

Eight years after it was created, Massachusetts' third full-scale casino license for the southeastern region, remains unclaimed. The lead contender for that license, the Mashpee Wampanoag Tribe, has been hindered by questions surrounding its federal land status, litigation and crippling finances.

Now some experts wonder whether it's too late for a southeastern Massachusetts casino as signs point to a casino market that's quickly becoming oversaturated.

"We've reached a point where we're just moving around on a map. We're not generating new market," said Clyde Barrow, a political science professor at the University of Texas Rio Grande Valley who studies the Northeast casino market.

Casino operators, lawmakers and developers can't agree on how to proceed with the Region C license, which was created out of the 2011 casino law. But everyone agrees Massachusetts loses money daily as residents drive across state lines to Foxwoods and Mohegan Sun in Connecticut, as well as Twin Rivers and Tiverton Casino Hotel in Rhode Island.

The Massachusetts Gaming Commission in September denied a second time [Mass Gaming & Entertainment's proposal](#) for a destination-based casino on the Brockton Fairgrounds, citing in part the looming possibility of a tribal casino.

The commission is also looking for public input on Region C before deciding whether to re-open bidding for the region.

"There were important matters in my opinion, like a new market assessment or a review of conditions changed in general, not just in Massachusetts but in the New England market, that really might affect what really is behind this request to rethink this in a fundamental way," Commissioner Enrique Zuniga said during a September meeting.

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Commission Chairwoman Cathy Judd-Stein declined an interview with MassLive, referring a reporter to transcripts of previous meetings.

The commission's spokeswoman, Elaine Driscoll, said the staff is drafting a Request for Information for the commissioners to consider, followed by potentially a Request for Proposals, which would warrant public discussion before any plans on Region C move forward. "There is not a timeline determined for that at this point," she said.

At their Oct. 24 meeting, commissioners requested a status report on the [Mashpee Wampanoag Tribe's efforts to build a casino](#)

. They referenced competing interests vying for a chance to fill the void in Region C, claiming proprietary research shows an oversaturated market, but opted to conduct their own research.

The report will likely reiterate what most already know: The tribe's efforts have been hindered by litigation, the tribe's struggling finances and congressional legislation that faces an uphill battle.

Mashpee Wampanoag Tribe Chairman, Cedric Cromwell said in a statement to MassLive that the casino project is more or less a done deal.

"What some either don't realize or are eager to forget, is that the Tribe has been ready with a turnkey development since early 2016," he said.

Yet two years after the Mashpee Wampanoag Tribe's self-imposed deadline to open a full-scale casino, the tribe is fighting the federal government in an effort to secure the land selected for the development, as well as plaintiffs in Taunton, who originally sued the federal government and were responsible for halting work on the casino.

Casino analysts say the state shouldn't rush to issue the license elsewhere, either. Alan Woinski, president of Gaming USA, said the revenue numbers reported by the state's other two casinos — MGM Springfield to the west and Encore Boston Harbor to the east — suggest the market has become saturated.

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“At a certain point, you have to say enough is enough, and let’s digest what’s going on now and let’s fix what we have now,” Woinski said.

The opening of Everett’s \$2.6 billion casino in June has already cut into profits at Connecticut and Rhode Island’s casinos, Woinski said. Mohegan Sun and Foxwoods saw another drop in gross slots revenue in September, the [15th consecutive month](#) of declining numbers. The two tribal casinos do not disclose their gross table game revenue on a monthly basis.

The Rhode Island casinos took a bigger hit. In August alone the gross table games revenue dropped a whopping 40 percent — when measured on a year-over-year basis — from \$1.96 million in 2018 to \$1.19 million in 2019. Slots revenues dropped 16 percent over the same time period. Twin River was particularly hard hit.

“There has never been a casino that destroyed another casino like that one,” Woinski said.

Yet even Wynn Resorts’ newest property has faced its own revenue troubles: the casino’s [slot numbers are low](#), though its table game revenue is far higher every month — a first for the industry, at least in this market.

Meanwhile, MGM Springfield has [missed its revenue projections](#) every month since it opened Aug. 24, 2018.

Barrow said a Region C casino would bring new jobs and benefits to a host community but hurt the Northeast market overall.

“Let’s say you open a casino in Brockton, and all it does is cannibalize existing facilities,” he said. “The state gains nothing, but for Brockton, it’s new money, new tax revenue, new jobs. So from their perspective, it makes sense to build into a saturated market.”

Cromwell contests the arguments that the market has peaked.

“The concerns of oversaturation less than two years after the opening of casinos in other regions is both premature and overblown,” he said.

Three years ago, the Mashpee Wampanoag Tribe seemed like the clear winners in the fight over a southeastern Massachusetts casino. The tribe had a compact approved in 2013. The U.S. Interior Department granted the tribe 320 acres of sovereign land in 2015. Tribal leaders vowed to [build a \\$1 billion casino](#) that would open by 2017.

Two years after that deadline, lawmakers and casino operators are still playing the waiting game.

In 2016, a federal judge in Boston nullified the Obama administration’s decision that secured the land for the tribe. Under President Donald Trump, the Interior Department issued a decision saying it could not hold land in trust for the tribe because it wasn’t under federal jurisdiction when the Indian Reorganization Act was passed in 1934.

The tribe sued the federal government and remains locked in litigation.

The U.S. House of Representatives approved legislation in May to [give federal recognition to the Mashpee Wampanoag Tribe](#)

. Trump criticized the bill, sponsored by U.S. Rep. William Keating, in a tweet. It is unclear when, or even if, the Republican-controlled Senate will take up the bill.

The tribe remains preoccupied with its own financial troubles. It has accumulated more than \$500 million in debt to its financial backer, Genting Malaysia, and its financial reserves continue to dwindle. Additionally, Genting halted loans to the Mashpee Wampanoag earlier this year, writing off its investment in the tribe as a loss.

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“The only reason we are not out there building right now is because we want to get further along in the litigation. But make no mistake that the Tribe is long past the point of no return,” Cromwell said.

The litigation, however, includes a 2016 injunction that bars the tribe from continuing construction on the casino project.

The state missed its chance to hold the tribe accountable for their promises, Woinski said. He questioned why the commission didn’t impose conditions on the tribe when it had the chance. Now, the project’s fate rests in the courts and Congress.

“What the commission should have done was made something contingent on that and said, ‘OK, you and Genting must have the casino open within a year or else you will get fined every day or something,’” Woinski said. “You would have seen how fast they changed their tune on that.”



While the Brockton proposal died in September, other casino operators have swooped in with their own proposals. They would require legislative approval to tweak the 2011 casino law, which outlines that the state can issue one slots parlor license and one full-scale casino license per each of the three regions.

In Wareham, the Notos Group proposed a \$300 million mixed-use development with a slots parlor. The Notos Group claims to have market research suggesting that the market can’t handle another full-scale casino, but the firm hasn’t made its materials public.

Rep. Susan Williams Gifford filed a bill to change the law so the commission would legally be allowed to consider the project in lieu of a full-scale Category 1 casino for Region C.

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In Plainville, Penn National Gaming wants to expand Plainridge Park, the slots parlor, to include table games. That would also require legislative approval.

Pacheco told the commission in October that the state might not know the tribal casino's fate until 2021 — if a new president takes office — or until the federal lawsuit is resolved. He urged the commissioners, as well as lawmakers considering gaming legislation, to press pause and make sure Region C gets the casino it was promised.

"Whether it's Foxwoods, Mohegan Sun, Twin Rivers, all of these other entities, they're not rooting for Massachusetts to have anything in Region C," he later said in an interview with MassLive. "I think Region C deserves the opportunity to have destination-based Category 1 facility."

But Woinski said regulators shouldn't hesitate to work with existing casino operators, like Plainridge Park, if they can make changes that will help them perform better.

"Forget about the Region C right now, let the thing play out with the tribe, if it ever happens," he said. "That's great, but in the meantime, Twin River's jugular is exposed. I don't know why the state isn't just going for it."

Tanner Stening contributed to the reporting of this article.

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