

## Dubuque, Iowa, offers perspective on casino effects - Southeast Missourian

Written by Administrator

Sunday, 10 October 2010 00:16 -

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Old-time paddle-wheelers chug through the dark water of the Upper Mississippi River while recreational gamblers play blackjack, dice and roulette "in the spirit of the roughnecks and rogues who ruled the river" more than a century ago.

It's a quaint picture the denizens of Dubuque, Iowa, painted in an April 1989 New York Times article published the day after Gov. Terry Branstad signed

into law a bill that would make Iowa the first state to launch riverboat gambling.

"You can't get this in Atlantic City or Vegas. People could see the bluffs and the farms. It's a natural. I know it's going to work," Roy Berger, then-general manager of the city's pari-mutuel dog track, said in the Times piece.

Since Dubuque's legalized gambling operations began in 1991, much has changed in Iowa's casino landscape -- not the least which is the fact that the riverboats, in the strictest sense, are again a thing of the past.

Iowa law mandates casino towns hold referendums on the continuation of the operations every eight years. Dubuque voters have time and again supported their casinos at the polls by rates of 70 percent or better, and they will again decide the fate of their casinos next month.

As Cape Girardeau residents prepare to vote next month on a ballot issue on casino gambling and as supporters lobby for the state's final casino license for Isle of Capri's proposed \$125 million riverfront casino, Dubuque offers two decades of perspective on the effect casinos can have on a community.

### **A different day**

There's some debate, but Dubuque likes to claim the distinction of being the first city in Iowa to launch a riverboat casino in recent U.S. history. The city of nearly 60,000 is on the bluffs overlooking Wisconsin and Illinois to the north and east. Illinois quickly joined the floating casino craze, and Missouri followed in 1994.

As in Missouri, the early days of riverboat gambling in Iowa had wager and loss limits -- no

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more than \$5 a bet and \$200 maximum loss. That changed a few years later when Iowa, faced with increasing competition from neighboring states, removed its loss limits. Missouri did the same two years ago when voters passed Proposition A.

"Here you lose your money," Lavada Brunskill quipped at Dubuque's dog track in 1989. "At least this way, we'll get a boat ride out of the deal."

Not for long.

Once upon a time Iowa's riverboats cruised the state's waterways, part of the charm and tourism draw sold to Iowans by the casino industry. But cruising requirements interrupted the flow of players, and eventually riverboats began meeting the mandates by embarking early mornings. The requirements, as in Missouri, then were done away with altogether. Now "riverboat" casinos just about everywhere are riverboats in the academic sense -- situated on bladders of water, near navigable water. That is the kind of casino Isle of Capri would bring to Cape Girardeau.

### **Boomtown**

Whatever the arguments are about legalized gambling, Dubuque is a different place because of its two casinos, and a lot of residents sing their praises.

In 1983, the Rust Belt city was in the throes of a recession, at one point recording the highest unemployment rate in the land. When Dubuque Greyhound Park opened in the mid-1980s, it was seen as an economic savior. When the riverboat came along, it was promoted as a boomtown maker, the same kind of rhetoric you'll find from Cape Girardeau casino proponents.

In a lot of ways, Dubuque racing and casino trumpeters were right.

The Dubuque Racing Association, the not-for-profit license holder of the city's greyhound

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racing park and casino, has distributed tens of millions of dollars to area charitable organizations over its 25-plus years in operation. The city has used its cut of the gambling cash pie -- 40 percent of post-expense casino revenue -- for capital improvement projects, including leveraging public and private dollars for the America's River project, a \$200 million -- and growing -- riverfront redevelopment.

Today, Dubuque County boasts one of the strongest economies among smaller U.S. metropolitan areas, and city officials say casino cash has played a big part in that economic turnaround.

"Whether you're supportive of gambling or opposed, no one could look at the model in Dubuque and could admit it hasn't had a net positive impact," said Rick Dickinson, executive director of Greater Dubuque Development Corp.

The economic development agency and its initiatives are supported by the racing association to the tune of \$900,000, and Dickinson is a long-serving member of the not-for-profit group's board of directors.

Iowa in general has economically benefited from its 17 casinos, which boast a \$1 billion annual economic effect. But Dubuque's casino licensing structure is far more generous to the city and its charities than most in the casino industry, experts say.

Missouri's 13 casinos (currently 12 because of the closure of President Casino in the summer) have pumped \$5 billion into the state in gambling and admission taxes alone since 1994. Then there are the economic basics: 11,000 people employed by casinos, with annual wages of \$341 million per year. The Isle of Capri's proposed casino could generate \$3 million a year for Cape Girardeau from projected annual gambling revenue of \$88.7 million, and the addition of 400 jobs to the economy.

But there's another factor in the equation.

**Busted**

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While Missouri has collected more than \$3.4 billion in casino tax revenue for education since the inception of riverboat gambling and tens of millions of dollars for veterans and college financial assistance, about \$3.8 million has gone to the fund to assist compulsive gamblers. The 1-800-BETSOFF helpline is funded through another source.

A Missouri Gaming Commission official said the state hasn't conducted a study on problem gamblers in Missouri, relying on regional and national research. But about 15,000 people are on the state's disassociated persons list -- those who have voluntarily asked to be banned from the state's casinos.

About 1 percent of U.S. adults, or 2 million people, are estimated to be pathological gamblers, the most severe form of the addiction, according to the National Council on Problem Gambling. As many as 6 million would be considered problem gamblers.

Cindy Imbus could have been another statistic. Nearly a decade ago, the East Dubuque, Ill., woman swallowed a bottle of sleeping pills, she said, to end her battle with compulsive gambling. In a 2001 article in the Dubuque Telegraph Herald, Imbus said she was revived in the emergency room but remained in a coma for a few days. She spent weeks relearning to walk and talk. Imbus told the newspaper that she gambled away tens of thousands of dollars at Dubuque's casinos and that her addiction drove her family into bankruptcy.

In Iowa, the proliferation of casinos has produced some reported pockets of increased problem gambling, although there was a slight decline in calls to the state's help line last year, said Mark Vander Linden, program manager for Iowa's Office of Problem Gambling Treatment and Prevention. An updated study on compulsive gambling is expected next spring. The last comprehensive report, issued in 1995, found the prevalence of problem gambling in Iowa was about 5.4 percent of those who gamble.

Asked if casinos drive up the rate of problem gambling in host cities, Vander Linden said it depends on a community's capacity to absorb the casino.

"In a community looking exclusively to have the casino as a primary source of entertainment, they run a risk of having problem gambling," he said. "The more entertainment you have, the much better off you are."

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Dickinson acknowledges that the convenience of the city's two casinos may have "ruined the lives of some individuals.

"But the net benefits override the small negatives," he said. "Those who oppose it and say it will change the makeup of community with organized crime, prostitution, Skid Row in proximity, that has not happened."

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