

**PLANNING AND ZONING COMMISSION MEETING**

**VILLAGE OF HOFFMAN ESTATES**  
**COUNCIL CHAMBERS**  
**1900 HASSELL ROAD**  
**HOFFMAN ESTATES, IL 60169**

**MINUTES – JULY 18, 2012**

**1. CALL TO ORDER: 7:00 P.M.**

**Members Present**

Chairperson Combs	Donna Boomgarden
Vice- Chairman Gaeta	Myrene Iozzo
Steve Caramelli	Gaurav Patel
Tom Krettler	Steve Wehofer
Steve Hehn	

**Members Absent**

Commissioners Henderson and Wilson (Both Excused)

A quorum was present.

**Administrative Personnel Present:**

Peter Gugliotta, Planning Director, and Josh Edwards, Planner

**2. APPROVAL OF MINUTES:**

Commissioner Boomgarden moved, seconded by Commissioner Iozzo, to approve the June 27, 2012 meeting minutes. Voice Vote: 7 Ayes, 2 Abstain (Hehn, Wehofer), 2 Absent (Henderson, Wilson). *Motion Carried*

**3. CHAIRMAN'S REPORT**

Chairperson Combs reported that requests by 1580 Jefferson, Angels Feet Massage, Barrington Lakes Apartments, and the Audi dealership were approved by the Village Board.

**4. NEW BUSINESS – PUBLIC HEARING – 325 WESTVIEW STREET – VARIATION TO PERMIT ATTACHED GARAGE ADDITION**

Request of Shawn Schiffner for a variation to permit the construction of a garage addition on the property located at 325 Westview Street.

Vice-Chairman Gaeta moved, seconded by Commissioner Boomgarden, to open the public hearing for a variation to permit an attached garage addition at 325 Westview Street. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

Shawn Schiffner was sworn in by the Chairperson. He presented his request to expand his attached garage into the side yard setback. The existing one-car garage measures approximately 210 square feet. The addition of approximately 410.75 square feet would bring the total square footage to approximately 620.75 square feet.

Staff noted that the Zoning Code requires a minimum two-car, 440 square foot garage, so the petitioner is bringing his garage into compliance with this requirement, but in doing so it requires an encroachment into the minimum side yard setback. Variations for garage additions into side yard setbacks are a common type of residential variation requested. This petitioner has a somewhat unique circumstance and hardship in that the property is angled and not a mid-block rectangular lot, which does not allow the garage to be expanded without encroaching a few feet into the side yard setback.

There were no questions from Commissioners.

Chairperson Combs opened the hearing to audience comments and there were none. The audience participation portion of the hearing was closed.

Commissioner Boomgarden moved, seconded by Vice-Chairman Gaeta, to close the public hearing. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

**MOTION:** Commissioner Boomgarden moved (seconded by Vice-Chairman Gaeta) to approve a request by Shawn Schiffner for a 4 foot side yard setback variation from Section 9-5-3-D-5 to allow an attached garage addition to be set back 6 feet from the side lot line instead of the minimum required 10 feet at 325 Westview Street. The following condition shall apply:

1. A grading plan shall be approved by the Engineering Division prior to the issuance of a building permit for the garage addition.

**Roll Call Vote:**

Aye: Boomgarden, Caramelli, Hehn, Iozzo, Krettler, Patel, Wehofer, Gaeta, Combs

Nay: None

Absent: Henderson, Wilson

**Motion Carried**

The petitioner was agreeable to the condition.

The Chairperson advised the petitioner that the Planning and Zoning Commission is a recommending body and that the final decision will be made by the Trustees on July 23, 2012 at 7:00 p.m.

**5. NEW BUSINESS – PUBLIC HEARING – 1250-1264 FREEMAN ROAD – SPECIAL USE TO PERMIT MONTESSORI SCHOOL**

Request of Molood Naghibzadeh d/b/a Montessori School of North Hoffman to consider a special use under the Zoning Code to permit the operation of a Montessori School on the property located at 1250-1264 Freeman Road.

Vice-Chairman Gaeta moved, seconded by Commissioner Boomgarden, to open the public hearing for a special use under the Zoning Code to permit the operation of a Montessori School on the property located at 1250-1264 Freeman Road. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

The Chairperson swore in Molood Naghibzadeh (owner) and Eugene Barinholtz (CPA). The petitioner, Molood Naghibzadeh, presented her request to expand her 1200 Freeman Road Montessori School into the vacant Mumford Plaza building across Mumford Drive. The petitioner described the history of the existing school as well as noting that she also operates the Lotus Montessori School on Huntington Boulevard. The expansion of the Freeman Montessori would initially include one classroom with 14 students, but would expand in coming years to about 70 students. The expansion would allow the successful school to continue to grow.

Staff noted that conditions are included related to student drop-off and pick-up and also that students must only cross Mumford Drive at one of two existing crosswalks and with school staff supervision. This facility is only approved as an ancillary expansion to the existing full-service school across Mumford. The interior work inside the building will be relatively minor to connect some of the former retail stores, which will be converted to classrooms, offices, and storage areas. The exterior of the property will be upgraded in the future as required by Village Code with site improvements similar to the 1200 Freeman Road Montessori School including landscape islands, trees, curb, dumpster enclosure, and possible façade improvements. These exterior improvements will be brought to the Planning and Zoning Commission and Village Board at a future date.

**Commissioner Questions**

The Planning and Zoning Commission inquired about the purpose of the expansion and the petitioner responded that the expansion will allow more space for current students and to have more students. Initially they plan to add 14 students to their existing 180, and in the future grow by an additional 70 more. The school serves children ages 3 to 15. The Commission also inquired about the student crossing of Mumford Drive, which will be infrequent and supervised by staff.

Chairperson Combs opened the hearing to audience comments.

William Graft, of Graft & Jordan, is an attorney representing parties who are opposed to a school proposed by the petitioner in unincorporated Cook County. He stated that one of the existing Montessori Schools, Huntington or Freeman, is tax exempt, and asked if the subject property will be tax exempt as well; and noted that the Village Board should be aware of this. He also noted that the petitioner has proposed a standalone three-story school on an unincorporated property in Cook County on Ela Road and inquired if the petitioner intends to open both schools.

Staff noted that the tax status of a property is not part of the Special Use review or standards. The Ela Road proposal is in Cook County and not related to the Special Use review of this hearing.

Eugene Barinholtz, of KRD CPAs, the certified public accountant who represents the petitioner, responded that the existing Montessori Schools are owned by other entities, which pay real estate taxes and the properties are not tax exempt. The subject property has been purchased by the petitioner, and they will likely apply for tax exempt status. The Ela Road property will be proceeding in addition to the subject property school expansion, and will also likely apply for tax exempt status in Cook County. He also noted that the existing school facility on Huntington in the Village may eventually be moved to the Ela Road site and that property could be sold.

The audience participation portion of the hearing was closed.

Vice-Chairman Gaeta moved, seconded by Commissioner Boomgarden, to close the public hearing. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

**MOTION:** Commissioner Boomgarden moved (seconded by Commissioner Krettler) to approve a request by Molood Naghibzadeh d/b/a Montessori School of North Hoffman for a special use under Section 9-5-9-C of the Zoning Code to permit the operation of Montessori School on the property located at 1250-1264 Freeman Road. The following conditions shall apply:

1. This approval is granted based on the expansion of the school on the subject property being a connected and ancillary use to the existing Montessori school at 1200 Freeman Road, approved under Ordinances 2524-1996 and 2825-1996.
2. The hours of operation shall be limited to 7:00 a.m. to 6:00 p.m.
3. During school hours students shall not be permitted to cross Mumford Drive except at either of two marked crosswalks and shall be supervised by staff at all times.
4. No drop-off or pick-up of students in traffic aisles shall be permitted. Adults dropping off and picking up a student shall park legally and accompany the child to and from the school. The school shall monitor and manage where staff and visitors park to ensure that cars do not stop/stand along the curb in the fire lanes when dropping off or picking up.
5. Any formalized outdoor activity areas shall require site plan approval.
6. If a dumpster is required for this property, the property owner shall install an enclosure in compliance with the Village Subdivision Code prior to issuance of a certificate of occupancy.
7. Per Subdivision Code Section 10-2-1, the property owner shall complete required site improvements. The owner shall submit a deposit as a performance guarantee in the amount of \$26,300 prior to issuance of a certificate of occupancy for this tenant. The owner shall submit plans for approval by the Village and shall complete the work within 18 months after the occupancy of the Montessori School.
8. Property maintenance items shall be completed prior to issuance of a certificate of occupancy for this tenant.

9. Appropriate State accreditation for this facility shall be obtained, and a copy shall be provided to the Village as part of the final certificate of occupancy process.

**Roll Call Vote:**

Aye: Boomgarden, Caramelli, Hehn, Iozzo, Krettler, Patel, Wehofer, Gaeta, Combs

Nay: None

Absent: Henderson, Wilson

**Motion Carried**

The petitioner was agreeable to the conditions.

The Chairperson advised the petitioner that the Planning and Zoning Commission is a recommending body and that the final decision will be made by the Trustees on July 23, 2012 at 7:00 p.m.

**6. NEW BUSINESS – PUBLIC HEARING – 2353 HASSELL ROAD – SPECIAL USE FOR CHICAGO EDUCATION PROJECT FACILITY**

Request of Blackberry Falls Professional Office Park, LLC. (Owner), Caruso Development Corp. (Owner Representative) and Amanda Parker d/b/a Chicago Education Project to consider a site plan amendment and special use under the Zoning Code to permit the operation of a non-public special education facility on the property located at 2353 Hassell Road (Blackberry Falls Office Park).

Commissioner Boomgarden moved, seconded by Vice-Chairman Gaeta, to open the public hearing for a request by Blackberry Falls Professional Office Park, LLC. (Owner), Caruso Development Corp. (Owner Representative) and Amanda Parker d/b/a Chicago Education Project to consider a site plan amendment and special use under the Zoning Code to permit the operation of a non-public special education facility on the property located at 2353 Hassell Road (Blackberry Falls Office Park). Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

The petitioner, Amanda Parker, presented her request to relocate her school for autistic children from Schaumburg to Hoffman Estates. She described the school's history; it has grown from 4 students at inception to 44 students. The school functions similarly to a clinic in that the students receive autism treatment in addition to their education. The students are brought from 29 school districts to her school, and typically are there for 6 months to 2 years, and then reintroduced into their public school system. The students come from schools that do not have the staff or expertise to educate autistic children. There will be no outdoor activities on the property as all motor skill needs are met indoors.

The children will arrive by taxi or small school bus to the facility, not by parents. The students will be escorted into and out of the school by the staff and assistants assigned to each student, and will use only the east entrance to the school. Several parking spaces near the east entrance will be designated as reserved for the school's loading zone. Employees will use the west entrance.

Staff noted that the property is an office park and is not designed to accommodate a school loading zone. Staff has worked with the petitioner to modify the proposal to minimize the impact on the property. The taxis and school buses will be required to park in legal parking spaces and cannot stop, stand, or park in the drive aisles. Signage will be required to prevent confusion or illegal parking. The east drive aisle where loading activity will occur is a typical two-way, approximately 24 feet wide, and the east curb

line is a fire lane, so a taxi stand or similar queue of vehicles is not an option. Conditions are included related to this, and if problems occur in the future in the parking lot additional signage or site modifications may be required by the Village.

The Planning and Zoning Commission inquired primarily about the taxi and bus process. The petitioner noted that the children come from different locations and school districts typically use taxi or bus companies to transport the children. They arrive typically one or two per vehicle. The taxi or bus drivers are assigned to each student, for familiarity and comfort level for the students, and because they have a contract to drive the same route every day. The drivers have background checks and practice the driving route before they begin the route with the student. Students who require more supervision are accompanied to and from the school with their assigned staff member. The substitute drivers are also the same whenever the primary driver is unavailable, again because the students often have difficulty with strangers and because the driver must be familiar with the route. The morning and afternoon arrival and departure typically each take about 20 to 30 minutes. Students are brought between the vehicle and school by their assigned staff members.

#### Commissioner Questions

The Commission inquired about security measures and the petitioner noted measures including locked doors, ID badges, and that no student is ever left unattended. The doors inside the facility all include windows.

Regarding noise, the school interior will include some sound attenuation and the offices will be located next to the adjacent tenants and classrooms will be located farthest from the adjacent tenants.

The school includes "pull out" rooms for when the classrooms are too loud or otherwise not ideal for one-on-one lessons. It also includes "time out" rooms for when students misbehave or need to be separated or to calm down.

The school employs teachers and professionals trained in the education and treatment of students at varying degrees along the autism spectrum. The school does not serve students with other physical or mental impairments, and no nurses are employed.

The school uses some new technology and two-thirds of students have iPads.

Chairperson Combs opened the hearing to audience comments and there were none. The audience participation portion of the hearing was closed.

Vice-Chairman Gaeta moved, seconded by Commissioner Krettler, to close the public hearing. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

**MOTION:** Commissioner Boomgarden moved (seconded by Commissioner Krettler) to approve a request by Blackberry Falls Professional Office Park, LLC. (Owner), Caruso Development Corp. (Owner Representative) and Amanda Parker d/b/a Chicago Education Project (Applicant) to consider a site plan amendment and special use under Section 9-8-2-C-9 of the Zoning Code to permit the operation of a non-public special education facility on the property located at 2353 Hassell Road. The following conditions shall apply:

1. No buses shall be parked on site unless they are of a size that allows parking within a legal striped 18 foot deep parking space. All taxi and bus parking shall occur within legal striped parking spaces.
2. There shall be no stopping, standing, or stacking of vehicles in the drive aisles or along the curb in the fire lanes. The property owner and petitioner shall manage all taxi and bus operations on the site so as not to disrupt site circulation or block parking areas. The school shall monitor and manage where staff and visitors park to ensure that cars do not interfere with drop off or pick up parking. If the Village determines that there are problems, as witnessed by illegal parking or standing on the property, the Village shall have the right to require additional signage, site modifications, or other measures to remedy the problems.
3. Prior to issuance of a certificate of occupancy, the petitioner shall install regulatory signs prohibiting stopping, standing, etc. as approved by the Village.
4. Prior to issuance of a certificate of occupancy, the petitioner shall eliminate and stripe out one parking space to accommodate a larger student entrance area for the school.
5. Students shall be loaded and unloaded at the east entrance of the building only. Students shall be escorted between vehicles and the building by school staff.
6. Any issues between tenants and the school shall be remedied by the property owner.
7. The hours of operation shall be limited to 7:00 a.m. to 6:00 p.m.
8. No overnight boarding of students shall be permitted.
9. No outdoor activities by the students shall be permitted.
10. Appropriate State certification for this facility shall be obtained, and a copy shall be provided to the Village as part of the final certificate of occupancy process.
11. Any violation of any of these conditions on the property shall be the responsibility of the business owner and property owner and either shall be subject to citations if violations are not resolved.

**Roll Call Vote:**

Aye: Boomgarden, Caramelli, Hehn, Iozzo, Krettler, Patel, Wehofer, Gaeta, Combs

Nay: None

Absent: Henderson, Wilson

**Motion Carried**

The petitioner was agreeable to the conditions.

The Chairperson advised the petitioner that the Planning and Zoning Commission is a recommending body and that the final decision will be made by the Trustees on July 2, 2012 at 7:00 p.m.

## 7. NEW BUSINESS – VILLAGE OF HOFFMAN ESTATES TEXT AMENDMENT – AMUSEMENT DEVICES

Request of the Village of Hoffman Estates to consider a text amendment to Section 9-2-1 (Definitions) of the Zoning Code regarding amusement devices.

Vice-Chairman Gaeta moved, seconded by Commissioner Krettler, to open the public hearing for a request to consider a text amendment to Section 9-2-1 (Definitions) of the Zoning Code regarding amusement devices. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*

Staff presented the proposed amendment, which is intended to draw a distinction between Amusement Devices regulated by the Zoning Code (such as a pinball machine) and Video Gaming Terminals which are now being permitted by the State of Illinois. The intent of the Village Amusement Device definition is to utilize the Zoning Code to regulate traditional arcade games that are normally designed to attract youth and to make sure these game areas have adult supervision and are not located where alcohol is served. The new State licenses involve gambling machines that are limited to adult use and must be located where alcohol is served on premise. This technical code amendment is intended to avoid confusion for businesses and eliminate any possible contradictions in the Code. Video Gaming Terminals will not be regulated through the Zoning Code, however the Village will separately consider license requirements that are consistent with the State law.

It was clarified that this specific hearing had nothing to do with any Village policy regarding gambling.

### Commissioner Questions

Commission members asked a few clarification questions regarding the amendment and generally expressed that this is a positive step to ensure the distinction between types of machines is clear in the Code.

Chairperson Combs opened the hearing to audience comments.

Kathy Gilroy of Villa Park asked for clarification about the purpose of this hearing and how it relates to the State's process for allowing communities to opt out of the Video Gaming Act provisions. The Chairperson and staff clarified that this Zoning Code text amendment hearing has nothing to do with the opt-out process.

Ms. Gilroy expressed that she understands this hearing might not be the appropriate place for her statement, but she wanted to read her statement opposing gambling anyway since she may not be able to attend the Village Board meeting. She read her statement and provided a copy to the Commission (attached).

The audience participation portion of the hearing was closed.

Commissioner Krettler moved, seconded by Commissioner Boomgarden, to close the public hearing. Voice Vote: 9 Ayes, 2 Absent (Henderson, Wilson). *Motion Carried*



**MOTION:** Commissioner Boomgarden moved (seconded by Vice-Chairman Gaeta) to approve a request by the Village of Hoffman Estates to consider a text amendment to Section 9-2-1 (Definitions) of the Zoning Code regarding amusement devices, based on the revised text as follows: **(Underlined text is new.)**

Page CD9:13, Section 9-2-1 (Amusement Device)

Amusement Device: Any table game or other amusement device, whether controlled by skill or by chance, or the operation of a game, pastime or contest by the manipulation of a marble, sphere, object, figure, simulated rifle or gun and the like, or by controlling the movement of same or setting the motion by manual, mechanical and /or electronic means. Bowling alleys and State Licensed Video Gaming Terminals (licensed by the State of Illinois) shall be excepted from this definition.

**Roll Call Vote:**

Aye: Boomgarden, Caramelli, Hehn, Iozzo, Krettlar, Patel, Wehofer, Gaeta, Combs

Nay: None

Absent: Henderson, Wilson

**Motion Carried**

The Chairperson advised that the Planning and Zoning Commission is a recommending body and that the final decision will be made by the Trustees on July 23, 2012 at 7:00 p.m.

**8. STAFF REPORT**

Mr. Gugliotta reported that the August 1<sup>st</sup> meeting is cancelled and the next PZC meeting is August 15<sup>th</sup>.

**9. MOTION TO ADJOURN**

Motion by Commissioner Boomgarden, seconded by Vice-Chairman Gaeta, to adjourn the meeting at 8:12 p.m. Voice Vote: Ayes, 1 Absent (Henderson). *Motion Carried*

*Minutes prepared by Paula Moore, Planning Services Coordinator*

  
\_\_\_\_\_  
Chairperson's Approval

  
\_\_\_\_\_  
Date Approved



## **ILCAAAP**

Illinois Church Action on Alcohol  
and Addiction Problems

*Anita Bedell*  
Executive Director

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# Video Gambling Fact Sheet

## Support a BAN on Video Gambling Machines

The Video Gambling Act allows licensed retail establishments where alcohol is drawn, poured, mixed or served for consumption on the premises to conduct video gambling. (Bars, restaurants, banquet halls, airport lounges, bowling alleys, billiard parlors, truck stops, veteran and fraternal clubs, etc.).

### **Creates Thousands of Mini Casinos:**

Currently there are 11,301 legalized gambling machines at ten casinos. There are over 15,000 bars and restaurants in Illinois that serve alcohol. Each retail liquor establishment and truck stop can have 5 video gambling machines. **There is no limit to the number of establishments that can apply for a license. New restaurants could open to have video gambling machines.** This form of gambling occurs in close proximity to residential areas where people encounter the machines in their day-to-day activities, creating thousands of mini casinos in neighborhoods.

### **Illinois Communities Oppose Video Gambling:**

The legislation includes a provision for a municipality to pass an ordinance prohibiting video gambling within the corporate limits. A county board may pass an ordinance prohibiting video gambling within the unincorporated areas of the county. Chicago and 200 communities have ordinances in place that ban video gambling or have passed ordinances to "opt out" of video gambling.

### **Convenience Gambling creates greater Social Costs:**

The National Gambling Impact Study Commission received testimony that convenience gambling, such as electronic devices in neighborhood outlets, **provides fewer economic benefits and creates potentially greater social costs by making gambling more available and accessible.** The Commission recommends that states should not authorize any further convenience gambling operations and should cease and roll back existing operations. (*Final Report, June, 1999, p.3-18*)

### **No game is more addictive:**

Psychologist Robert Hunter of Charter Hospital in Las Vegas, who has treated more problem and compulsive gambling than anyone in the world, **calls video poker the "crack cocaine" of gambling.** He has seen an increase in female problem gamblers who play video poker in their neighborhood casino. Video poker is hypnotizing, an escape from problems, and fast. The addiction process for a sports bettor may take 20 years. For a video poker player, it may take only 1-2 years.

**As many as 20% of current video poker players** in South Carolina may meet the criteria for pathological gambling, according to a 1997 research study. The data also suggests that African-American gamblers in South Carolina might be twice as likely to meet the criteria for pathological gambling. (*South Carolina Center for Gambling Studies*)

**Problem drinkers are 23 times more likely to have a gambling problem** than individuals who do not have an alcohol problem. Legalizing electronic gambling devices at establishments that serve alcohol will result in more problem and pathological gamblers. (*Journal of Studies of Alcohol*)

### **Loss of Jobs - No Economic Development:**

A leading study from Australia in 2000 concluded that for every 80 video gambling machines, \$2 million was drained from and "damaged the local economy" each year. Furthermore, in this example, for every three video gambling machines, two jobs were lost. **The average worldwide was one net job lost each year per EGD/slot machine.** (*Gambling: Executive Summaries & Recommendations, p. 328, U. S. International Gambling Report, 2009*)

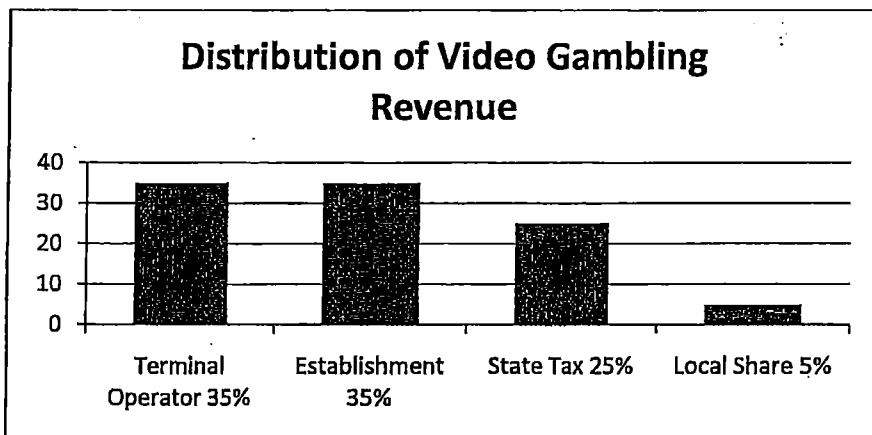
**Video Poker machines create few jobs and fewer good quality jobs, and it is not accompanied by any significant investment in the local economy.** (*National Gambling Impact Study Commission Final Report*)

### **State video gaming chief says "almost impossible" to keep mob out:**

The state regulator charged with legalizing video gambling in up to 15,000 bars, restaurants, clubs and truck stops statewide says it is "an almost impossible job" to keep the mob out and protect citizens from the social ills of such pervasive gambling (*Daily Herald, 11/109*) "Legalizing video poker machines could provide fresh millions to the Chicago Outfit and drain the pockets of gamblers sucked in by the machine's addictive allure." (*Legalizing video poker would bankroll crime, Chicago Sun-Times, 5/14/2009*)

### **Provides weak safeguards for minors:**

Underage gambling is a growing problem and will likely increase if video gambling machines are legalized in restaurants and locations frequented by children and minors. While the law prohibits gambling by anyone under 21, a weak provision restricts the location of video gambling terminals in an area for persons over 21, with the entrance within view of at least one employee over the age of 21.



*For additional information, contact:*



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1132 W. Jefferson St., Springfield, IL 62702  
Phone: 866-940-6871 or 217-546-6871  
[www.ilcaap.org](http://www.ilcaap.org)

## VLTs tied to problem gambling in women: study

By CBC News

### Researchers at the University of Manitoba are calling on governments to remove video lottery terminals from all bars, restaurants, lounges and branches of the Royal Canadian Legion.

Researchers at the University of Manitoba are calling on governments to remove video lottery terminals from all bars, restaurants, lounges and branches of the Royal Canadian Legion.

A study, published this week in the *Canadian Journal of Psychiatry*, looked at the gambling habits of Canadian women 15 years of age and older. Playing VLTs in bars and restaurants was associated with the highest odds of problem gambling among women, according to researchers.

**'The best way to reduce problem gambling is to reduce the availability and accessibility of VLTs.'** *Tracie Afifi, lead researcher*

Easy access to the machines is to blame, suggests the study, performed by researchers in the departments of community health sciences and psychiatry at the University of Manitoba.

"The best way to reduce problem gambling is to reduce the availability and accessibility of VLTs," said Tracie Afifi, lead researcher.

She acknowledged that may be difficult because provinces have become accustomed to the revenue.

"VLTs generate the largest profits, compared with other types of gambling," Afifi said. "But we are hopeful that people realize that there is an important need to reduce problem gambling because it's a very important public health and community health issue."

Crown corporations manage legal gambling operations that put them in contrasting roles of maximizing profits and protecting and promoting public health at the same time, Afifi noted.

### Reduce access

Instead of going cold turkey, Afifi recommends governments wean themselves from the profits and ease gamblers from the machines by reducing the hours that VLTs are allowed to operate, regardless of how long an establishment is open.

"The costs associated with gambling are so large for the individual family and community so it's a really important thing to think about," she said. "If we really want to reduce and prevent problem gambling we need to make big steps like these ones that we're suggesting."

Recommendations in the study include:

- Developing a plan to remove and prohibit all VLTs from bars, restaurants, lounges and Legions.
- Reducing the hours of operation of VLTs regardless of the hours of operation of the

establishment.

- Creating awareness campaigns specifically addressing problem gambling among women.
- Developing prevention programs and help women self-manage their gambling behaviour.

### **No changes in Saskatchewan**

The Manitoba study caught the notice of officials in the neighbouring province of Saskatchewan, but they are unmoved by the recommendation to pull VLTs out of bars and restaurants.

"That isn't under consideration," Christine Tell, the minister responsible for the Saskatchewan Liquor and Gaming Authority, told CBC News Wednesday. "The site operators of the VLTs ?let's say in the bars and lounges and that type of thing ? they are now required to undergo training to identify people who have problems with gambling."

Tell added that the financial value of the gaming machines is important to the province and the hotels and bars that share in the profits.

"The reason why a lot of these ? rural areas have VLTs was because they were struggling and they were having a tough time making it," Tell said. "So having the VLTs in there brought customers in there, which was in reality a lifeline."

Tell added that Saskatchewan is reviewing treatment programs for gambling addicts to determine which are effective.

Canadian Broadcasting Company

# Going for broke

## Professor says Vegas gambling machines designed to get people to 'play to extinction'

Stephanie Schorow, MIT News Office  
May 20, 2009

Natasha Schull recalls how in the late 1990s she began observing people in Las Vegas transfixed for hours at video poker and slot machines. What, she wondered, kept them glued to machines until they lost all they had to lose?

After more than a decade of research that included lengthy observations and interviews focused on gambling machines, Schull is publishing her conclusions on how closely guarded, proprietary mathematical algorithms and immersive, interactive technology are used to keep people gambling until they — in the industry jargon — "play to extinction."

Now an assistant professor in MIT's Program in Science, Technology, and Society, Schull believes her research underscores just how addictive today's sophisticated gambling machines have become, something to consider when states are increasingly looking to legalized gambling as a revenue source, often by allowing video poker or slot machines at bars, horse tracks or other locations. Indeed, estimates indicate that a large majority of the revenue from the U.S. gambling industry — reported as \$92.3 billion in 2007 by the American Gaming Association — come from such machines.

"I see Las Vegas as a kind of laboratory where experiments are going on between people and machines," says Schull, a cultural anthropologist whose book on gambling, "Machine Zone: Technology Design and Gambling Addiction in Las Vegas," is scheduled to be published by the Princeton University Press in 2010.

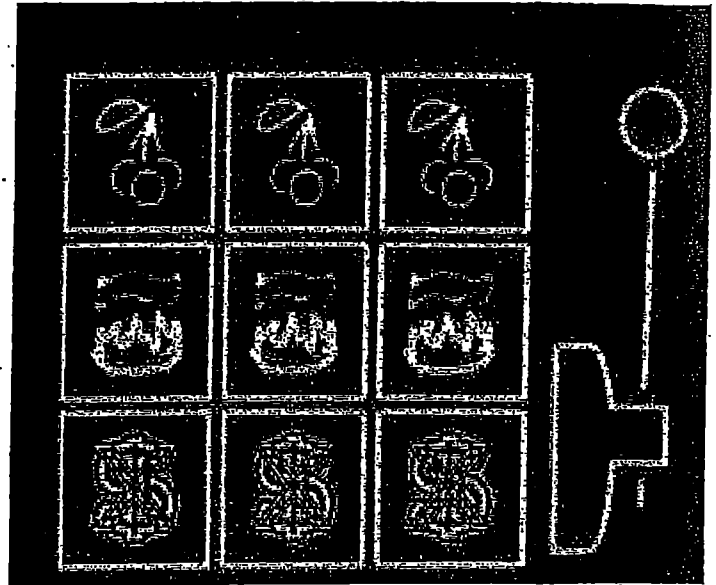
### In 'the zone'

Key to understanding Schull's conclusions is what she calls "the zone," a dissociative state or trance in which players lose a sense of time, space and physical embodiment, consumed totally by the spinning numbers, symbols or electronic card hands before their eyes. Because gambling machines don't require social interaction (as is the case in table games such as poker), they let people get into and stay in a state that is not dissimilar to, but far more intense than, watching TV; players describe the zone as a compelling, mesmerizing condition of intense concentration — an almost out-of-body experience. Heavy machine gamblers come to crave this state, says Schull.

There's a "wrong-headed notion" that gambling addicts are motivated by the idea of winning, Schull says. While that may be part of the initial hook, the allure of winning soon fades. The allure of the zone doesn't. "It's about wanting to keep playing," she says. "People will actually get disappointed or irritated if they win a jackpot because it may freeze up the machine and interrupt their flow. Then they have to sit there until they lose it. Walking away with the jackpot is not an option" in their state of mind.

Some players are content to not win for long dry stretches if there's a chance for a big jackpot. But what seems to be compelling to most people and thus most profitable to casinos, is play that produces a constant flurry of little wins, Schull says. Most players will stay on a machine longer if this is happening. One designer told Schull, "Some people want to be bled slowly." To create the kind of game that renders a steady stream of small wins, designers build machines with increasingly complicated playing options, allowing players to bet on more than one line of cards or symbols — sometimes even diagonally, on zigzag lines, or in "scatter mode," Schull says. Money in a single play can be spread out among dozens of bets, thus almost insuring that something will hit, even if the payback is only a few cents.

These high-intensity gambling machines are played with magnetic-stripe player cards instead of coins, and they no longer feature the pull-handles of traditional one-armed bandits. Instead, they have been upgraded with haptic touch screen technology that creates "a sense of transaction" and helps keep players in the zone, Schull says. Video poker



machines, which have been called the "crack cocaine" of gambling machines, further intensify this sense of transaction, by adding an element of choice to the game.

And then there's the furniture. "Seats are a whole science unto themselves," she says. Casino chairs are designed with the right tilt to reduce eye fatigue and to avoid cutting off circulation in limbs. Just as factories may seek ways to keep their workers on the assembly line, the aim of casino gambling technology is to keep people playing faster and longer, but instead of requiring them to bend their bodies and motions to its rhythm, this technology bends itself to the rhythm of the players, Schull says.

Schull says casinos soon will have machines that are the equivalent of a shell in which different games with different payout patterns and symbols can be quickly downloaded from an online server to more closely match the player demographic information that casinos routinely collect. "If you have a certain demographic coming in on Sunday morning that likes a certain kind of game, you'll be able to adjust your game offerings with the press of a button," she says.

To write "Machine Zone," Schull interviewed players and game designers and spent hours observing machine play in casinos, grocery stores and gas stations. She also spent time in an outpatient gambling addiction clinic and interned with an experimental drug trial for video poker addicts. She attended trade shows where game manufacturers freely discussed how to increase what they call "time on device."

Schull emphasizes that the gambling industry's intent is, very simply, to generate revenue: "I don't think that the designers are sitting around, saying, 'Let's addict people,'" she says. She insists she is not anti-gambling. But Schull believes that any community considering slots or video poker should know how the technology works and how it affects human behavior.

*A version of this article appeared in [MIT Tech Talk](#) on [May 20, 2009](#) ([download PDF](#)).*

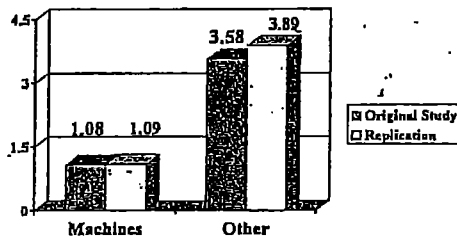


## "Video Lottery Terminals" The Crack Cocaine of Gambling

Bob Breen, Ph.D., NCGC-II  
Rhode Island Gambling Treatment Program  
Rhode Island Hospital  
Providence, RI  
401-277-0707  
<http://www.gamblingtreatment.org>

## Do Video Slots ("VLT's") Get People Addicted Faster?

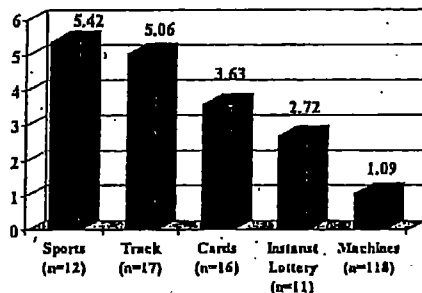
### Speed of Addiction- VLT's vs. Other Gambling (In Years)



### Explanation

- Unparalleled "gateway" form, coupled with maximum "virulence"
- Speed & Continuity
- No clocks or other cues to stop
- Money is unreal – just credits
- Virtual Reel Mapping for Near Misses

### Latency of PG-Onset in Different Primary Forms of Gambling (in years)



### References

- Breen, R. B. & Zimmerman, M., (2002). "Rapid Onset of Pathological Gambling in Machine Gambling". *Journal of Gambling Studies*, 18 (1).
- Breen, R. B. (2004). "Rapid Onset of Pathological Gambling in Machine Gamblers: A Replication". *eCommunity: the International Journal of Mental Health and Addiction*. The full-text article is viewable online at: <http://www.pasinfo.net>
- Sunday NY Times Magazine (May 9, 2004)

See complete list at IGB web site <http://www.igb.illinois.gov/VideoGaming/prohibit.aspx>

## **Communities and Counties that have Banned Video Gambling**

1. Addison
2. Arlington Heights
3. Barrington
4. Batavia
5. Beach Park
6. Bloomingdale
7. Buffalo Grove
8. Burbank
9. Burr Ridge
10. Campton Hills
11. Carbondale
12. Carol Stream
13. Carpentersville
14. City of Chicago
15. Cook County
16. Country Club Hills
17. Crystal Lake
18. Darien
19. Deerfield
20. Downers Grove
21. Du Page County
22. East Dundee + Passed Advisory Referendum on Feb. 2, 2010
23. Elburn
24. Elmhurst
25. Evanston
26. Frankfort
27. Glen Ellyn
28. Glenview
29. Grayslake
30. Gurnee
31. Homer Glen
32. Hanover Park
33. Hawthorn Woods
34. Highland Park
35. Hinsdale
36. Homer Glen
37. Itasca
38. Kenilworth
39. Kildeer
40. La Grange
41. La Grange Park
42. Lake Bluff
43. Lake County
44. Lake Forest
45. Libertyville
46. Lincoln - IGB ruled existing ordinance bans video gambling April 27, 2012

47. Lincolnshire
48. Lincolnwood
49. Lisle
50. Lombard
51. **Mc Henry County**
52. Mettawa
53. Morton
54. Mount Prospect
55. Naperville
56. New Lenox
57. Niles
58. North Aurora
59. Northbrook
60. Oak Park
61. Oakbrook Terrace
62. Orland Park
63. Palos Heights
64. Palos Park
65. Park Ridge
66. Rochester
67. Roselle
68. Rosemont
69. Schaumburg
70. Schiller Park
71. Shorewood
72. South Barrington
73. South Holland
74. St. Charles
75. Swansea
76. Villa Park
77. Virgil
78. Wadsworth
79. Wayne
80. Warrenville
81. West Chicago
82. West Dundee
83. Westchester
84. Westmont
85. Wheaton
86. Wilmette
87. Winnetka
88. Wood Dale
89. Woodridge

# SPRINGFIELD Company looks to open video gambling sites

Local communities would have to change laws to lift ban

BY DAN PETRELLA  
 STAFF WRITER  
 danie1.petrella@sj-r.com

A Springfield company is looking to capitalize on legalized video gambling by setting up a chain of storefront establishments offering video poker and other games along with food, wine and beer.

Lucy's Place has plans for at least nine stores in the Springfield area and many more throughout central and southern Illinois, company head Chris Stone said.

Locally, the plans hinge on Springfield, Chatham and Sherman changing existing laws that

SEE GAMBLING, P4

## Lucy's Place

Pending liquor license applications:  
 Springfield ■ 1150 N. Fifth St., Suite A  
 ■ Meadowbrook Plaza, 4123 Wabash Ave.  
 ■ 2419 Denver Drive  
 Sherman ■ 420 Crossing Drive

Sources: Springfield, Chatham and Sherman City Councils; draft ordinance; Chris Stone

## GAMBLING

Continued from P1

pan video gambling, some offering all three communities are considering.

Lucy's Place outlets will have "an upscale neighborhood pub and deli motif." They will be located primarily in strip malls, according to a business plan the company submitted to the village of Sherman in support of a liquor license application.

The stores will sell prepackaged snacks and offer complimentary coffee, juice and soft drinks to customers, Stone said. There will be a four-drink maximum for alcoholic beverages.

"Our model isn't necessarily a bar, tavern or restaurant," said Stone, a veteran lobbyist and the principal of Springfield-based Governmental Consulting Solutions. "It's to provide comfort for people who want to come in and just play a video game, as opposed to going to a bar." Each store will have five

gaming terminals, the maximum allowed under Illinois law.

## Waiting on gaming licenses

The 2009 state law that legalized video gambling to fund construction projects allows gaming terminals at licensed liquor-pouring establishments, as well as at truck stops and veterans and fraternal organizations. Each establishment must receive a license from the Illinois Gaming Board.

The gaming board has determined that municipalities with existing gambling bans — including Springfield, Chatham and Sherman — must amend their laws to allow video gambling.

It's up to each community to decide if that's a change it wants to make, Stone said.

"We're not going to pressure a municipality one way or the other," he said. Lucy's Place will wait to apply for state video gaming licenses until it has the necessary liquor li-

censes and other approval needed for its stores, Stone said.

The business has liquor license applications pending in Springfield and Sherman. The company presented its business plan to the Chatham Village Board at a committee meeting about a month ago but hasn't applied for a liquor license, village manager Del McCord said.

The Springfield application covers planned stores at 1150 N. Fifth St., 4123 Wabash Ave. and 2419 Denver Drive, according to city records. The company is negotiating leases for four additional locations in Springfield, Stone said.

The city council has postponed consideration of the liquor licenses until the company gets zoning changes for its proposed locations, according to the minutes of the council's May 8 committee meeting.

## 'A good fit?'

Lucy's Place presented its business plan to the Sherman Village Board last

week in support of its liquor license application. Village President Trevor Claffelter said he and other officials have since heard from many residents who don't think a business focused on gambling is "a good fit" for the town.

"Personally, as the mayor, I don't think it's a fit for Sherman either," Claffelter said.

He said he believes the board will modify its laws to allow video gaming machines at traditional liquor-serving establishments where gambling is an "ancillary" part of business.

The Chatham Village Board is expected to continue discussing proposed changes to its gambling ban Tuesday at its committee meeting.

Springfield Mayor Mike Houston has said he expects to introduce an ordinance allowing video gambling "in the near future."

Dan Petrella can be reached at 788-1532. Follow him at twitter.com/PetrellaReports.

From the St. Louis Business Journal

[http://www.bizjournals.com/stlouis/morning\\_call/2012/07/company-looks-to-bring-video-gambling.html](http://www.bizjournals.com/stlouis/morning_call/2012/07/company-looks-to-bring-video-gambling.html)

# Company plans to bring video gambling to area strip malls

St. Louis Business Journal

Date: Friday, July 6, 2012, 6:42am CDT

Springfield, Ill.-based Lucy's Place company is seeking liquor licenses for at least seven metro-east locations, and it plans to open video gambling operations in strip malls and shopping centers.

The company has filed for liquor licenses for four locations in Belleville, two in Edwardsville and one in Troy, the Belleville News-Democrat reports. The company is also considering locations in Collinsville, Fairview Heights, Cahokia, Columbia and Chester.

Illinois passed a law in 2009 allowing video gambling in local businesses, but the system to monitor and license everyone working with the machines is not expected to be ready until later this year.

<http://www.bendigoadvertiser.com.au/news/local/news/general/gambling-hurt-revealed/1959276.aspx>

## **Gambling hurt revealed**

CLARE QUIRK  
04 Oct, 2010 10:34 PM

A NEW report has shed some light on the effects problem gamblers have on their children, revealing **children of a father with a gambling problem were 13.5 times more likely to develop gambling problems. The findings were recently released in the report Children at Risk of Developing Problem Gambling and found that problem gamblers affect the entire family unit.**

The report noted there is "now an accumulation of evidence that problem gambling does not only affect the individual with the gambling problem, but also results in a high degree of societal and familial harm.

"It has been argued the gambling problem of one individual has direct negative effects on many others, including family members and co-workers.

**"International evidence suggests problem gambling significantly disrupts dyadic relationships and family environments, and adversely affects the emotional and physical health of partners and children."**

The report noted a literature review summarised the most common problems reported by the family members of problem gamblers: **"the loss of household or personal money; arguments, anger and violence, lies and deception, neglect of family, negatively affected relationships, poor communication, confusion of family roles and responsibilities and the development of gambling problems or other addictions within the family."**

The report found the children of a father with a gambling problem were 13.5 times more likely to develop a gambling problem than their peers and for a mother with a gambling problem the children were 10.6 times more likely.

Bendigo Baptist Community Care director Matthew Parkinson said a similar report had been produced in 2004 and that the community needed to be aware of the far reaching affects of problem gambling.

**"We know it means increased crime rates and we know that it has a massive affect on the family,"** he said.

**"There's a direct baring on children's levels of asthma and stress levels."**

<http://www.thesunnews.com/2010/07/24/1600938/gambling-with-our-future.html>

Saturday, Jul 24, 2010

Posted on Sat, Jul. 24, 2010

## Gambling with our Future

While the never-ending debate over gambling often feels tiresome, a detailed article last week by Zane Wilson for The Sun News was an excellent reminder of why the issue is, for so many area residents, a settled one.

**The math is simple. Video poker brought in \$60 million in tax revenue, but caused \$424 million - seven times as much - in costs to society.**

Allegations of a secret plot to bring gambling to Myrtle Beach were among the 11th hour attacks flung at the incumbents in last year's City Council elections, even though the city leadership is as opposed to gambling as it has ever been. The issue rose to prominence again as the cornerstone of Sen. Robert Ford's Democratic gubernatorial campaign - persistently prescribing a Myrtle Beach casino as the salve to the state's economic wounds without ever asking Myrtle Beach if it wanted a casino.

To be fair - even though the hundreds of millions of dollars in tax revenue Ford described were never a reality - gambling was once a significant part of the Grand Strand economy. With our proximity to the North Carolina border, Horry County had 33,517 video poker machines, 8,106 locations hosting them, and \$283 million in spending on them (more than one-fourth of what was bet statewide) at the peak of their prominence, Wilson reported. These are figures that do merit consideration amid our county's current double-digit unemployment.

**However, the social problems that gambling brings are significant - substance abuse, petty theft, lost productivity and debt. These ills would translate into direct costs to law enforcement, the criminal justice system and our social services at a time when we can least afford to bear them.**

Other forms of gambling - such as Little River's casino cruise boats, or informal poker games - have remained smaller-scale and less destructive than the rampant video-poker parlors of a decade ago, and thus deserve individual study. But given the secretive way in which video-poker first got approved, lawmakers are right to be wary of any loosening of the rules.

Thus, when this issue rears its head again - as it inevitably will, perhaps as soon as the fall elections - we suspect local voters will wisely shake their heads again, and move on to pursuing ideas that bring a greater net benefit to our community.

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<http://www.thesunnews.com>

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**From:**  
**To:** <undisclosed-recipients:>  
**Sent:** Thursday, March 18, 2010 3:51 PM  
**Subject:** AU / NZ RESEARCH shows ONE NEW ADDICT for every additional EGM

<http://www.voxy.co.nz/national/new-research-should-inform-gambling-policy/5/41892>

NZ - New Research Should Inform Gambling Policy

Contributor:

Voxy News Engine

Wednesday, 17 March, 2010 - 09:12

The Problem Gambling Foundation says all Councils should consider new research which has found that there is almost one new problem gambler for each additional pokie machine (electronic gaming machine) in a community.

The research was conducted by Professor Max Abbott, Director of AUT University's Gambling and Addictions Research Centre, Dr Judith Stubbs from the University of NSW, City Futures, Sydney, Australia and John Storer from Judith Stubbs and Associates, Australia; Together they did a meta-analysis of the 34 studies conducted in Australia and New Zealand, thus providing the most complete study of gambling prevalence in Australasia to date.

The findings were clear - every additional pokie machine in a community results in .8 new problem gamblers. Further, there is no evidence that this plateaus.

Graeme Ramsey, Problem Gambling Foundation CEO, says research such as this should inform gambling policy.

"This study clearly shows that if new pokie machines are put into New Zealand communities, we can expect to see new problem gamblers - in fact, nearly one new problem gambler for each new machine," he says.

The authors say the findings support a view that restricting the per capita density of electronic gaming machines (EGMs) will lead to reduced gambling harm. "Policies related to restricting or reducing the density of EGMs are likely to play a significant role in containing or reducing gambling-related harm," the authors state.

"Holding or reducing EGM numbers would appear prudent based on our findings and is likely to lead to reduced harm," they say.

Graeme Ramsey says the Problem Gambling Foundation advocates for a sinking lid policy to reduce the number of pokies in communities.

"We know how dangerous these machines are and the best policy that Councils can adopt to reduce the number of pokies and the harm caused by gambling is a sinking lid on pokie machines," he says.

'Sinking lids' have contributed to the number of pokie machines in New Zealand dropping from 25,221 in 2003 to 19,359 to end of December 2009.

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<http://www.recentpoker.com/news/aussie-gambling-research-6549.html>

Research on Australian Gamblin

3/18/10 - Australian academics who carried out a meta-analysis of 34 gambling studies conducted in Australia and New Zealand, claim to have produced the most complete study of gambling prevalence in Australasia to date...and the problem gambling implications are worrying.

The Problem Gambling Foundation says lawmakers should consider the results of the research, which found that there is almost one new problem gambler for each additional [land] pokie machine in a community.

The research was conducted by Professor Max Abbott, Director of AUT University's Gambling and Addictions



Research Centre, Dr Judith Stubbs from the University of NSW, City Futures, Sydney, Australia and John Storer from Judith Stubbs and Associates, Australia.

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**FOCUS GAMBLING IN ILLINOIS**

Expanded coverage in the Chicago Tribune Chicago and report

# Ex-husband: Woman paid ultimate price for gambling

The west suburban man knew about his wife's occasional trips to casinos in Joliet and Indiana, but he had no idea how deep an addiction she had until a real estate agent showed up at his door. His house was in foreclosure, he was told.

His wife, a dedicated mother of three who always made lunch for the kids, had always handled the family's finances. But she hadn't paid the mortgage in a year. Instead she had gambled away hundreds of thousands of dollars playing slot machines.

If he didn't sign foreclosure papers that day in 2003, he learned, their DuPage County home was scheduled to be auctioned off less than 24 hours later.

"I was completely confused," said Clarence, who did not want his last name used to protect his and his children's identities. "The house is going to be

auctioned off? I had to get the facts. I thought, I'm not signing anything until I find out exactly what's going on here."

Anita Bedell, executive director of Illinois Church Action on Alcohol & Addiction Problems, said Clarence had reached out to her organization to share his story, and she put him in touch with the Tribune.

Clarence, a software engineer, doesn't find it easy to talk about how gambling slowly consumed his wife and brought ruin to their family. He pauses and chokes back a lump in his throat when he mentions his three children, who are now young adults, and how close they came to losing their home.

The couple divorced, with Clarence keeping custody of the children.

In September, saddled with debt and unable to pay child support, Clarence's ex-wife committed suicide, he said, a

death he blamed in part on her gambling addiction. The Cook County medical examiner's office said at the time that her cause of death was pending awaiting toxicology reports.

A family member of the woman confirmed she had a gambling problem and committed suicide.

His wife started visiting casinos as a way to take a break from the kids, he said. But in time, he said, she grew increasingly secretive.

"It seemed like she would tell me when she won, but would not tell me when she lost," Clarence said. "She was getting the mail, bills weren't being paid, she was borrowing money. I didn't want to create any big family problems, I was hoping that she would come to the logical conclusion that this was bad behavior and she'd stop doing it."

After turning away the real

estate agent, Clarence borrowed \$2,000 from his cousin to hire an Addison bankruptcy attorney, who worked late into the night to file documents to stop the house auction.

The next day, Clarence opened a new checking account and took control of the family's finances. A day later, his wife filed for divorce.

Clarence's wife kept gambling. She stayed out all night at casinos and stopped making lunches for their children.

Two casinos, Harrah's East Chicago Inc. and Empress Casino Joliet Corp., sued her and were granted judgments totaling more than \$7,000 in 2002, records show.

"Going to the casino became a priority," Clarence said. "She was so determined. You couldn't stop her. She'd run you over."

Over the next two years, the couple, who had been together

for more than two decades, went through an acrimonious custody battle, he said.

But the financial strain wasn't easy to overcome. Clarence worked 60 hours a week to cover expenses and once visited a food pantry for assistance.

"Here I am, two master's degrees from IIT and going to a food pantry," he said. "I never thought I'd be in that position."

Clarence said the family is now out of debt. He maintains that he loved his ex-wife and does not blame her for her addiction. Rather, he feels the casinos took advantage of his ex-wife's illness.

"When (casinos) go for their renewal in front of the Illinois Gaming Board, they'll talk about all the good they did," Clarence said. "But they never came and tried to help me out. It's pretty aggravating. Sorry, I really can't see what good it's bringing the world."

# Play to Extinction

*Gambling is a racket, not a tool of economic development*

BY KEVIN D. WILLIAMSON

**W**E are the Silver Horde, and we are descending—on chartered buses, on Chinatown buses, and on the Greyhound “Lucky Streak” express bus we come, on crutches and canes, lapping obesely over the seats of mobility scooters, adjusting oxygen tubes, discreetly nursing Big Gulp cups full of tequila and Pepsi through bendy straws at three in the afternoon, doing serious damage to complimentary troughs of Cheez-Its and Famous Amos cookies. We are getting *comped*. Free passes to the all-you-can-eat buffet? *Whatever*. We have our own dedicated train, Amtrak’s Atlantic City Express Service (read: ACES), and we come rolling and thundering down the tracks bearing our Social Security checks, our welfare checks, and quite possibly our rent checks. We are the blue-rinsed, unhinged, diabetic American id on walkers, and we are scratching off lottery tickets the whole way there as we converge from all points on the crime capital of New Jersey—because *we are feeling lucky*.

Funny thing about Atlantic City: Nobody feels really obviously lucky to live there. Its population is declining (it has lost 40 percent since its peak), and among the foot soldiers of the gambling industry—blackjack dealers, scantily clad cocktail waitresses, cab drivers—it is difficult to find anybody who actually lives in it. One lightly clothed entertainer working at a particularly gamey establishment along a row of empty commercial buildings, video stores, and the occasional storefront mosque, all within a couple minutes’ walk of the casino district, snorted derisively at the notion of living in the city. “Oh, *hell* no. Too dangerous.” That’s AC: It’s a great place for a visiting go-go dancer, but she wouldn’t want to live there. Touring the local landscape of decay and disorder, it is hard to imagine why a whole range of American politicians—from such likely suspects as Ed Rendell and Andrew Cuomo to lots of otherwise conservative Republicans who really ought to know better—look at the city’s depressed and depressing precincts, its sad coat of glitz (Sinbad! At the Tropicana!) and say to themselves: “My state needs to get some of that action!”

They had better think twice about what they are getting themselves into. The issue of gambling is not a question of rah-rah libertarians vs. no-no bluestockings: Nobody who looks seriously at the nexus between politics and gambling could possibly conclude that what is happening in Atlantic City, in Pennsylvania, on the Indian reservations, or in the lottery racket represents the operation of the free market. It is a cartel in most cases and a monopoly in many, all with the blessings of the state. The arrangement, in the words of one scholarly study of casinos in Montana, leaves government “a dependent partner

ply making a principled case that putative adults have the right to entertain themselves with their own money according to their own tastes (or, let’s be serious, lack thereof), then their argument would be persuasive. But what is in fact happening is that politicians smell money, and so government itself is getting into the game, taking gambling to be a fruitful model of economic development.

While the data are hotly contested, it is hard to deny that gambling has taken more out of Atlantic City than Atlantic City has taken out of gambling. A report prepared by the California Research Bureau on the potential for gambling in that state found that while many of the AC casinos had done well, there was little secondary economic impact: “The success of gambling in Atlantic City,” the report finds,

has done little to revitalize the rest of Atlantic City and its business community. Atlantic City has been described as two cities. One is the casinos, and the other is a city of boarded-up buildings with a unemployed minority work force. Gambling has largely failed in achieving the objectives of job growth for local residents and city-wide economic development.

The federal government’s National Gambling Impact Study Commission notes that while gambling advocates favorably cite the “Mississippi Miracle,” the economic boomlet that that state experienced after legalizing casino gambling, “in reality the unemployment rate in Mississippi declined at about the same rate as the national average in the years from 1992 to 1998.” A University of Chicago report found that there was “no change in overall per capita income” as the result of gambling liberalization in the cases it studied. Governments, always eager to out-Enron Enron in the accounting-shenanigans olympics, earmark gambling proceeds for popular programs, then reduce general-revenue support for those programs and use the extra money to increase spending elsewhere. It’s a lot like slot machines: The house exploits the occasional jackpot to distract the schmucks from the fact that losses are a statistical inevitability. And while the accounting gets pretty hairy, it’s not too hard to find entries on the losing side of the ledger: In one study of Atlantic City, 22 percent of the local homeless reported that gambling was the proximate cause of their condition.

**Y**OU wouldn’t know that from the ventisomethings. They’re the young ladies’ auxiliary to the Silver Horde, climbing leggily out of Lamborghinis and GT-Rs in front of Borgata, and they are a tribe apart: stiletto heels with jeans, the inevitable Starbucks venti cup, Marlboro Light contrails. Borgata is by most accounts the swankiest place in Atlantic City, which tells you a lot about Atlantic City, because Borgata is a dump, albeit a kind of expensive one. It has some dimly lit nightclubs for the ventisomethings to frolic in, and it’s big on overpriced restaurants serving food that was trendy five years ago (Kobe burgers, Asian fusion), the kind of place that has architectural spaces meant to be imposing but a maintenance schedule that’s running a bit behind: oversized glass showers and stained carpets. It’s a mind-jarring mix, a lot of polished marble and women in stylish dresses, with something in the middle that resembles nothing so much as a Chuck E.

(Seriously, visit around four in the afternoon: It's wheelchair derby in there.) Unlike the relatively cheery Caesars, which gold-leafs every surface with an inch of kitsch in a winking acknowledgement of the underlying plebeianness of the venue, Borgata affects a kind of Parisian hauteur like a down-on-his-luck aristocrat expecting things to get worse, which is what it is: In February it reported declining revenues and a 7 percent drop in operating profits. Gaming-industry analysts are gloomy about its outlook as the new \$2.4 billion Revel casino prepares to open its doors.

For that new competition, Borgata can offer its gratitude to the great state of New Jersey and to Governor Chris Christie, thanks to whom taxpayers will be partners in, among other things, a burlesque show at Revel called "Royal Jelly." (The burlesque show will not be the only source of eye candy: The casino also is implementing some unusual business practices, including a plan to fire all of its servers, hostesses, and waitresses every four or six years and force them to reapply for their jobs, in a more-nakedly-brutal-than-usual strategy for weeding out anybody who doesn't look good in tall heels and a short skirt.) Revel began as a project headed up by the hapless Morgan Stanley, which owned 90 percent of the partnership behind the casino. The bailed-out investment bank, facing bigger problems and unimpressed by recent Atlantic City revenues, in 2010 took a billion-dollar write-down and pulled the plug on the half-finished project. Governor Christie moved in with a \$261 million bailout of the orphan casino the bailed-out bank had bailed out on. Some of that money will be used for construction and operating expenses, but \$70 million will sit quietly in an account earmarked for the project's new Wall Street financiers, so that they'll have something to walk away with if the casino tanks.

Governor Christie had better hope it doesn't. In February, he released a budget proposal that contains some implausibly optimistic financial projections: Among other things, he's betting that gambling revenues are going to rise by 14 percent, or nearly a half-billion dollars, resulting in \$40 million in new taxes. While Governor Christie is putting up taxpayers' money for Revel, he can at least say he's getting government out of the way: There was a bloodbath at the Casino Control Commission, which was cut from 260 regulators and staff to 65, its budget reduced from \$24 million to \$9 million. (Taxpayers have little reason to celebrate that development: The commission's budget is funded largely by fees charged to casino operators, not by state taxes.) Lest some of those axed regulators end up on New Jersey's unemployment rolls, the state has been merrily signing waivers allowing them to go to work for the casinos, which they are forbidden by law to do for two years after leaving the commission. Governor Christie is executing what amounts to a state-level takeover of Atlantic City's gaming district, and he is, as they say, all in. His optimism is not shared by many gambling-industry analysts, including Deutsche Bank Securities managing director Andrew Zarnett, who says that he fears the project will not produce any new revenues: "Revel casino will mostly cannibalize existing operators," he told the *Press of Atlantic City*.

Which is to say, the supply of ventisomethings is limited. There's only so much play at the top of the market, but that's not where all the action resides, and the question that is seldom asked is: If New Jersey is successful in increasing its casino revenues, and Pennsylvania is successful, and Indiana is success-

ful, and Mississippi is successful, and the Indians are successful, and Connecticut is successful—where exactly does the money come from?

**T**HE money will come from the Silver Horde. Casinos have long loved the high rollers, the whales who still rule in Vegas, but the low rollers are the new bread and butter for casinos in the rest of the country. If the politicians have their way, the Silver Horde will not have to hop on the Lucky Streak and go to Atlantic City: Atlantic City is coming to them.

Having long since shaken off the last vestiges of its ancestral Quaker sobriety, Pennsylvania has opened up casinos everywhere from obscure Pittsburgh suburbs to Valley Forge, right near the monument to George Washington's brutal winter there, and the state flirted with licensing one on the edge of the battlefield at Gettysburg (a dispute over which legal wrangling



continues). The Gettysburg project was stopped because its opponents included people with some real money and influence, but money and influence are not evenly distributed, which is why there's a Harrah's casino in Chester, one of Pennsylvania's poorest cities (per capita income \$9,052) and its most murder-happy (24 homicides in 2010 among 33,972 residents), a place where the school district just plain ran out of money in January, requiring a state bailout.

There's a lot of broke to go around: In a particularly depressing sign of the times, the parent company of the struggling *Miami Herald* sold the paper's Biscayne Bay headquarters to the Malaysian conglomerate Genting, which, in addition to its plantations and oil-and-gas businesses, is one of the world's largest gambling concerns. It is the largest casino operator in the United Kingdom, and it is expanding remorselessly in the United States. The Pequot tribe may be the name on the brass plate at the giant Foxwoods Resort in Connecticut, but it was Genting, through its Kien Huat Realty subsidiary, that put the money up for the project. Likewise the Seneca Indians' casino at Niagara Falls and the Wampanoags' development in

Massachusetts. Kien Huat Realty is the controlling shareholder in the Monticello Raceway in the Catskills, and Genting built the casino at the Aqueduct Racetrack in New York City.

Interestingly, Genting also has the contract to build the new New York City convention center—conveniently located next door to its casino in Queens. (Seriously—New York thinks America is coming to visit *Queens*.) Among Genting's demands for the project is that it be given a monopoly on video-poker licenses in the area. It's also asking for a sweeter revenue-sharing deal with the state, and says that an amendment to New York State's constitution, which forbids table games and many other kinds of gambling, would be welcome. Governor Cuomo has pronounced himself favorably disposed, which puts him at odds with a long line of legendary New York politicians opposed to state-sanctioned gambling, from Fiorello LaGuardia to Governor Cuomo's own father. (The Little Flower, who made a name for himself cracking down on gambling dens in 1930s New York—and smashing their paraphernalia with a sledgehammer—must be shaking his fist eternally in heaven that the city's first legal casino is a stone's throw from the airport named after him.)

When Genting showed up in Florida, it had plenty of cash to acquire the *Herald* building and surrounding properties, and it had plans in hand for a massive casino development. Which was pretty cocky, considering that casinos were not yet legal in Miami. "Nobody had even introduced a bill yet," says Paul Davies, a fellow at the Institute for American Values who runs a project called Get Government Out of Gambling. "Talk about thinking you've got it all sewn up." Genting hadn't counted on the intensity with which its project would be opposed by the Walt Disney Company, and the Miami casino bill died in the Florida legislature. The state chamber of commerce and the local hotel association and Indian gambling interests were opposed, too, along with a few political activists, but it was Mickey Mouse who killed the casinos—for now. "Those guys will be back," Davies says. And not only will they be back in Miami, they'll be back everywhere.

Dave Jonas, president of the Parx casino, which is nestled among the strip malls of the hideous Philadelphia suburb of Bensalem, offered a preview of coming attractions at a recent speech to the Pennsylvania gaming association (held at Valley Forge, hooray), in which he said his firm had "underestimated significantly" how often the locals would pop in to gamble: "When I was in Atlantic City, to have twelve to fifteen trips out of customers, they were VIPs," he said. At Parx, the low rollers are coming in two or three times a week, or 150 to 200 trips a year. "We have customers who give us \$25, \$30 five times a week." They call these local-yokel joints "convenience casinos," and they are the future: gambling anywhere, anytime. Some casinos already are experimenting with handheld devices so that players can piss their money away in the bathroom.

**T**HE industry term of art that denotes success vis-à-vis any individual gambler is: PLAY TO EXTINCTION. The mandate is to keep gamblers tied to the machines until they have handed over all the money they have to hand over. There are a great many ways to do this, but one way to keep the grannies tethered to the "Sex and the City: Change of a Dress" video slot machine is to keep them *literally* tethered: Casinos have begun offering rewards cards that give gamblers points based on their

to be kept plugged in to the machine to accrue points, producing a strangely umbilical sight.

The statistics are astounding: Gambling rates for the 65-and-up set went from 35 percent in 1975 to 80 percent in 1990. By 1996, gambling was a bigger business than movies, recorded music, sports, live entertainment, and cruise ships—*combined*. And while there is a great deal of debate about gambling addiction and its role in the casino industry's business model, a government study found that "disordered gambling" rates are double for populations living within 50 miles of a casino. If cancer rates were double in the 50 miles surrounding a bubblegum factory, you can bet that the bubblegum factory would get the full Erin Brockovich treatment.

And it's not just the gambling rates: In the years after the first casinos were built, Atlantic City went from having the 50th-highest per capita crime rate in the United States to being No. 1 on the list. That's a big price to pay, but many in government are willing to pay it—for a big enough cut of the action.

"The nanny state is bad news," Davies says. "But when you start looking into gambling and what the companies do, they're not just running a business. The more problematic part is the government's role. It's a joint venture between the government and the casinos, and gaming pays a higher tax rate than do other businesses. In Pennsylvania, slot-machine revenue is taxed at 55 percent rate—55 percent of the cut. Government is not a minority partner, but a majority partner."

**T**HE ride home on the Greyhound on Sunday morning is a damn sight less rollicking than the one down. A woman in the bus terminal is negotiating with a friend for a ticket home—she doesn't have enough money left on her ATM card to buy it, and she's pushing a handful of sweaty singles and loose change at her traveling companion. (Weird fact: You can use a card to get cash advances out of casino ATMs without entering a PIN—paradise for pickpockets.)

The Silver Horde is getting sober, and some are just plain sleeping it off, sprawled across seats and falling shambolically into the aisle. Another woman argues on the phone with a third party who apparently has failed in her assigned duty to pick the lady's grandkids up from wherever they are staying. (The Parx casino in Bensalem has seen several gamblers cited for leaving their kids in parked cars while trying their luck inside.) Various byzantine disputes are under way. One cannot help but recall the fact that between October 2009 and May 2010 some \$1.8 million in California welfare benefits was withdrawn at casino ATMs; the corresponding Social Security figure must be shocking. The ventisomethings are off to Aspen or Mustique or wherever is in fashion this year. The Silver Horde is filing off grumpily at the Port Authority Bus Terminal and at Greyhound stations across the country, sad and bedraggled and losers right down to the literal Webster's meaning of the word. Cash has changed hands, but in no more than what economist Paul Samuelson called the "sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to 'kill time,' gambling subtracts from the national income." Call gambling a vice, call it an addiction, call it a harmless diversion, call it anything you fancy—but don't call it economic development.

<http://www.internalmedicine.com/news/mental-health/single-article/problem-pathological-gambling-rates-high-among-veterans/455ca84402.html>

**Mental Health**

**Problem, Pathological Gambling Rates High Among Veterans**

By: DAMIAN MCNAMARA, Internal Medicine News Digital Network

05/20/11

FROM THE ANNUAL MEETING OF THE AMERICAN PSYCHIATRIC ASSOCIATION

**Vitals**

**Major Finding: About 8% of U.S. veterans in VA care are problem gamblers and another 2% are pathological gamblers.**

**Data Source: Study of 2,185 veterans enrolled at two VA medical centers and 14 rural community-based outpatient clinics.**

**Disclosures: The study was funded by VA Health Services Research & Development. Dr. Joseph Westermeyer said he had no relevant disclosures.**

HONOLULU – About 8% of U.S. veterans are problem gamblers who report between one and four gambling-related problems, and an additional 2% are pathological gamblers with five or more such problems, a study of 2,185 veterans in Department of Veterans Affairs care reveals.

**Age, education level, and ethnicity were not big predictors of pathological gambling risk. "The one that does show a lot of difference is unemployment [odds ratio, 1.85], which is not necessarily what you expect. People need money to gamble, and they need a lot of money," Dr. Joseph J. Westermeyer IV said at the annual meeting of the American Psychiatric Association. The unemployed in the study, however, included part-time and seasonal workers who had some access to money, he said, and others were "homebodies" (typically unemployed men who were married to women with jobs).**

(c) Tom Lozano/Creative Commons License

**Veterans have about twice the rate of problem gambling as does the general population.**

Marital status emerged as an important variable in a binary analysis, with unemployment remaining significant (OR, 1.41). "The folks who were divorced, separated, widowed, or single were underrepresented [OR, 0.69], so folks who were married were more likely to be in the problem and pathological gambling group. Again, this is not necessarily what you would expect," said Dr. Westermeyer, who is director of the mental health service at the Minneapolis VA Medical Center and professor of psychiatry at the University of Minnesota.

**"Interestingly, male veterans and female veterans had almost identical rates of both problem gambling and pathological gambling, which is not – so far – what you see in the general population." Men usually outnumber women by a factor of two to three or more, Dr. Westermeyer said. It might be that the military exposes more women to gambling. "Some of the women we talked to say, "We hang around with the guys when we have time off. We don't go to different places. We go to the same bars, and if they go gambling, we go gambling with them."**

The study included only veterans who were treated at least once in the previous 2 years at a VA facility. This design was intentional, so that any demographic or other risk factor that was identified would be relevant when incorporated into a future screening instrument.

Another aim was to identify comorbid symptoms "so primary care, as well as psychiatry, can begin to be alert to what might be associated with pathological gambling," Dr. Westermeyer said.

The veterans completed the SCL-90 (the 90-item Symptom Checklist instrument) and the PCL (PTSD [Posttraumatic Stress Disorder] Checklist). Their responses were directly and highly correlated with DSM-IV criteria and the South Oaks Gambling Screen. **"In other words, people who have more posttraumatic symptoms, anxiety, and depression tend to have more gambling problems," Dr. Westermeyer said.**

Participants also completed the AUDIT (Alcohol Use Disorders Identification Test) and the MAST (Michigan Alcohol Screening Test). The AUDIT addresses recent alcohol use and the MAST is a lifetime alcohol use measure, which was adapted to include drug use. Again, correlations were high. But in this study, people with more alcohol and drug problems tended to have fewer gambling problems, according to Dr. Westermeyer, which is contrary to other research that shows more substance problems associated with more gambling problems.

"All these findings tend to be a tad atypical," Dr. Westermeyer said.

The data were assessed in two different ways to reflect the current prevalence and to predict the future prevalence of problem and pathological gambling. For example, data were weighted to reflect the typical older male population that is seen at most VA centers today. Raw data included an oversampling of women (to bring the 7% in weighted data up to 35%) as well as younger veterans from the Iraq and Afghanistan conflicts (to reflect the way the VA population is likely to appear in a decade or two).

**The weighted data show that veterans have about twice the rate of problem gambling as does the general population. The raw data suggest a greater disparity in the future, with a rate 2.7 times that of the general population.**

The other worrisome thing about the future is the ratio of problem gamblers to pathological gamblers, Dr. Westermeyer said. General population surveys show a 1:1 ratio of problem gambling to pathological gambling among people who are exposed to gambling for a decade or more, and up to 2:1 with more recent exposure. "It's worrisome with the veterans. **The ratio is ... like four or five problem gamblers to one pathological gambler. The problem gamblers are the people at risk to become pathological gamblers ... which does not bode well for the future.**"

**"Veterans in VA care have a high rate" of pathological gambling, he added.**

All 10 DSM-IV gambling symptoms were assessed in the study. The sixth criteria (characterized in the DSM-IV as "chasing one's losses") was the most common symptom, endorsed by 6.3% of participants with problem or pathological gambling. Tolerance was next at 5.1%, followed by escape gambling at 5.1%. The eighth criteria, which refers to committing illegal acts such as writing bad checks and committing property crimes, was the least commonly reported symptom, at just over 1%.

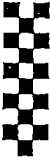
Another unexpected finding was a **propensity for younger veterans to have higher scores on the South Oaks Gambling Screen for pathological gambling.** "Most surveys that include people in their 20s rarely find a high prevalence [of pathological gambling], so ours was not a typical finding," said Dr. Westermeyer. Those who show up on the survey data tend to be people aged 35 years and older, he noted.

Participants were paid \$20 to complete 2 hours of computer-based data collection; a research assistant was on hand to answer any questions. Participants were recruited at two VA medical centers and 14 rural community-based outpatient clinics.

This was a clinical epidemiologic study and not community-based research, a potential limitation.

Unanswered questions remain, Dr. Westermeyer said. Do these high rates among veterans in VA care reflect rates among all veterans? Also, would it be possible to identify earlier cases through screening?

The study was funded by VA Health Services Research & Development. Dr. Westermeyer said he had no relevant disclosures.



**The Retailers Association**

*Serving Members Australia Wide.*

**MEDIA RELEASE**

**110 Pokies per Australian**

**Driscoll: "Retailers Could Cut Unemployment in HALF Without Pokies Scurge"**

Monday, 18 January 2010

**Scott Driscoll**, National Executive Director of *The Retailers Association* has called on Prime Minister Kevin Rudd to intervene and curtail the States drunk on Pokies revenue, for sake of job creation, if protecting families wasn't enough.

"With Australia now in the *"World's Top 10"* poker machine countries, with a Pokie per 110 Australians, we are killing off and industry, so that our Governments can get fat on Pokies blood money at the expense of lives and jobs," said Mr Driscoll.

"As well as families suffering more with the growth of Pokies numbers across Australia, the retail sector suffers dramatically also as the Pokies plague spreads. People who can least afford pour their wages down the throats of Pokies, in turn reduce spending on food, clothes and household essentials for their families. This has been a serious retail trend since Pokies emerged in Australia," said Mr Driscoll.

"Most of the **\$10Billion** that now goes into Pokies each year Australia used to be spent across the retail sector. It used to support the creation of real jobs," said Mr Driscoll.

"If we wiped out Pokies overnight and returned that same **\$10Billion** to where it used to be spent we would halve the unemployment rate in Australia tomorrow and could create **303,000 new retail jobs**," said Mr Driscoll.

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# VIDEO POKER SETS LOW MARKS

Given chance to vote, most would reject local gambling.

By Bob Spector and Rick Pearson  
TRIBUNE REPORTERS

Opposition to video gambling has softened in the last six years, but only 60 percent of Illinois voters say they would cast a ballot to ban poker machines in their local bars and restaurants if given the chance, a Tribune/WGN poll found.

Long part of discussions about expanding gambling in the state, legalized video poker became a reality this year when Gov. Pat Quinn signed legislation as part of a financing scheme for a \$81 million public works program.

To ease concerns from local officials, the new law allows communities, cities and towns to ban gambling within their boundaries or gives voters the right to seek a referendum to decide the issue. The new law carves out a slice of tax revenues from the municipalities for local governments, but any doesn't get to share in the bounty.

The poll found that 58 percent of voters would vote against legalized

TRIBUNE/WGN POLL

WEDNESDAY, SEPTEMBER 9, 2009

## Video poker gets low marks in poll

Continued from Page 1

video gambling in a local referendum, while just 34 percent would support it. Opposition was about 60 percent from voters in suburban Cook County, the collar counties and Downstate, while 49 percent of Chicago voters said they would vote against it and 42 percent said they would vote for it.

The telephone poll, conducted Aug. 27-31 by Market Shares Corp. with 700 registered voters in the state, had an error margin of 4 percentage points.

State officials estimate that as many as 45,000 legal poker machines could eventually be up and running across Illinois, bringing in \$300 million a year in tax revenue. Supporters said one hope is that they will supplant illegal, sometimes mob-run machines—labeled misleadingly as “for amusement only”—that have been paying out with relative impunity in many venues for decades.

Even before the new program ramps up, however, officials in a handful of municipalities “have already moved to outlaw poker machines in their local establishments. The list so far includes northwest suburban Rosemont—which fought a losing, years-long battle to open a full-blown casino—as well as south suburban County Club Hills, where local officials also once hoped to land a casino.

The DuPage County Board

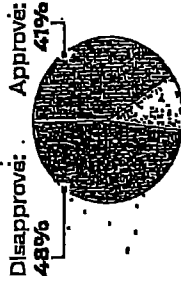
TRIBUNE/WGN POLL

### Illinois on gambling: not in my town

More than half of Illinois voters say that if a referendum election on video gambling were held in their city or town, they would vote against it.

STATEWIDE POLL CONDUCTED AUG. 27-31

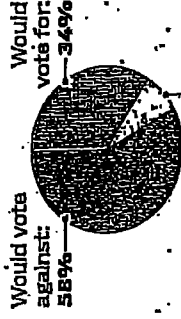
Q: Do you approve of legalized video gambling in Illinois?



No opinion: 11%

SOURCE: Market Shares Corp. telephone poll of 700 respondents in Illinois. Margin of error is +/- 4 percentage points.

Q: Would you vote for or against video gambling if a referendum election were held in your city/town?



TRIBUNE

also has passed a video gambling ban for unincorporated portions of the county.

The poll found that 48 percent of those surveyed disapproved of legalizing video gambling, anywhere in the state, while approval was voiced from 40 percent of voters. Though those numbers suggest video poker is still broadly unpopular, it is nonetheless gaining in acceptance.

Six years ago in a similar Tribune poll, only 19 percent of those surveyed said they approved of allowing video poker machines into Illinois restaurants and bars. Back then, 71 percent said they were opposed.

In the current survey the strongest opposition was voiced by Republican and

### Plethora of perspectives

See what others had to say on a variety of hot topics: [chicagotribune.com/polls](http://chicagotribune.com/polls)

good and 37 percent saying it had been bad.

Several Republican candidates for governor have made opposition to video poker part of their platform for next year's primary election.

Video gambling is a major piece of the financing package for the public works initiative, so the program could face problems if opposition leads to many local bans on poker machines.

Speaking recently to the Tribune editorial board, state Sen. President John Cullerton (D-Chicago) said he would rather have lifted gasoline taxes than turn to video gambling to underwrite the public works program. Still, Cullerton said, legalization of video poker was justified because the machines already are flourishing illegally and this allows the state to at least regulate the market and make money.

"If [video gambling] doesn't bring in the revenues that we expect it to bring in because everybody opts out, that's fine with me, too, but we have to make it up," Cullerton said. "We'd have to make [the revenue] up, and I go back to a gas tax."

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**VIDEO POKER**  
**AN OVERVIEW OF THE TRUCK STOP INDUSTRY**  
**IN LOUISIANA**

**By: Edgar G. Colomb, Jr.**

**T-Stop Interest, LLC**

**www.t-stop.com**

**EXECUTIVE SUMMARY**

The following report gives a brief overview of the video poker industry and truck stops in Louisiana. In every other state, the typical truck stop offers convenient diesel fuel, food, sleep, and maintenance for commercial truck drivers. In Louisiana, truck stops have become "mini casinos" because the state allows up to 50 video poker machines to be placed at a "truck stop." This new addition to truck stops has turned once marginal businesses into cash cows. Many investors and entrepreneurs are seeking to enter the truck stop market.

**The truck stop market caters to truck drivers and local residents near the facility. Most patrons in video poker rooms are residents living near by. Many new truck stops are being built to capture local markets. The truck stops are competing with other gaming industries -- the lottery, bingo, riverboat casinos, and a land based casino. The lottery and bingo have been drastically impacted by video poker. However, riverboats and land casinos may have a slight impact on video poker revenues. Therefore, truck stops target those markets that are attracted to video poker rooms.**

Two vehicles are available for investors, bankers, or financiers to enter this gaming market. First, truck stops with operating poker rooms are refinancing debt incurred for building the poker room. Second, various truck stop projects are seeking financing to build or finish building truck stop facilities or poker rooms. The start up projects usually require \$1,000,000 to \$2,500,000 to build an entire facility. Truck stops trying to build a poker room usually need \$250,000 to \$400,000 to build a quality room. Of course, each truck stop project varies according financial needs and abilities, as well as the services offered.

The determining factor of the truck stop market is the state average of net revenues. Currently, the typical poker machine in a truck stop averages \$163 each day of the month. With 50 machines running 365 days a year, the numbers produce a result that has caught the attention of many.

# Play longer, lose more on Penny Machines

<http://www.casinocitytimes.com/article/playing-for-pennies-58208>

## Playing for Pennies

16 April 2010

By Bill Burton

The gaming industry has watched revenues decline for over a year. Poker, table games and slot machines are all generating less money than they did in the past but there is one small segment where there has been an increase in revenue. While overall slot revenue is down, the penny slot machines are bringing in a bigger percentage of the profit from the slot machines.

**Traditionally the lower denomination slot machines are tighter and payback less to the players.** If you look at the Slot Payout Percentage chart in the back of Strictly Slots, you will see that in most jurisdictions listed **the difference in the payouts between the penny and quarter machines is about four percent.**

### *Theoretical Loss vs Fun Factor*

The average payouts around the country seem to be about 88 percent for penny and nickel machines and 92 percent for the quarter slots. A majority of the penny video slot machines have nine to twenty play lines. Some have more of course but for this example let's use a 20-line machine that you play at the rate of 500 spins per hour. If you were to wager a penny on each line per spin you would be betting \$100 per hour (.20x500). With a payout percentage of 88 percent on the penny machine, your theoretical loss would be \$12 per hour.

If you were to play a regular three-reel quarter machine for a single coin you would be risking \$125 per hour. With a payout percentage of 92 percent your theoretical loss would be \$10 per hour.

This slight difference in return has not stopped the players from switching from the quarter slots to the penny machines because most of the players are looking at the entertainment value they get from the new video slot machines. Players are willing to give up a little in return to play an entertaining game. Playing a single coin in a reel machine is about as exciting as watching paint dry.

**Many of the new slot machines resemble video games that offer interactive active screens, high resolution graphics and bonus rounds that allow players to win additional money while they interact with the game.** Players are finding that they are more fun to play because they have a much higher hit frequency than the standard reel machines. **Even though you might win back less than the amount of your initial spin, you are getting something back that enables you to play longer.**

Players who want to risk less can always choose a game with fewer pay lines, such as the five or nine line games, but not all players switching to the penny machines are looking for bargains. **Over the last few years, the slot makers have been adding more lines and increasing the number of coins that can be played on each line.** The new games can take so many coins per spin that it has become cost prohibitive for many players to play maximum coins at the quarter or even nickel level, so they choose to play the penny machines.

### *A Wolf in Sheep's Clothing*

The cost of playing the maximum coins per spin on some of the new penny slot games can far exceed playing maximum coins in an old three-coin dollar machine. This is especially true of some of the new progressive penny games that offer million-dollar, life-changing jackpots. **You are only eligible for the jackpot if you are playing the maximum amount of coins. I call these penny machines "wolves in sheep's clothing" because even though**

**the denomination is a penny, you have to risk several dollars per spin..**

A perfect example of this is the penny Megabucks game that advertises that you can win millions for playing pennies. If you look at the machine, you find that you must bet the maximum 300 coins (\$3.00) per spin to be eligible for the jackpot. If you play the dollar Megabucks machine, you must bet the maximum three dollars per spin to collect the jackpot. Your cost is the same regardless of the denomination of the machines.

Most players however are not switching to the penny machines and playing maximum coins in search of a progressive jackpot. They are looking to stretch their dollars on a game that will allow them to play longer and get the most entertainment from a small initial investment. With the casinos seeing an increase in profits from these machines, you will see even more of them on the casino floor in the future.

Until next time

"Luck comes and goes...Knowledge Stays Forever!"

<http://www.kyw1060.com/Phila-Man-Accused-of-Locking-Tot-in-Car-to-Go-Gam/7482364>

KYW Newsradio

Posted: Wednesday, 16 June 2010 3:40PM

**Phila. Man Accused of Leaving Tot in Car to Go Gambling**  
by KYW's Ian Bush

Authorities say a Philadelphia man gambled with his son's life Tuesday evening at a casino in Bucks County -- leaving the toddler in the car while he played slots.

Donald Waige stopped at the Parx Casino just for a little while, he'd later tell police, to cash in a credit on his player's card.

**Cops say the Juniata Park man thought that short enough to ditch his 15-month-old, leaving him in a running, locked car in the parking lot, with the AC cranked:**

**"He didn't realize that an hour had passed. He was only going to run in for about 10 minutes. And he seemed to think it was okay to leave the air conditioning on and leave his child in the car -- which obviously is not acceptable -- and 10 minutes turned into an hour."**

**Bensalem police director of public safety Fred Harran says the 59-year-old was arrested inside Parx at the penny slots and charged with endangering the welfare of a child.**

The boy's okay, and is being cared for by relatives. Waige will now have to try his luck with a judge