

1 THE HONORABLE SCOTT KING, MAYOR, GARY, IN

2  
3 CHAIRMAN JAMES: We'll hear from Gary, Indiana Mayor  
4 Scott King.

5 MAYOR KING: Good morning. I thank you for the  
6 invitation and the opportunity to share with the Commission our  
7 local perspective on the overall impact of gaming in the city of  
8 Gary.

9 Gary's genesis was as the Midwest production facility  
10 for United States Steel in 1906. From then until now, United  
11 States Steel has remained the largest single employer and  
12 property taxpayer in the city of Gary. However, for the past 30  
13 years the term largest has proven to be relative.

14 While 25,000 people once worked at the mill and lived  
15 in the city of Gary, currently 7,500 are employed, only 2,500 of  
16 whom live in the city. Given the state's taxing protocol, non-  
17 resident employees do not contribute a penny to the cost of local  
18 government. The combined effect of this trend, with an out-  
19 migration of residents and businesses to suburbia, was to deflate  
20 assessed property values. Consequently, property tax rates were  
21 inflated to a point of doubling city tax rates, compared to the  
22 surrounding suburbs and the metropolitan area, which of course  
23 served to fuel even more people and companies leaving the city.

24 With a tax structure that historically placed 75  
25 percent of local government revenues on the backs of property  
26 owners, Gary's economy continued to decline. Layered over this  
27 scenario, not an uncommon one for may of the so called Rust Belt  
28 communities, was the fact that Gary's population was more than 85

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.

(202) 234-4433

WASHINGTON, D.C. 20005-3701

www.nealrgross.com

1 percent African-American in a metropolitan area that a University  
2 of Michigan study described as the most segregated in the nation.

3 It's against this backdrop that casino gaming entered  
4 the economic picture in the city of Gary. One of the first  
5 impacts this industry had in Gary was environmental. By building  
6 the gaming facilities on abandoned industrial land on our  
7 lakeshore, new access to the natural beauty of Lake Michigan was  
8 accomplished. In fact, the result of this construction project  
9 prompted my administration to embark upon planning for additional  
10 waterfront development of some 400 acres of industrial land to  
11 provide commercial, recreational and housing opportunities for a  
12 city sorely in need of them.

13 This effort, which continues to move ahead, has  
14 garnered partners from public and private sectors and offers an  
15 opportunity to diversify and build our economic base while  
16 revitalizing brown fields and reshaping the image and reality of  
17 the city of Gary. Revenues to the city from the casinos have  
18 increased our municipal income by one-third. These monies are  
19 being appropriated for rebuilding the long neglected  
20 infrastructure of the city. From sidewalk and street  
21 construction to expanding the size and capacity of our police  
22 department, without adding to an already overburdened property  
23 taxpayer's cost, new housing starts and business opportunities  
24 are up and crime rates are moving down.

25 In addition, an average of 10,000 people travel to  
26 the venue each day, the majority of them from outside the city.

27 CHAIRMAN JAMES: Mayor King, can I ask you to  
28 summarize at this point and submit the rest in written form for  
29 the benefit of the Commission?

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.

(202) 234-4433

WASHINGTON D.C. 20005-3701

www.nealrgross.com

1           MAYOR KING: I have submitted it in written form.  
2   The most impressive impact has been job creation, particularly in  
3   our community and the impact that that has had. The casinos have  
4   now emerged as the largest single employer, surpassing U.S. Steel  
5   for city residents.

6           I pointed out our awareness and cognizance and  
7   watchfulness of issues that might potentially prove to be  
8   negative, but overall the experience has been overwhelmingly  
9   positive and continues to be so today. Thank you.

10          CHAIRMAN JAMES: Thank you.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.

(202) 234-4433

WASHINGTON, D.C. 20005-3701

www.nealrgross.com