to fund that for them.

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

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

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

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

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

We purchased four new fire trucks. We've increased the funding and staff for our sheriff's department and
constructed a new jail. Like all communities, our jail's overcrowded.

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

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

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

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

Where does this newfound prosperity come from? Well, the Tunica County Convention and Visitors Bureau and the Mississippi Gaming Commission have performed research that helps us to answer that question.
The profile that they have developed indicates that more than two-thirds of our visitors come from outside the Memphis area and I think you understand what our local area is. Over two-thirds of our visitors come from outside the Memphis area. In fact, less than 15 percent comes from Mississippi; less than 1 percent come from Tunica County.

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

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

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

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

COMMISSIONER MOORE: Thank you, Mr. Murphy.