

2007 median sales price of \$255,500.³¹⁴ The only groups of casino employees who meet or exceed the threshold are senior management and directors.

The affordability problem has hampered the ability of casinos to fill positions. They sometimes recruit workers from overseas – students from Eastern Europe in the summer and from South America in the winter who often rent rooms in homes near the casinos.³¹⁵

Housing affordability affects more than the casinos. In 2007, Pfizer wanted to transfer as many as 1,000 employees from its Ann Arbor, Michigan facility to its Groton-New London sites. But as many as 30 percent of the Michigan employees opted not to come, and most cited “the sticker shock” of housing prices in southeastern Connecticut as the primary reason.³¹⁶

A 2007 Connecticut Business and Industry Association survey found that employers were increasingly concerned about their ability to recruit entry-level workers in light of housing costs.

Additionally, municipal social service agencies are experiencing an increased demand for their services, noting a rising trend in the number of two-income families struggling to maintain housing. A lack of affordable housing in the region has resulted in children becoming the fastest-growing sector of the homeless population.³¹⁷

Of the 21 municipalities in New London County, 10 have a gap of more than \$10,000 between income and qualifying income for a mortgage. The biggest gap, \$57,505, is in Lyme, followed by Old Lyme at \$39,893, Stonington at \$36,898, Groton at \$26,971 and Preston at \$24,290. Only two municipalities, Franklin and Sprague, are considered to be affordable.³¹⁸

Roughly 70 percent of the current housing stock in New London County consists of single-family homes. Nearly all of the multiple-dwellings of five or more units are concentrated in just three New London County municipalities – Groton, New London and Norwich.³¹⁹

The housing shortage continues to intensify. While nearly 7,000 housing permits were approved in New London County from 2000 to 2006, not enough of the increase consists of multi-family rental or affordable owner-occupied units.³²⁰ In 2007, only 14 percent of the permits issued were for multi-family projects of five units or more. That trend exacerbates the imbalance between single-family homes and multiple-dwelling units. And many of the multi-family units built were age-restricted or high-end condos, neither of which meets the needs of working families³²¹

The fragmentation of local government has played a major role in limiting the region’s ability to address the issue of affordable housing. Residential development is perceived to generate local taxpayer costs; therefore making municipalities reluctant to contribute to a regional solution.

³¹⁴ HOMEConnecticut, Research, Foxwoods, Mohegan reports.

³¹⁵ Interviews with housing officials in Norwich, Montville as well as students.

³¹⁶ Southeastern Connecticut Housing Alliance.

³¹⁷ Ibid.

³¹⁸ Affordability in Connecticut, 2007, HOMEConnecticut.

³¹⁹ Ibid.

³²⁰ Southeastern Connecticut Housing Alliance, FY 2007 Annual Report.

³²¹ Connecticut Department of Community and Economic Development.

The result is that municipalities, in order to reduce tax burdens, have adopted zoning plans that encourage bigger single-family homes on larger lots. This disconnect only continues to accelerate the housing crisis.³²²

The Southeastern Connecticut Housing Alliance (“SECHA”) noted that “regional planning is advisory in nature.” The council said that regional planning is superseded by local boards and commissions. As with other statewide and regional challenges, “our local governments are therefore uninvolved at best and at worst regularly at odds with state and regional public policy needs.”³²³

North Stonington, a town with few affordable-housing units, rejected a 408-unit rental project in 2007. The developer challenged the decision with a lawsuit. Another project was killed in East Lyme.

At a minimum, a regional structure needs to be put in place with the authority to influence the local regulatory process, according to SECHA. A number of affordable housing projects in New London County have been put on hold due to difficult economic conditions. As many as 1,700 units had made it to the drawing boards, but only 200 to 300 are expected to be built over the next few years.³²⁴

A review of the IRS Migration database shows that more and more New London County residents are moving to other Connecticut counties, such as Windham and Tolland, where housing costs are lower. And residents of counties with higher housing costs than New London County are relocating to New London County.

From 2004 to 2007, net income loss sustained for New London County due to residents moving to Windham County, where housing costs are considerably less expensive, was more than \$9 million. Conversely, the net gain for New London County from Fairfield County residents was nearly \$21 million. Housing costs in Fairfield County are more than double that of New London County.

SECHA is optimistic about a targeted housing-assistance program it is developing for Mohegan Sun. The program will involve the casino providing financial incentives for workers to purchase homes. Classes are expected to be offered to employees that will focus on home ownership. SECHA is hopeful that other area employers will participate in similar programs.³²⁵

Another positive development is a state program that offers grants to municipalities for technical assistance and planning to determine if there is a need for mixed-income housing. Under the program, municipalities create incentive housing zones. As of September 11, 2008, the state Office of Policy and Management approved the plans of 11 municipalities for planning grants. One of them is Ledyard, home to Foxwoods. New London also submitted an application.³²⁶

³²² Southeastern Connecticut Housing Alliance, FY 2007 Annual Report.

³²³ Ibid.

³²⁴ Southeastern Connecticut Housing Alliance.

³²⁵ Ibid.

³²⁶ HOMEConnecticut.

More than 70 percent of residents surveyed in the region would support a requirement that new housing projects set aside a percentage of their units for affordable housing. And nearly 60 percent recognize the need for more affordable owner-occupied housing and/or rental units in the region.³²⁷

Figure 117: Home Affordability by Town, 2007

	Median Sales Price	Median Income	Gap between median income and qualifying income to purchase a home*
New London County	\$255,500	\$61,008	-\$17,047
Bozrah	\$229,000	\$68,240	-\$1,986
Colchester	\$269,700	\$80,501	-\$1,749
East Lyme	\$318,000	\$81,177	-\$15,343
Franklin	\$220,950	\$75,283	\$7,435
Griswold	\$214,000	\$61,074	-\$4,721
Groton	\$270,000	\$55,368	-\$26,971
Lebanon	\$227,500	\$74,948	\$5,165
Ledyard	\$272,500	\$76,340	-\$6,738
Lisbon	\$245,000	\$66,412	-\$8,541
Lyme	\$488,500	\$89,387	-\$57,505
Montville	\$248,500	\$66,723	-\$9,264
New London	\$209,500	\$41,456	-\$23,009
North Stonington	\$277,500	\$70,812	-\$13,743
Norwich	\$209,000	\$46,907	-\$17,411
Old Lyme	\$410,000	\$83,807	-\$39,893
Preston	\$302,000	\$67,503	-\$24,290
Salem	\$335,000	\$81,975	-\$19,567
Sprague	\$162,000	\$52,148	\$1,716
Stonington	\$334,500	\$64,497	-\$36,898
Voluntown	\$213,500	\$69,867	\$4,220
Waterford	\$265,000	\$67,472	-\$13,390

*Based on an applicant having no debt, a 10 percent down payment and a 1 percent property tax rate
Source: Affordability in Connecticut, 2007, HOMEConnecticut

Housing Code Violations

The lack of affordable housing has created, in large part, a substandard housing problem in southeastern Connecticut. Area housing officials such as Vernon Vessey of Montville acknowledge they have been waging an unsuccessful battle to curb illegal conversions of single-family homes into rooming houses.³²⁸

³²⁷ Regional Plan of Conservation and Development 2007, Southeastern Connecticut Council of Governments.

³²⁷ Ibid.

³²⁸ Interviews housing officials in Norwich, New London and Montville.

Sharing of beds in shifts known as “hotbedding” is a common practice among casino workers who earn low wages.³²⁹ One shift of workers returns to a home, only to be replaced by another. The term “hotbedding” denotes that the bed, occupied on a constant basis, is always warm.

Building inspectors say the illegal conversions first started after 9/11 when, according to the Asian American Federation of New York, nearly a quarter of Chinatown’s 246 garment factories closed, putting nearly 8,000 Chinese Americans out of work. Many of them obtained jobs at the two Connecticut casinos, both of which were expanding.

Some continue to commute back and forth from New York, but many others stay three-to-five nights a week in the region, renting out rooms. According to Foxwoods’ Human Resources Department, more than 600 workers list a city in New York State as their residence; about two-thirds of them live in either Brooklyn or Manhattan.

The first brush with illegal conversions was in November 2001 when firefighters, responding to a small house fire, discovered 20 beds in a single-family house in Norwich. Makeshift screens separated mattresses lying on bare wood floors.³³⁰

State building codes require a means of egress that “provides a continuous, unobstructed and undiminished path of exit travel from any occupied point in a building or structure” to allow for an emergency escape and rescue. Windows are supposed to be in each bedroom. Inspectors routinely discover code violations in homes illegally converted into boarding facilities.

Vessey, the Montville housing official, relies mostly on complaints to investigate code violations. The complaints have lessened as more and more of a neighborhood becomes saturated with illegal conversions, according to Vessey. But on December 9, 2008, Vessey received a complaint from a longtime Uncasville resident, Vincent Radzwilowicz, who suspected that no permits were taken out for renovation work on a nearby single-family home. He was right. Vessey and the town’s zoning officer inspected the home. Nothing could have prepared them for what they saw.

Workers were converting a detached two-car garage into living units. They were building two floors. Each floor had two bedrooms and a kitchen. Workers installed electrical outlets without permits; none of the bedrooms had required smoke detectors and the ceiling heights were less than those required by state law.

Any doubts as to whether this home on Ridge Road was a rooming house were dashed by a sign attached to wall that read: “Tenants do not touch the thermostat.”³³¹

Vessey then went from the garage to the house itself. He found six more bedrooms, all with locks on the doors, indicating that the bedrooms were being rent out as rooms to boarders. Another three or four bedrooms were in the basement. Like the rooms in the garage, none had smoke or carbon-monoxide detectors or proper emergency exits.

³²⁹ Norwich Fourth Program Year Action Plan, US Department of Housing and Urban Development Consolidated Plan for 2009, Page 3.

³³⁰ Penelope Overton and Kimberly Moy, “From New York to Norwich: A Migration Spurred By Casino Growth and 9/11,” Hartford Courant, March 16, 2003.

³³¹ Interview December 9, Montville Building Official Vernon Vessey.

Public officials such as Vessey fear that it is just a matter of time before a loss of life occurs. “Here is a 1,800-square-foot home with as many as 10 bedrooms, and another two that were on the way,” he noted. “If a fire broke out, it would be difficult for people to get out alive.”

Radzwilowicz, a 45-year resident of Uncasville, said his neighborhood has undergone a significant change. “You see people going in and out of homes all day and night. It is just not right. People are being warehoused.”

Two days after the inspection, the landlord was ordered by Vessey to develop “a plan of compliance to abate” the violations.

A day earlier, Norwich housing officials inspected a single-family home on West Thames Street after a health inspector relayed his concerns to city officials as he reviewed an application for a new septic system, which is affected by the number of bedrooms. The inspector noticed that the landlord carved up the house to add a number of bedrooms.³³²

Building officials found six bedrooms on the first floor and an attempt to add another two in the basement. Dining and living rooms were divided into several small bedrooms. All of the renovation work, including electrical, was done without permits. A heating technician told city housing officials that with the new rooms constructed, he believed there would not be enough airflow in the basement to allow the furnace to function properly. Carbon monoxide could build up. Inspectors report that the tenants were all casino workers.³³³

Inspectors found another illegal conversion at home near the one they had just cited. The same landlord owned this home as well.

As the inspectors left, the owner of the dwelling complained that she wasn’t the only landlord operating rooming houses. She noted that the neighborhood is full of them.³³⁴

Landlords in Montville and Norwich, cited by housing officials in the two cases we reported, restored their properties to single-family homes, taking down walls and removing beds, according to building officials in both communities. But the issue, public officials acknowledge, is how long will it be before the homeowners illegally convert the homes again?

Holly Hill Drive in Montville is an area riddled with illegal conversions.³³⁵ Six years ago, a fire destroyed a home on the 100 block of the street. The owner had already installed several cubicles in the basement and was ripping up old carpeting when a torch ignited glue from the old carpeting. The one-story home was quickly enveloped in flames. Two occupants were slightly injured.

Other cases include:

- A home on Holly Hill Drive that was damaged by a stove fire. The fire marshal found four bedrooms and a bathroom that were built in a basement without permits.³³⁶
- A three-bedroom home on Leffingwell Road in Montville that experienced a furnace backfire. Officials discovered four bedrooms in a basement without permits. A

³³² Norwich housing officials.

³³³ Ibid.

³³⁴ Ibid.

³³⁵ Montville housing officials.

³³⁶ Montville building officials.

breezeway was converted to a sleeping room, and the living room was divided into two rooms for sleeping as well. Some of the sleeping rooms had three or more beds in them without any smoke detectors or rescue openings.³³⁷ Twenty tenants were in the house; most of them were casino workers. Only one spoke English. She explained that the tenants rented sleeping space from the owner, who lived out of state.³³⁸

- A one-bedroom apartment in Norwich was discovered in June 2008 to have five students from the Ukraine living in it. It was condemned for electrical code violations. The students, casino workers, were brought here on visas. They were relocated at city expense into a new apartment.

One of the more bizarre cases of hotbedding occurred in late 2001, when a tenant complained to Montville Fire Marshal Ray Occhialini that he could not get enough bathroom time and, when he did, there was no running water. Occhialini found 15 people sleeping on towels sprawled across a hardwood floor. Through an interpreter, Occhialini discovered that the tenants worked at the casino, paid rent and sent back most of their wages to relatives living in New York City. Coincidentally, it turned out to be the same house that Vessey cited in December 2008. The owner was different; the problem the same.

The Norwich Department of Planning and Development has resorted to putting staff on overtime to investigate code violations. Building officials work roughly 60 hours a week. In FY 2006, the year the blight officer was hired, the number of code violations more than doubled to 1,170. Zoning complaints increased from 137 to 503 from 2002 to 2006.³³⁹ City officials attribute most of those increases to illegal rooming-house conversions.³⁴⁰

John Wong, president of New London County's Chinese American Cultural Association, said the unsafe housing problem is much worse than officials think. Wong believes that at least three-quarters of the homes in the Holly Hill Drive area in Montville are rooming houses. "They have no idea how serious a problem this is," Wong said. "What we need to do is provide affordable housing for these casino workers."

There has also been some evidence of hotbedding and illegal conversions in New London. The Fire Marshal's office reported that a casino dealer illegally converted a number of apartment buildings into rooming houses. He then recruited casino workers as tenants. The city had to ask the state's Housing Prosecutor to file charges against the landlord.

Housing inspectors and fire marshals acknowledge that their record-keeping is not as meticulous as it should be. Inspectors say they do not inquire as to the employment status of the tenants. Often, they will simply demand that code violations be corrected. And if the landlord quickly does so, there sometimes is little, if any, description kept of the violations. For everyone they document, 10 go undocumented.³⁴¹

³³⁷ Ibid.

³³⁸ Interview with Montville housing officials.

³³⁹ Norwich city budget.

³⁴⁰ Ibid.

³⁴¹ Interview with area housing officials.

Norwich housing inspectors say they come across at least a half-dozen homes per month that have been improperly converted into illegal rooming houses. Montville inspectors put the figure there at least one a month. They often see tenants in casino uniforms.

Housing officials say landlords are getting smarter at beating the system. An increasing number disguise their renovations as storage rooms, music rooms or sewing rooms when, in fact, they are bedrooms. That way, they get around the requirement that smoke and carbon monoxide detectors be installed along with windows.³⁴²

Building official Vessey noted that the building code does not contain any regulations for determining the use of a room. He may have no choice but to approve plans for a Holly Hill home in which basement renovations call for four rooms and two bathrooms. “I think it is a pretty solid bet that some of those rooms will become bedrooms, but that is not what the plans say right now,” Vessey said.

Under current law, building officials such as Vessey must receive a complaint or have first-hand knowledge of a violation before inspecting a single-family home.³⁴³ Judith Decine, the state’s housing prosecutor, said she looks forward to the day when the state’s Housing Code is amended to allow housing inspectors to investigate suspicions of overcrowding without a formal complaint.

A housing task force recently completed a study that recommends the change when an absentee landlord owns the home. “This is something that is really needed to address the problem of overcrowding in these homes,” Decine said. “Now there is lack of authority that prevents an official from trying to avert a tragedy.”

With so many people living in single-family dwellings, local officials fear a significant census undercount, which will affect the receipt of federal and state aid.³⁴⁴

Norwich officials pointed out, “Many of the new residents have limited English language proficiency and engage in living practices that violate local zoning ordinances, making it likely that households would underreport the number of residents.”³⁴⁵

The Census Bureau’s American Community survey, released on December 9, 2008, reflects a near tripling of the number of Asians living in Norwich, but the estimate of 2,038 is still very low, according to city officials.

New London County Migration Patterns

The two Indian casinos have ignited an unprecedented movement into New London County from nearby Washington County, RI, as well as from Brooklyn, Manhattan and the Bronx in New York City.³⁴⁶

³⁴² Interview with area housing inspectors.

³⁴³ Ibid.

³⁴⁴ Norwich planning officials.

³⁴⁵ Norwich Fourth Program Year Action Plan, US Department of Housing and Urban Devekopment Consolidated Plan for 2009, Page 3.

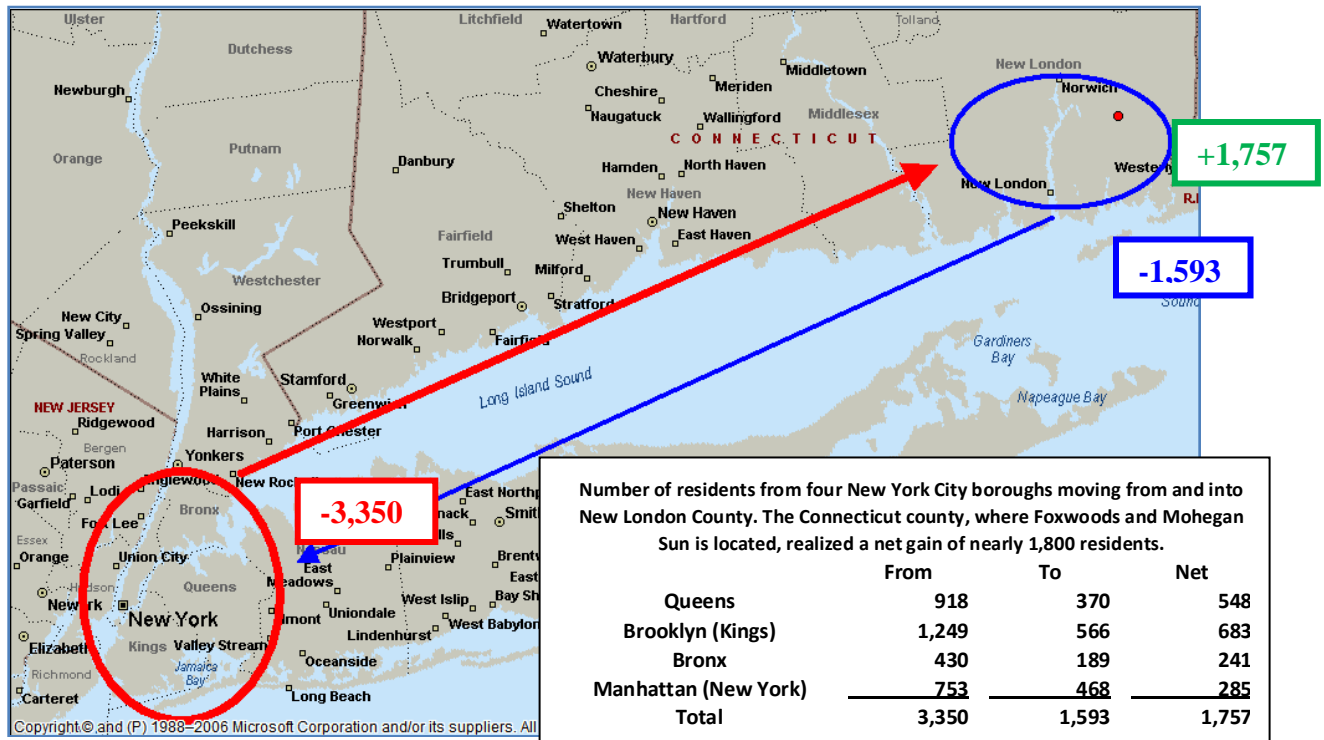
³⁴⁶ Internal Revenue Service Migration Database.

As explained in a previous section of the report, the Internal Revenue Service migration database tracks income tax returns of taxpayers who move from one county into another. It shows that as Foxwoods and Mohegan Sun continued to expand, more and more taxpayers from Washington County, New York City, Atlantic County, NJ, and Clark County, NV (where Las Vegas is located), moved into New London County. The database does not indicate into which cities within New London County taxpayers moved to or whether they came to seek casino employment. But with the two casinos creating more than 20,000 jobs, it would seem likely that many of them came to work there. Prior to casinos, there was only a trickle of New York City natives moving into New London County. In fact, in the seven years prior to the opening of Foxwoods, more New London County residents moved to New York City than did New York City residents move to New London County.

That all changed once the casinos opened, and the migration accelerated in recent years as Manhattan's Chinatown sustained massive job losses in tourism and the garment industry after 9/11. In 2003, for example, 130 Manhattan residents moved into New London County; only 19 New London County taxpayers moved into Manhattan. The net gain in migration of 111 resulted in a net gain in income for New London County of \$2.5 million. The net gain in income for all New York City residents moving into New London County in 2003 was nearly \$7 million. And two years later, the net income gain was up five-fold to \$35 million.

The map below gives a clear picture of the New York City-New London connection from 2003 through 2007. During that period of time, the net gain in income for New London County was roughly \$40 million.

Figure 118: New York City-New London County Connection



According to the Census Bureau, more than 9,000 people of Asian descent now live in New London County, an increase of nearly 100 percent in just five years. About a third of the Asians are of Chinese descent.³⁴⁷ In March 2003, the *Hartford Courant* called Norwich, New London County’s largest city, Connecticut’s “new Chinatown.” Nearly 3,000 Chinese reside in Norwich, a city within easy commuting distance of both casinos.

The migration database figures do not include those casino employees who commute from New York City to work at the casinos or those who stay during the work week in New London County and return home to New York on their days off.

Many of the employees of Chinese descent at Mohegan Sun were hired through an employee-referral program, which paid a \$500 bonus for each new hire. According to Mohegan Sun officials, one employee earned \$25,000 in bonuses.³⁴⁸

The migration from nearby Washington County, RI, is even more striking. The Rhode Island County has become the largest exporter of taxpayers into New London County. In 2004, 300 more taxpayers moved in than moved out. As would be expected, there has always been a lot of movement back and forth between the two neighboring counties; Washington County is just to the east of the two casinos.

In the case of Washington County, it wasn’t until 2001 that it became a net exporter of taxpayers.³⁴⁹ In that year, 568 people moved in; only 137 moved out of New London County into

³⁴⁷ American Community Survey, US Census Bureau, December 9, 2008.

³⁴⁸ New London Day, February 10, 2002.

Washington County. The net annual gain in income to New London County was nearly \$2 million. The trend has continued year after year.

In 2006, 563 Washington County residents moved into New London, bringing with them annual income of nearly \$16 million. In 2007, 551 Washington County residents moved in, bringing with them annual income of nearly \$19 million.³⁵⁰

Our analysis of the database shows that most of the movement into New London County was from within Connecticut itself. The average yearly migration of households into New London County during the past 12 years has been roughly 6,500, or 13,000 people. The top three origin counties were Hartford, Windham and Middlesex, all in Connecticut and all bordering New London County.

The data also shows a link to Atlantic County, NJ, home to Atlantic City and its 11 casinos. From 1995 to 2007, 256 households, or 490 people, moved from Atlantic County into New London County. It is likely that many of those people worked in the casino industry in Atlantic City. The IRS database shows that there was little, if any movement, from Atlantic County to southeastern Connecticut prior to the opening of Foxwoods and Mohegan Sun.

The number of Atlantic County residents moving into New London County represents a small percentage of the overall casino workforce at Foxwoods and Mohegan Sun. But executives at both casinos acknowledged that many high-level employees were hired from Atlantic City casinos. Indeed, both CEOs of the Connecticut casinos worked at one time in Atlantic City. So, too, did the former chief financial officer for Foxwoods.

The following table shows the top five net exporters of taxpayers (tax returns with exemptions) into New London County in 2006.

Figure 119: Top Five County Exporters of Taxpayers into New London County, 2006

State	County	Number of taxpayers moving in	Number of taxpayers moving out	Aggregate gross income of those moving in	Aggregate gross income of those moving out*	Net change in number of taxpayers	Net change in aggregate income*
RI	Washington	563	402	\$16.00	\$10.00	161	\$6.00
CT	Hartford	722	603	\$26.00	\$20.00	119	\$6.00
NY	Queens	168	104	\$3.70	\$1.90	64	\$1.80
NY	Brooklyn	211	148	\$9.60	\$6.90	63	\$2.70
CT	Middlesex	551	505	\$18.80	\$39.60	46	(\$20.80)

Source: IRS Migration database; * in \$ millions

Public School Districts

Norwich

Norwich Public Schools, a district with 3,992 students, experienced a 1.3 percent enrollment decline from 2003 to 2008.³⁵¹ Despite the decrease, a dramatic shift in demographics

³⁴⁹ IRS Migration database.

³⁵⁰ Ibid.

related to casino development created severe problems for the district, according to Schools Superintendent Pamela Aubin.

It spends close to \$2 million each year to operate an English for Speakers of Other Language program (“ESOL”), that became necessary after the casinos opened. There have been a number of one-time capital expenditures over the years, such as a \$330,000 purchase in 2005 of a special software program for bilingual education, an expense that is not included in the impacts identified in the chart below.

Figure 120: Norwich 2008-09 Financial Impact of English for Speakers of Other Languages

Positions	Annual Salaries
Bilingual/ESOL Director	\$88,745
Certified ESOL/Bilingual Staff (5)	\$269,079
ESOL/Bilingual Para-Educators (11)	\$326,419
Transportation to 5 ESOL/Bilingual Centers	\$230,000
Title I TIP Remedial Teachers (8)*	\$207,585
Para Educators (10)*	\$140,423
Literacy coaches (5)**	\$37,679
Translations and printing	\$28,000
Preschool liaison/teachers/para-Educators***	\$94,459
Transportation costs	\$500,000
Translations and printing	\$28,000
Instructional materials	\$50,000
TOTAL	\$1,781,092

Source: Norwich Board of Education

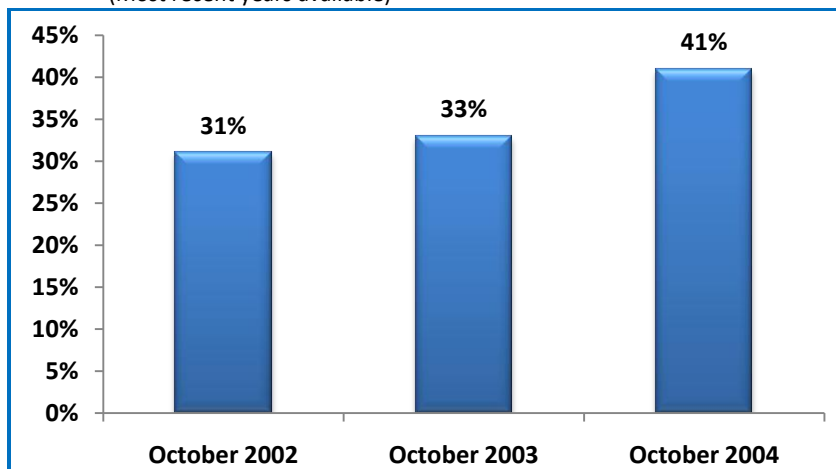
*Represents 50 percent of the cost. TIP teachers work with students with reading issues due to weak vocabulary.

**Represents 10 percent of the cost.

***Represents 20 percent of the cost

Figure 121: Norwich Percentage of Preschool ESOL Students

(Most recent years available)



Source: Norwich Board of Education

³⁵¹ Connecticut State Department of Education, “Strategic School Profiles District Data Table 2007-08,” http://www.csde.state.ct.us/public/cedar/profiles/ssp_data.htm, (accessed on May 16, 2009).

The dramatic increases in ESOL students occurred after casinos were unable to fill positions with area residents. They recruited non-English speaking workers from New York City and Boston as well as from other countries in late 2001.³⁵²

ESOL students are sometimes referred to as English Language Learner (“ELL”) students. Such students are not proficient enough in English language to be educated in English-language classrooms. The students come from Haiti, Peru, the Dominican Republic and Eastern Europe. In addition, many students speak only Chinese.³⁵³

In the 2007-2008 school year, 289 students, or more than 7 percent of the enrollment, were Asian-Americans. That is four times the figure from the 1993-1994 school year.³⁵⁴ In 1999, the district had just 40 ESOL students and one teacher. In the 2007-2008, it had 380 such students who spoke at least 26 different languages. As of October 1, 2008, the four largest language groups were Spanish, Chinese (including Mandarin and Cantonese), Haitian Creole and Cape Verdean Creole.³⁵⁵

In the 2004-2005 school year, Norwich was one of 16 districts with more than 250 ESOL students. Three years later, the number increased by 35 percent. Only two other districts, Meriden at 41 percent and Windham at 36 percent, had higher increases during that three-year period. Statewide, the increase was 7 percent.³⁵⁶

It is possible, according to School Board President Charles Jasckiewicz, that the demographics of Norwich would have changed, but never to the extent that it did had the Indian casinos not come to the region. “The immigrants and non-speaking English workers would have had no reason to come here,” he said.

State law requires a district to operate a bilingual program when 20 students or more in a school speak the same non-English language. The Norwich district offers two such programs – one in Spanish and one in Haitian Creole. It may soon have to offer one in Chinese as well.

The district succeeds in making a number of students proficient in English, only to have them replaced by a set of new non-English speaking students, according to Aubin.

Only 54 percent of the district’s ESOL students in grades three through eight were proficient in math; 36 percent in reading for the 2007-2008 school year.³⁵⁷ Overall, the percent of eighth-grade students scoring above the state goal for reading fell from 58 to 48 percent and in writing from 47 to 42 percent (2005-2006 to 2007-2008).

The large number of ESOL students has put a “strain” on the resources of teachers, according to Superintendent Aubin.

³⁵² Interview with casino executives, April 2008.

³⁵³ Ibid.

³⁵⁴ Connecticut Department of Education.

³⁵⁵ Interview with Norwich school officials, June 2008.

³⁵⁶ Connecticut State Department of Education, “*Connecticut’s English Language Learners*,” <http://www.csde.state.ct.us/public/cedar/cedar/ell/index.htm>, (accessed on May 16, 2009).

³⁵⁷ Connecticut Department of Education, No Child Left Behind Report, 2007-2008.

Figure 122: Languages Spoken by Norwich Students (2007-2008 School Year)

Language	Total No. students w/ dominant language	Number of ESOL students	Language	Total No. students w/ dominant language	Number of ESOL students
Albanian	6	1	Hindi	2	2
Arabic	2	1	Japanese	1	1
Bangla	9	6	Khmer (Cambodian)	4	0
Bengali	4	2	Korean	1	1
Bulgarian	2	0	Lao	5	3
Cantonese	10	3	Pilipino (Fillpino)	6	3
Cebuano	1	1	Polish	4	1
Chinese	79	30	Panapean	2	2
Creole-Cape Verdean	14	7	Portuguese	19	7
Creole-Haitian	143	76	Russian	1	1
Creole-Jaotoam	2	0	Spanish	358	154
English	3,366	0	Tagalog	3	1
French	14	7	Telugu	1	0
German	1	0	Thai	2	2
Greek	1	0	Urdu	6	3
Gujarati	14	11	Vietnamese	17	5

Source: Norwich Board of Education

As of August 2008, nearly 6,000 part-time and full-time casino workers lived in Norwich, three times more than the city, Montville, with the next highest number of workers.³⁵⁸ The reason, according to Norwich officials, is because the town’s zoning results in it accommodating much of the housing demand in New London County. It is also located near Foxwoods and even closer to Mohegan Sun as some neighborhoods are within walking distance.

The state is required to determine annually if districts are making adequate yearly progress (“AYP”) toward reaching the goal of having 100 percent of its student population scoring at or above state-mandated goals by 2014.

Norwich has failed to do so, prompting the state Department of Education to label it as one of 15 “priority school” districts. That means Norwich is a district with the “greatest academic need” to improve student performance.³⁵⁹

Sixty-three Norwich students, or 1.6 percent, were homeless in the 2007-2008 school year. The figure for schools within its “H” District Reference Group (“DRG”) is just 0.2 percent. Fifty-five percent of Norwich students were eligible for free or reduced-price meals, compared to 42 percent for the “H” DRG group and 29 percent for the state.³⁶⁰

³⁵⁸ Mohegan Sun, Foxwoods officials.

³⁵⁹ Connecticut State Department of Education, “Priority School Program,” <http://www.sde.ct.gov/sde/cwp/view.asp?a=2618&q=321612&sdePNavCtr=#45478>, (accessed on May 16, 2009).

³⁶⁰ Connecticut State Department of Education, “Strategic School Profile, 2007-2008, Norwich School District,” Page 1.

The following two tables illustrate the performance of Norwich students before and well after the introduction of casino gambling. Note that the percentage of students exceeding the state average was high in 1993-94, when Foxwoods was beginning casino operations while it was much below state averages after both casinos were established.

Figure 123: Norwich 1993-94 Student Performances for Grades 4, 6 and 8

	Norwich	State
GRADE 4		
Reading	51%	45%
Writing	43%	32%
Math	66%	53%
GRADE 6		
Reading	63%	58%
Writing	47%	38%
Math	47%	45%
GRADE 8		
Reading	61%	59%
Writing	43%	32%
Math	46%	46%

Source: Connecticut Department of Education, State Mastery Test, Percent Meeting State Goal, Second Generation Test, School Profile, 1993-1994

The following table includes Ansonia, a district that is also a “priority district” and is in the same District Factor Group, H, as Norwich.

Figure 124: Norwich, Ansonia 2007-2008 Student Performance for Grades 4, 6 and 8

	Norwich	State	Ansonia
GRADE 4			
Reading	42%	57%	42%
Writing	40%	63%	61%
Math	38%	56%	54%
GRADE 6			
Reading	48%	66%	50%
Writing	47%	62%	53%
Math	44%	67%	54%
GRADE 8			
Reading	48%	65%	50%
Writing	42%	63%	45%
Math	49%	61%	49%

Source: Connecticut Department of Education, State Mastery Test, Percent Meeting State Goal, Fourth Generation Test, School Profile, 2006-2007

The Norwich Board of Education has had to expend enormous resources to operate programs for non-English speaking students, according to Aubin, and some of that effort comes at the expense of other programs. The City Manager’s office trimmed the district’s proposed

school budgets from 1999-2000 to 2008-2009 by more than \$10 million. Despite the cuts, the budget increased by nearly 40 percent during that time period to \$64.2 million.³⁶¹

The district closed an elementary school, eliminated a full-day kindergarten program and shut down after-school activities. Nurses, a guidance counselor and several custodians were laid off. Central office hours have been reduced by nearly eight hours a week. Twenty-year old textbooks go unreplaced. Yet the education budget consumes 63 percent of the tax dollars in Norwich, compared to 53 percent the year before casinos opened.³⁶² Aubin is concerned that needs will continue to go unmet unless the district receives additional state aid.

The district desperately needs to reinstate a full-day kindergarten program and initiate a pre-school program. To do so would cost several hundred thousand dollars, according to Aubin.

We looked at even more key state indicators, and analyzed how Norwich stacked up against the 31 districts in Connecticut with 3,000 or more students. Norwich has just fewer than 4,000 students. We discovered the following:³⁶³

- The graduation rate for the class of 2007 was just 33 percent. The second worst district was Windham with a rate of 81 percent.
- The annual 2006-2007 dropout rate for Norwich was 16 percent. Windham had the second highest rate at 5 percent.
- The percent pursuing higher education was 38 percent. The statewide average was 83 percent.
- Only 38 percent of graduates from the Class of 2007 were employed as of June 30, 2008. Naugatuck had the second lowest rate at 77 percent.

Norwich proximity to the casinos

The map below shows how close Norwich, New London County's most populated municipality, is to the two casinos. It is less than three miles from Mohegan Sun and 7.5 miles from Foxwoods. The proximity is one reason why nearly 6,000 casino workers reside in Norwich. The workers account for nearly one of five Norwich residents.³⁶⁴

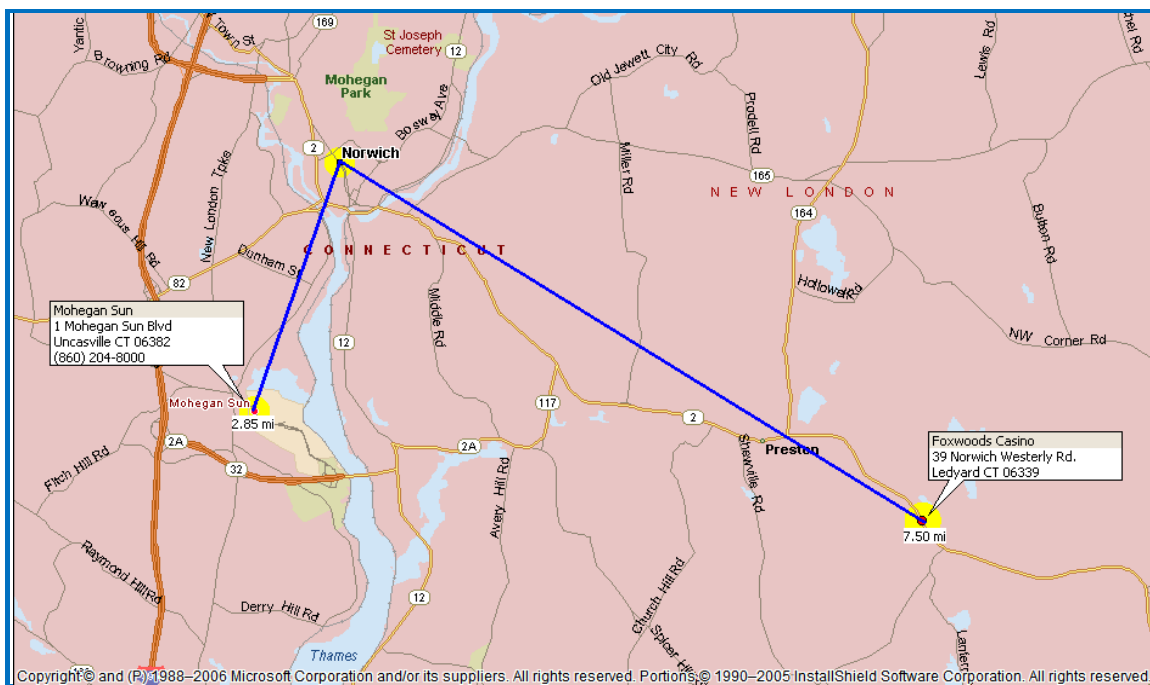
³⁶¹ Norwich Public Schools Budget, 2009.

³⁶² Norwich school budgets.

³⁶³ Connecticut State Department of Education, "Strategic School Profile Data Tables," http://www.csde.state.ct.us/public/cedar/profiles/ssp_data.htm, (accessed May 16, 2009).

³⁶⁴ Mohegan Sun, Foxwoods, Census Bureau.

Figure 125: Norwich to Foxwoods, Mohegan Sun



Norwich Free Academy (Norwich’s Public High School)

The privately endowed Norwich Free Academy (“NFA”) accepts public school students from Norwich, Canterbury, Bozrah, Voluntown, Sprague, Lisbon, Franklin and Preston. The districts pay tuition to NFA. The academy is recognized by the state as a public school. The US Department of Education named it a National Blue Ribbon School of Excellence in 2001.³⁶⁵

The high school has sustained its own set of casino impacts.

James Landherr, the school’s director of curriculum and development, has been with the district for 15 years. He estimates the cost of casino-related impacts at nearly \$600,000 a year.

Like Norwich, the NFA has had to cope with a significant increase in ESOL students. There were nearly 200 such students in the 2008-2009 school year, compared to just 30 in 1993-1994, when students spoke three languages. Today, they speak 30 languages. The academy spends \$100,000 for an ESOL director, \$350,000 for five full-time teachers and \$120,000 for four tutors. In addition, it spends money for translation and extra training.³⁶⁶

Landherr said most, but not all, of the Spanish-, Haitian Creole- and Chinese-speaking students are children of casino workers. The experience at NFA is similar to that of the Norwich School District: ESOL students become proficient in English and then new learners replace those that have become proficient. “It is like a revolving door,” Landherr said.

³⁶⁵ Interview with Norwich Free Academy officials, August 22, 2008.

³⁶⁶ Ibid.

Landherr said that there's a great deal of stress involved on staff in dealing with the large number of ESOL students.

Montville

School Superintendent David Erwin said the district has experienced a significant influx of Chinese-speaking students, forcing it to hire two full-time employees to develop an ESOL program. The district had just 54 Asian-American students in the 1993-1994 school year. In the 2006-2007 school year, it had 183.

Erwin said that the district spends \$3,000 to \$5,000 a year to translate documents into Chinese. Recently, he noted the state sent a letter for distribution explaining the Husky Insurance program for children of indigent parents. "It came in English and Spanish," he noted. "I sent it back asking them to pay for the brochures to be translated into Chinese."

Erwin said the cost of the ESOL program is more than \$300,000. The only aid the district receives is an \$18,000 state grant.

The number of students eligible for free or reduced price meals has increased from less than 1 percent in the 1993-1994 school year to nearly 6 percent in the 2006-2007 school year.

Test scores in Montville have dropped in recent years. In 2006, the percentage of students that tested at or above the goal for eighth grade mathematics was 68 percent. In 2008, it dropped to just 50 percent. Reading dropped from 75 to 55 percent, and writing from 68 percent to 55 percent.³⁶⁷

Ledyard

The school district has also experienced a significant increase in the number of ESOL students, particularly Chinese students. The number of Asian-American students nearly tripled since 1993, to 149.³⁶⁸

In addition, the number of Native American students living on the reservation of the Mashantuckets since 1993 has increased by more than one-third. The district is obligated to provide an education to these students without the benefit of property-tax revenue because Foxwoods is on an Indian reservation in Ledyard that is on sovereign land.³⁶⁹

While Schools Superintendent Michael Graner said it is not clear just how many American-Indian students would be enrolled in the district if Foxwoods had never been built, he noted that some of the increase is due to the presence of the casino.

Ledyard receives some federal and state aid for both ESOL teachers and for the Native American students living on the reservation, but Superintendent Graner estimated the shortfall to be nearly \$200,000 a year. In addition to a full-time coordinator, Graner said that the district hired two para-professionals.

³⁶⁷ Montville School Officials.

³⁶⁸ Ibid.

³⁶⁹ Interview with Ledyard Schools Superintendent Michael Graner, July 2008.

Graner noted that the impact is not as severe as in other area districts, largely because Ledyard is a single-family housing community with few rental units.

New London

New London Public Schools operates a 3,000-student school district. The two Indian casinos have impacted the district, but not to the extent of other districts such as Montville and Norwich. School officials said the district is far enough away (12 to 15 miles) from the casinos that many workers elect not to reside in New London as it is difficult to get to the casinos from New London using public transit.³⁷⁰ Yet about 10 percent of the students have parents who work at one of the two casinos.

The district has had to hire additional ESOL teachers and para-professionals, but administrators say it would be unfair to attribute all of those hires to the casinos. Some of the demographic changes in New London would probably have occurred without the presence of the casinos, administrators said.³⁷¹

Like Montville and Norwich, New London has experienced a significant decline in test scores. Two years ago, 34 percent of students met the state goal for reading. The figure dropped to just 21 percent in the latest report. Writing fell from 40 percent to 26 percent.³⁷²

Adult Education, English for Speakers of Other Languages

The presence of the casinos has directly affected adult education programs in southeastern Connecticut. In Norwich, for example, the adult education budget is \$1.2 million. Half of it is dedicated to ESOL courses.³⁷³

In 2007, more than 600 adults from Norwich and surrounding communities attended ESOL classes. Nearly 500 of the 600 were casino workers. And the figure would have been much higher if spouses were included.³⁷⁴ Most of the ESOL students speak little, if any, English. Some of the immigrant students have never been inside a classroom.

On August 26, 2008, it took five hours for program administrators to enroll 240 adults in the ESOL program that ran from September to December 2008. Scores of non-English speaking adults attempted to enroll after that date. They were told to come back in December when the next registration took place.³⁷⁵

“The good news is that a lot of folks are trying to get help,” said Mary Berry, director of Adult Education for Norwich. “The bad news is that we can’t help all of them.”

Fifty-five percent of the adults are of Asian descent (predominantly Chinese), 30 percent of Haitian descent and 10 percent of Hispanic descent.

³⁷⁰ Interview with New London school officials, August 11, 2008.

³⁷¹ Ibid.

³⁷² Connecticut State Mastery Test.

³⁷³ Mary Berry, Norwich Adult Education Director.

³⁷⁴ Connecticut Department of Education.

³⁷⁵ Mary Berry, Norwich Adult Education Director.

The 2007-2008 ESOL adult enrollment represents a fourfold increase in just 10 years. In fact, demand is so high that some students resorted to allowing friends or family members to split classes with them, Director Berry acknowledged. Controls have been imposed to prevent that from happening, she said. “It’s pretty pathetic that they want in so bad that they are willing to pretend to be someone else,” she said.

Casinos took special steps of their own to help their non-English speaking employees learn English. Foxwoods, for example, held classes in 2006 after it found that 400 non-native janitors hardly knew enough English to give their name and what department they worked in.³⁷⁶

Both Mohegan Sun and Foxwoods use the Norwich Adult Education program to tailor classes for their employees to learn enough English to communicate with other workers and casino patrons. The 10-week classes are not designed to make workers fluent in that period of time. But some students go on to take the full six-month ESOL program.

The Board of Education dedicated the Buckingham School for adult education. Adult students come four days a week, four hours a day for six months, hoping eventually to move up to the advanced level. For some, it can take years before they are proficient in English.³⁷⁷ It is a slow process, but these ESOL students acknowledged to us that they recognize they must master the English language if they are to function well in the US. We sat in on a class in August 2008.

Jean Lagueue, a lifelong Haitian resident whose native language is Creole, works as a slot attendant. He is pleased with his progress. It’s a matter of repetition, he said through an interpreter. The more you come to classes, the quicker you pick up the language, he said. He knows enough now to at least communicate with customers and colleagues.

Norwich Adult Education accepts students from Bozrah, East Lyme, Franklin, Griswold, Groton, Ledyard, Lisbon, North Stonington, Preston, Salem, Sprague, Stonington and Voluntown. Classes are held seven times a week during the day and four times a week at night. In 1996, the program offered one daytime class.³⁷⁸

The New London school district’s regional adult education program has also been impacted by the presence of casinos.³⁷⁹ The district serves Montville, Lyme, Old Lyme and Waterford.

More than 60 percent of its ESOL classes are filled with casino workers. The largest segment of adult students is Hispanic, followed by Haitians and then Asians. In the 2007-2008 school year, enrollment was 491. The following year, the figure is nearly 600.³⁸⁰

³⁷⁶ Ibid.

³⁷⁷ Observation of a class in Norwich, Aug. 16, 2008.

³⁷⁸ Interview with Norwich Adult Education officials.

³⁷⁹ Interview with New London Adult Education officials.

³⁸⁰ Ibid.

Municipalities

Groton Town

Groton Town officials said it is difficult to quantify casino impacts.³⁸¹ Town Manager Mark Oefinger said there have been occasional casino-related burglaries and robberies. There has been a noticeable increase in traffic along Route 117 and Route 184, but state government maintains those roads, not the Town of Groton, he noted.

There also has been a noticeable increase in traffic accidents and calls for service, but no one can say with certainty that the presence of the casinos is the reason why.³⁸²

Oefinger explained that Groton may be better suited than others to deal with casino impacts because it is the home to Pfizer and Electric Boat, companies that together employed more than 30,000 workers at one time. “We are used to dealing with a transient population,” he said.

Ledyard

Foxwoods is located in Ledyard. After the Mashantucket Pequot Tribal Nation won federal recognition, the Tribe began purchasing land within the boundary of its reservation. Its massive casino complex and parking garages were built within those boundaries.

The problem for Ledyard is that as the land was placed onto the reservation, it fell off the local property tax rolls. The town estimated that its loss of property tax revenue in 2008 was more than \$2 million. The figure was arrived at by computing land values. No value was assigned for the casino buildings themselves.³⁸³

According to Ledyard Tax Assessor Paul Hopkins, the Tribe goes through a process called “annexation.” It files an application with the US Department of the Interior to place the land into trust once it purchases the property. Hopkins said the town is not even made aware of the application. It finds out if, and when, the application is approved.

As of May 2009, the US Department of the Interior had placed 1,662 acres into trust for the Mashantucket Pequot Tribal Nation, land that was all within the reservation boundaries. The last annexation was in 2005. It involved 181 acres. The state, recognizing the loss of local tax revenue, compensates Ledyard for any land annexed after June 8, 1999. Much of the annexation, however, occurred prior to that date.³⁸⁴

Meanwhile, the US Supreme Court ruled on February 24, 2009, that that the Department of the Interior cannot put lands into trust for Indian tribes that were federally recognized after 1934.³⁸⁵

³⁸¹ Interview with Town Manager Mark Oefinger, July 22, 2008.

³⁸² Ibid.

³⁸³ Interview with Ledyard Tax Assessor Paul Hopkins, June 25, 2008.

³⁸⁴ Ibid.

³⁸⁵ US Supreme Court, *Governor of Rhode Island v Secretary of the Interior*, No. 07-526, Decided February 24, 2009.

Connecticut Attorney General Richard Blumenthal said in a press release that the ruling will prevent tribes such as the Mashantucket Pequots, recognized in 1983, and the Mohegans, recognized in 1994, from annexing more land “outside their settlement areas” in the future. Blumenthal noted that the decision “leaves intact the existing reservations, because both were created by acts of Congress.”³⁸⁶

Blumenthal’s press release was referring to the lengthy legal battle waged by Ledyard, North Stonington and Preston to stop the Mashantuckets from annexing land outside its reservation boundary for a golf course.

It is unclear whether the decision would prevent the Mashantucket Pequot Tribal Nation from continuing to annex land within its reservation boundaries. Congress is under pressure to pass a new law that would, in effect, nullify the court ruling. Hopkins said in an interview on May 8, 2009, that Ledyard’s lawyers are reviewing the decision to determine its impact.

Officials in Ledyard, North Stonington and Montville spent \$1 million each in legal fees to challenge the Mashantuckets’ attempt to annex land for a golf course.³⁸⁷ After nine years of legal wrangling, the Tribe in February 2002 withdrew its application to the US Department of the Interior to take 165 acres of land on Route 2 into trust, but it noted then that it would not rule out another future effort to annex lands outside the reservation.

Ledyard is also involved in costly litigation over its ability to collect the business property tax on private vendors that operate at Foxwoods, such as restaurants and slot machine companies that lease space.

The town acknowledges that it has no right to tax the personal business property of the Mashantucket Pequots at Foxwoods. The issue concerns the private entities that lease space from Foxwoods. Most of them pay the tax under protest. At stake is another \$250,000 dollars a year.³⁸⁸

In 2009, the town expects to spend nearly \$200,000 in legal fees to argue before the court that it is entitled to collect the personal business property tax.³⁸⁹ State Attorney General Richard Blumenthal has joined the lawsuit in support of Ledyard. Mayor Fred Allyn Jr. noted that should the Tribe prevail, other taxpayers in Ledyard will have to make up the revenue loss just as other taxpayers have had to make up the loss in revenue from tribal-annexed land.

Atlantic City Coin & Slot Service Company, which leases slot machines at Foxwoods and the Mashantucket Pequot Tribal Nation, forced Ledyard to defend the assessments when they filed suit in federal court, claiming that the taxation “infringes on the tribe’s sovereignty.”

Blumenthal noted that vital state tax rights are at stake in this case - and a profoundly destructive precedent could be set.³⁹⁰

³⁸⁶ Connecticut Attorney General Press Release, February 25, 2009, <http://www.ct.gov/ag/cwp/view.asp?A=2341&Q=434588>.

³⁸⁷ New London Day, February 26, 2002.

³⁸⁸ Interview with Ledyard Tax Assessor Paul Hopkins, June 25, 2008.

³⁸⁹ Interview with Ledyard Mayor Fred Allyn, June 25, 2008.

³⁹⁰ Connecticut Attorney General, Press Release, October 12, 2006.

There is no issue in Montville as of now, as the Mohegan Tribe requires its vendors to pay the personal property tax, but Montville Tax Assessor Lucy Beit is concerned that those payments might stop if the Mashantuckets prevail in their lawsuit. At risk in Montville is more than \$300,000 a year.³⁹¹

While the Mashantucket Tribe pays no property taxes in Ledyard on land within its reservation, it makes payments on tribal land outside the reservation. In 2007, it paid more than \$1 million to Ledyard in property taxes and another \$28,000 in personal property taxes, according to Ledyard Assessor Paul Hopkins.

In April 1997, Ledyard released a report documenting Foxwoods-related financial impacts. While the Tribe contributed nearly \$20 million for improvements to state highways, Ledyard officials noted that casino-generated traffic often uses municipal roadways to avoid congestion on Routes 2 and Routes 2-A. That increased traffic has resulted in additional wear and tear on Ledyard bridges, drainage culverts and road pavements. It has also increased demands on traffic enforcement, which takes away from time local police can spend on criminal investigations.³⁹²

The 1997 Ledyard report identified \$1.3 million worth of “quantifiable” costs that included the following breakdown:

- \$180,096 for public safety and traffic
- \$191,000 for local roads and bridge improvements
- \$527,000 for anticipated future improvements
- \$81,500 for zoning enforcement and litigation
- \$36,636 for general assistance and social services
- \$27,534 for uncollected local taxes

Public Works Director Steven Masalin noted that the town expects to spend \$750,000 in 2009 to reconstruct and repave a three-mile stretch of Shewville Road. Another \$1 million dollars is expected to be spent in the next few years to improve the remainder of the road.

Close to \$400,000 will be expended to resurface Lantern Hill Road, which is often flooded as a result of a defective dam on Foxwoods property. Masalin said that the Tribe has agreed to fix the dam as well as build a new bridge on Shewville Road as long as the town turns over any state or federal grant money it receives. Masalin said the pledge from the Mashantucket Pequot Tribe is a recognition that the Tribe is willing to help the town pay for needed improvements.

In 2007, the Tribe and the town agreed to a land swap, another indication of growing cooperation. The town took over a 102-acre farm owned by the Tribe in exchange for the Tribe taking control of Indiantown Park, a 77-acre parcel. The town wants to use the farmland for a new school, business development or conservation.³⁹³

³⁹¹ Interview with Montville Tax Assessor Lucy Beit, June 25, 2008.

³⁹² Fiscal Impacts of Foxwoods Casino on the Town of Ledyard, April 1997.

³⁹³ New London Day, “*Land Swap is No-Brainer*,” May 18, 2007.

Ledyard uses a state trooper to oversee its police department. During an April 2008 interview, Resident State Trooper John Rich said the demands on his 23-person department are such that police can only be reactive as opposed to proactive.

Since 2000, the town hired four additional police officers.³⁹⁴ The police budget has nearly tripled to \$2 million since 1992, when Foxwoods opened. At that time, the town used part-time constables for police.³⁹⁵ Rich noted that many of the officers have to work overtime. Budget documents show that overtime in the FY 1992 budget totaled \$41,960. This year, the figure is expected to total more than \$220,000.

Calls for service have increased tenfold since 1992.³⁹⁶ Police say the sheer volume of people coming to the region has increased so much that the result is an increase in problems ranging from traffic accidents to drunk driving to larcenies.³⁹⁷ The force should have at least 30 officers, he maintains. Traffic accidents and DUI arrests continue to increase year after year, he explained.

Montville

Montville is home to Mohegan Sun.

One of the troubling casino-related impacts is that too many casino employees walk along congested highways without shoulders to get to work, according to Mayor Joseph Jasckiewicz. There have been three pedestrian fatalities during the 16-month period ending April 2009, and a number of injuries, according to Jasckiewicz, who wants Mohegan Sun to require its workers to put reflector-type material on their uniforms. Mohegan Sun officials say they have offered the reflective material to their workers, but many refuse to wear it. The uniforms, sometimes black, make it difficult for motorists to see the casino workers, especially at night. Often, only their feet are visible, according to Jasckiewicz.

Sergeant Michael Collins, the resident state trooper for Montville, said the biggest impact of Mohegan Sun has been a significant increase in traffic, so much so that it has been difficult for his 21-person police department to cope with the problem. Congestion is prevalent along Route 32, he said.

Collins said his department has just about doubled in size since Mohegan Sun opened in 1996, but even with the additional officers, it is still seriously understaffed.³⁹⁸ “We just can’t do the things we would like to do,” he said.

The Connecticut Police Chiefs Association, which reviewed police operations in 2008, suggested that the town evaluate “staffing levels.” It noted that the US Department of Justice recommends two police officers per 1,000 residents, which would result in 38 officers, an almost doubling of the size of the force.

³⁹⁴ Ibid.

³⁹⁵ Ledyard municipal budgets, 1991-1992, 2008-2009.

³⁹⁶ Interview with Seargent John Rich, Resident State Trooper for Ledyard.

³⁹⁷ Ibid.

³⁹⁸ Interview April 17, 2008 with Montville officials.

The department operates out of a converted state of Connecticut Toll Operations facility adjacent to Route 2A. The chiefs association called the building “significantly undersized.”³⁹⁹

In 1997, town officials estimated a yearly financial casino-related impact of nearly \$1 million as result of increased costs for police, fire protection and school spending. Much of the increased spending, according to town officials, could be attributed to the construction of the Mohegan Sun.⁴⁰⁰

On the positive side, Mayor Jackiewicz noted that the Mohegan Tribe is receptive to helping the town. It signed a compact with Montville, agreeing to pay \$500,000 a year for “additional public safety needs.”⁴⁰¹ The contribution was increased to \$750,000 in 2008.⁴⁰² Ledyard, the site of Foxwoods, receives no such contribution from the Mashantucket Pequot Tribal Nation.

The town also worked with the Mohegan Tribal Authority to develop a regional water supply program that became operational a year ago. The Tribe provided \$4 million for the project, which is expected to supply the town’s water needs for the next 20 years.⁴⁰³

North Stonington

In a 2001 study,⁴⁰⁴ local officials called casino-related impacts “overwhelming.” First Selectman Nicholas Mullane said the impacts continue to affect the town’s nearly 5,000 residents.

Extra police protection alone costs more than \$100,000, according to Mullane.⁴⁰⁵ The town’s 9-1-1 dispatching fees increased from \$10,000 in 1992 to more than \$50,000 in 2008. More than a third of the calls are casino related.

North Stonington used to have a resident state trooper and several part-time constables. The cost in 1992 was less than \$100,000. The current budget allocates nearly \$400,000 for two additional officers and a significant amount of overtime.⁴⁰⁶ More than one-third of police time is spent on patrol of access roads to the casinos, taking time away that could be directed toward resolving crime issues.

Spectrum compared accidents in North Stonington with accidents in Canterbury, a town with a population almost identical to that of North Stonington that is 23 miles away from Foxwoods. Canterbury employs part-time constables to provide for traffic control. It relies on State Police Troop D for its police protection.

³⁹⁹ Connecticut Police Chiefs Association, *Police Services Report to The Town of Montville*, 2008.

⁴⁰⁰ Casino impact on the town of Montville, March 17, 1997 (Prepared by the town).

⁴⁰¹ The Mohegan Way, March 2003, Page 2.

⁴⁰² Interview with Mohegan Sun officials, Montville Mayor Jackiewicz.

⁴⁰³ Montville annual 2007 fiscal audit.

⁴⁰⁴ Town of North Stonington, “*Casino Impacts on North Stonington*,” Amended December 2001.

⁴⁰⁵ Ibid.

⁴⁰⁶ Ibid.

In 2006, Canterbury recorded 21 injury accidents; North Stonington, 43. Canterbury had 50 total accidents that year; North Stonington, 153.⁴⁰⁷ From 2005 through 2007, State Police in Canterbury made 20 DUI arrests; North Stonington, 80.

The 50 percent increase in volunteer fire activity in North Stonington has worn out the volunteers, forcing the town to institute a financial incentive and longevity program. It hired two paid firefighters in 2003. The cost: \$140,000. Before 1992, the figure was less than \$15,000.⁴⁰⁸

The town has been forced into a partially paid ambulance service. The financial impact to the town is more than \$200,000 a year. The town also had to institute a financial incentive for the ambulance volunteers.⁴⁰⁹

The wear and tear on local roads was so great that the town adopted an ordinance banning buses from seven local roads. Public Works additional costs total more than \$80,000. While commercial property has increased as a result of the presence of Foxwoods, residential property values have been adversely affected along Route 2 due to increased traffic. During the revaluation in 2000, the value of residential homes along the highway was reduced by more than 10 percent.⁴¹⁰

Norwich

Norwich, with a population of 36,000, is the largest city in New London County. The 27.1-square-mile town is located 40 miles southeast of Hartford. It is adjacent to Montville, Preston, Lisbon, Sprague, Franklin and Bozrah. Its location puts it just north of the two Indian casinos. It is one of the few municipalities in the region where public transit is readily available to transport casino employees to work.

City officials reported in 2005 that they are spending close to \$1 million a year to deal with impacts related to the presence of the two Indian casinos. And the figure would be more than \$2.5 million if the city counted the dollars and time not allocated to other important services because there is no money to fund them.⁴¹¹

Former City Manager Robert Zarnetske, now a city councilman, told the General Assembly in April 2005:

“We have the makings of a perfect public policy storm: Inexpensive, old-stock housing and a massive influx of low and moderate wage earners who need local services such as schools, social services, police and fire protection.”⁴¹²

State law requires the city to provide financial assistance to tenants displaced as a result of code-enforcement actions.⁴¹³ To comply, the city adopted its own ordinance. Officials in the Department of Human Services say they try to inform tenants of their rights under the relocation

⁴⁰⁷ Connecticut Department of Transportation, “Response to Data Request,” May 8, 2008.

⁴⁰⁸ Casino Impacts on North Stonington, 2001 Report, interview with Mayor Nicholas Mullane, June 25, 2008

⁴⁰⁹ Ibid.

⁴¹⁰ Interview with First Selectman Nicholas Mullane, June 25, 2008

⁴¹¹ Testimony before the General Assembly’s Joint Appropriations Committee, April 16, 2005.

⁴¹² Ibid.

⁴¹³ Chapter 135, Section 8-267, “*Uniform Relocation Assistance Act*,” Page 2.

law, but the language barrier often is a problem, and many of the tenants opt not to receive benefits. Norwich, however, did pay \$41,020 in relocation costs in FY 2008. The city files liens on the properties in an attempt to recover its costs.

In FY 2007 and FY 2008, 431 code citations were issued. Another 200 are expected to be issued in FY 2009.⁴¹⁴ On August 27, 2008, inspectors condemned a 12-unit rooming house full of casino workers who were almost all of Chinese descent. Most of them spoke little English. Officials discovered that some of the workers shared rooms, sleeping in shifts: as one worker would go to work; another would return. Inspectors found serious electrical code and general maintenance violations. The city could have been hit with a \$52,000 relocation bill, but only one of the tenants (the one who spoke English) bothered to seek assistance.⁴¹⁵

A month earlier, housing inspectors condemned a Broadway Street apartment that had five students on visas from the Ukraine living in it. Inspectors found serious electrical code violations. The students all worked at casinos.⁴¹⁶

Norwich's Human Services Department reports that it has been impacted by the presence of the casinos as well. A spokeswoman cited a 2008 case involving a casino worker from Egypt who is scheduled to be deported. She has two children who could remain in the country. She lost her casino job. The city is helping her pay rent and utilities and is providing her with immigration assistance. The agency is not sure what its future burden will be if she is deported and her children remain.⁴¹⁷

In 2005, the agency had to spend resources to assist a worker who was ordered to leave the country. The casino worker was homeless, had no food or medical insurance and was ineligible to receive any state or federal benefits because she was undocumented.⁴¹⁸

Casino-related impacts have also affected the police department. Norwich police reported a 27 percent increase in motor vehicle accidents from 1991 to 2004.⁴¹⁹ The city could not say how many of those accidents were related to casino traffic, but officials noted that traffic on local roads leading to the casinos has more than doubled.

The city's road resurfacing program is drastically underfunded. Local roads were on a cycle to be repaved every 25 years. But the city will be lucky if it can pursue an 80-year repaving cycle based on current revenues.⁴²⁰

Police Chief Louis Fusaro noted in a 1998 report that "a significant portion" of traffic headed to both casinos uses city streets to get there. As a result, the wear and tear on local roads can be expected to rise. Aggravating traffic congestion is the existence of a 2,000-vehicle parking lot for Foxwoods employees on Route 2 in Norwich.⁴²¹

⁴¹⁴ *Norwich 2009 Budget*, Adopted June 2, 2008, Page 175.

⁴¹⁵ *Ibid.*

⁴¹⁶ *Ibid.*

⁴¹⁷ *Ibid.*

⁴¹⁸ *Ibid.*

⁴¹⁹ Testimony before the General Assembly's Joint Appropriations Committee, April 16, 2005.

⁴²⁰ Norwich casino impact study.

⁴²¹ Norwich Police Chief Louis Fusaro, "*Impact of Neighboring Resort Casinos*, October 9, 1998, Page 1.

Police sometimes rely on unofficial translators to assist them. It's not uncommon for police working a crime scene to hand a cell phone to a third party to translate what is said.⁴²²

Since the casinos opened, the city hired 15 additional police officers. Much of that hiring was initially done with state and federal grants in 1996, but that funding expired years ago, forcing Norwich to pick up the \$861,000 tab itself.⁴²³ Even with the additional police officers, the city has had to pay its officers significant amounts of overtime to respond to increased calls for service. In 1991, police overtime cost the city \$85,000. In 2007, the figure was more than \$280,000.⁴²⁴

From 1992 to 1997, Fusaro reported that motor vehicle accidents increased 31 percent. From 1992 to 2004, calls for service increased 76 percent. Norwich estimates that it costs an extra \$200,000 to respond to those additional calls for service.⁴²⁵

The number of motor-vehicle violations has also increased over the years; from 2,002 violations in the year 1992 to 5,310 in the year 2004, an increase of 165 percent. And in 2007, motor vehicle violations totaled 6,274.⁴²⁶

Spectrum compared traffic data in Norwich with Shelton and Trumbull, two cities with similar populations and land mass that are farther away from the two Indian casinos. In 2005 and 2006, 1,383 traffic accidents occurred in Shelton; 1,800 in Trumbull. Norwich recorded 2,174 accidents.⁴²⁷ In 2006, 158 injury accidents occurred in Shelton; 296 in Trumbull. Norwich recorded 322.⁴²⁸

We also looked at the number of law enforcement employees. In 2006, Norwich employed 97; Trumbull, 83 and Shelton, 64.⁴²⁹

The city's municipal library, the Otis Library, has sustained its share of casino impacts as well. Its 20 computers are in constant use. In the summer, students from Eastern Europe, hired by the casinos, pack the library. In the winter, it is students from South America. The Mashantucket Pequots, recognizing employee use of the library, contributed \$1 million toward the construction of the new Otis library.⁴³⁰

The Planning and Neighborhood Services Department has been struggling to cope with increased housing inspections and reviews of proposed projects. City officials contend that Norwich accounts for about one-half of the region's affordable housing need.

The following table tracks changes in a number of areas that have caused Norwich officials to struggle with increasing caseloads.

Figure 126: Increasing Demands on Norwich

⁴²² Interview with Norwich Police, April 16, 2008.

⁴²³ February 14, 2001 Impact of Neighboring Gambling Casinos, Norwich Police Chief Louis Fusaro.

⁴²⁴ Norwich FY 2009 budget.

⁴²⁵ Testimony before the General Assembly's Joint Appropriations Committee, April 16, 2005.

⁴²⁶ Norwich Police Department.

⁴²⁷ Connecticut Department of Transportation, "Response to Data Request," May 8, 2008.

⁴²⁸ Ibid.

⁴²⁹ US Department of Justice, "2006 Connecticut Full-time Law Enforcement Employees," Table 78.

⁴³⁰ Interview with Norwich Library Executive Director Robert Farwell, August 14, 2008.

	2007	2003	2002
Site development plans	27	8	N/A
Zoning permit applications	482	137	N/A
Zoning complaints	170	57	N/A
Code violations	250	169	N/A
Citations issued	229	94	N/A
Central Fire Department Service Calls	2,629	2,571	2,214
East Great Plain VFD Service Calls	864	688	700
Laurel Hill VFD Service Calls	75	102	84
Occum VFD Service Calls	202	207	238
Taftville VFD Service Calls	631	495	496
Yantic VFD Service Calls	593	530	537

Source: 2007 Norwich Comprehensive Annual Financial Report

To provide context, we included data for Glastonbury, a city similar in size to Norwich but much farther away from the two casinos.

Figure 127: Norwich-Glastonbury Comparison

Fiscal Years 2007-2008		
	Norwich	Glastonbury
Residential Building Permits	2,915	185
Automobile Accidents	3,972	1,713
Police Calls*	115,132	40,263
Full-Time Uniformed Police Officers As of July 1, 2007	83	59
Structure Fires	433	262
Full-Time Firefighters As of July 1, 2007	60	2
Rescue/Emergency Calls**	5,626	1,867

*Includes Non-Emergency Calls

**Responded to by the Fire Department

Source: Norwich, Glastonbury budgets, annual audits, FY Years 2007, 2008

As the table below demonstrates, grants to Norwich rose sharply between 1997 and 1998 but have remained relatively flat since then, despite the significant increase in casino-related impacts. City officials maintain the funding formula needs to be adjusted to reflect the impacts faced by municipalities close to the casino.

Figure 128: Norwich Mashantucket Pequot And Mohegan Fund Grants

Fiscal year	
1996	\$1,620,706
1997	\$1,629,647
1998	\$2,551,510
1999	\$2,532,258
2000	\$2,278,803
2001	\$2,498,114
2002	\$2,508,897

2003	\$2,522,219
2004	\$2,036,779
2005	\$2,058,540
2006	\$2,239,474
2007	\$2,523,760

Source: Norwich City Finance Department

Even the city-owned public utility has been impacted. Norwich Public Utility (“NPU”) has had to hire two additional bilingual employees to accommodate the town’s more diverse population. The cost: nearly \$140,000 a year.⁴³¹ Hundreds of foreign students work for short periods of time on temporary visas at the two Indian casinos. Many of them live in Norwich. NPU has had to hire more staff to deal with a significant increase in turn-on and turn-offs, which results in more meter readings.⁴³² In the past five years, the utility has spent more than \$7,000 for translation services involving Chinese, Creole, Korean, Spanish and Portuguese. NPU reports that its staff in 2007 had to communicate in 32 different languages.⁴³³

The population itself has remained constant over the years, according to the census, but the amount of customer interactions since 2002 has increased by nearly 40 percent. Customers coming into the NPU’s office to make payment arrangements and sign up for new service tripled to nearly 19,000 customers in 2007 from 2002. Management said that the increased traffic has forced it to hire additional employees. It believes that the added expense is the result of the presence of the two Indian casinos.

Preston

First Selectman Robert Congdon said his community continues to struggle with the impacts generated from the two casinos. Preston formerly was able to provide police protection with just one resident state trooper and several part-time constables. The cost in 1992 was less than \$100,000. The police budget for the current fiscal year is more than \$200,000. The fire department budget has more than tripled to \$143,000. Congdon attributes much of the increase to casino development and increased casino traffic.

While commercial property has increased as a result of the presence of Foxwoods, residential property values have been adversely affected along Route 2. During the 2000 revaluation, the value of residential homes along the highway was reduced by more than 10 percent.⁴³⁴

Congdon said the local roads have undergone significantly more wear and tear since casinos opened. It is difficult, he said, to measure the dollar cost of such road wear due to the casino traffic.

The Mashantucket Pequot Tribal Nation sought to annex land outside of the reservation boundary for a golf course. Some of the land was in Preston. The issue was before the courts for nearly 10 years when the Tribe withdrew to take 165 acres on Route 2 into trust.

⁴³¹ Norwich Public Utility officials.

⁴³² Ibid

⁴³³ Ibid

⁴³⁴ Interview with First Selectman Robert Congdon, August 6, 2008.

Officials in the three towns say they each spent \$1 million in legal fees to challenge the Tribe, which announced when it withdrew its application on February 25, 2002, that it might in the future seek to annex lands outside its reservation boundary.

Transportation

The combined large number of visitor and employee trips to and from the two casinos has had a significant impact on the region's highway network. Mohegan Sun and Foxwoods each attract up to 40,000 visitors a day.⁴³⁵ About 22,000 people were employed at the two casinos as of the summer of 2008.⁴³⁶

The following table shows significant traffic-volume changes at highway locations near Foxwoods in 1992 (when the casino opened), in 1996 (when Mohegan Sun opened) and in 2005 (when both casinos were well established).

Traffic significantly increased from 1992 to 1996 on Route 2 when Foxwoods was the only casino open in the region. By 2005, when Mohegan Sun was firmly entrenched, the traffic counts decreased significantly, accounting for motorists headed for Mohegan Sun.

For example, on Route 2 between the Preston town line and the Route 164 intersection, average daily traffic ("ADT") increased 50 percent to 27,200 from 1992 to 1996. Other Route 2 locations in North Stonington experienced similar increases. However, a different methodology was used that may have inflated the data, although traffic experts believe the increases were still significant.⁴³⁷

⁴³⁵ Mohegan Sun, Foxwoods.

⁴³⁶ *State's Casinos Aren't Recession-Proof After All*, Hartford Courant, October 5, 2008.

⁴³⁷ Southeastern Connecticut Council of Governments Regional Transportation Plan FY 2007-2035.

Figure 129: Trends in Average Daily Traffic Counts on Highways near Casinos

HIGHWAY	CASINO	TOWN	LOCATION	1992 ADT	1996 ADT	2005 ADT
I-95	Foxwoods	North Stonington	Interch. 93 South to Interch. 92 (Rt. 2)	25,400	28,600	35,000
I-95	Foxwoods	Stonington	Interch. 92 (Rt. 2) South to Interch. 91	36,200	40,800	44,100
Rt. 2	Foxwoods	North Stonington	Interch. 92 of I-95 to Rt. 184	13,300	21,500	14,300
Rt. 2	Foxwoods	North Stonington	Rt. 184 to Rocky Hollow Road	15,700	25,800	20,000
Rt. 2	Foxwoods	North Stonington	Rt. 201 to Ledyard Town Line	14,200	26,200	17,300
Rt. 2	Foxwoods	Preston	Preston Town Line to Rt. 164	16,400	27,200	26,000
Rt. 2	Foxwoods	Preston	Rt. 164 to Rt. 117	16,000	23,500	18,100
Rt. 2	Foxwoods	Preston	Rt. 117 to Preston/Norwich Town Line	11,200	14,600	9,000
Rt. 2A	Between Both	Preston	Rt. 117 to Middle Road	6,800	9,900	12,700
Rt. 2A	Mohegan Sun	Montville	Preston Town Line to Mohegan Sun Bl.	15,500	18,800	27,100
Rt. 2A	Mohegan Sun	Montville	Rt. 32 to Interch. 79A of I-395	16,800	20,900	41,400
I-395	Mohegan Sun	Montville	Interch. 79A South to Interch. 78	37,400	44,000	59,200
I-395	Mohegan Sun	Montville	Interch. 79A North to Interch. 80	38,300	47,200	65,900

Source: Southeastern Connecticut Council of Governments Regional Transportation Plan FY 2007-2035

The Regional Transportation Plan FY 2007-2035 of the Southeastern Connecticut Council of Governments (“SCCOG”) discusses both measures. It noted there were 37 sites with V/C ratios in excess of 1, indicating that the capacity of the roadway to move traffic efficiently is often exceeded. The report noted that 108 additional locations in the region were “only marginally adequate to manage the traffic at all times.”⁴³⁸

There has been a movement from urban to rural and suburban areas, resulting in new housing, new schools and new roads. The dichotomy between external tourist-generated traffic and new locally-generated traffic has formed the basis of all discussions related to future highway infrastructure investments in southeastern Connecticut.⁴³⁹

The 2007 SCCOG report, based on 2005 data supplied by the ConnDOT, identified the highway sections that were approaching, or had already reached, theoretical maximums of traffic congestion. The areas closest to the two casinos most severely affected by congestion included:⁴⁴⁰

- The intersection of Route 164 and Route 2 near Foxwoods in Preston
- Exit 92 off I-95 and Route 2 near Foxwoods in North Stonington
- I-395 Exit 79A at Route 2A near Mohegan Sun in Montville
- Route 2A and Route 32 near Mohegan Sun in Montville
- Route 2, Route 2A, Route 32/Mohegan-Pequot Bridge corridor between the casinos

Many municipalities in the region have experienced an increase in fatal accidents. For example, the number of fatal accidents in the 16 municipalities within 10 miles of the two casinos rose from 19 in 1992 to 33 in 2006, a 74 percent increase. Statewide, the number of fatal accidents fell by 10 percent during the same period.⁴⁴¹

The number of injury accidents in those same 16 municipalities increased by 7 percent while the statewide figure declined 15 percent. The perimeter municipalities with the most significant increases were: Preston, 55 percent; Groton, 21 percent; Stonington, 19 percent; and Montville, 13 percent.⁴⁴²

No one can say with any certainty that the increases in New London County are due to the presence of the casinos, but police chiefs such as Norwich’s Louis Fusaro noted that with the sheer increase in volume, one would expect a corresponding increase in traffic accidents.

The increase in accidents has resulted in an increase in emergency rescue responses. For example, from 2002 to 2007, Ledyard EMS responses nearly doubled to 257; Montville’s increased more than tenfold to 1,622; Groton’s increase was 77 percent; and the increase in Norwich was nearly 64 percent. The small community of Voluntown went from 47 responses in 2002 to 167 in 2007.⁴⁴³ It is not possible to definitively attribute those increases to the presence of casinos other than their existence has drawn more traffic to the region.

⁴³⁸ Ibid. p. 48.

⁴³⁹ Regional Plan of Conservation and Development 2007, SCCOG.

⁴⁴⁰ Southeastern Connecticut Council of Governments Regional Transportation Plan FY 2007-2035, p.52.

⁴⁴¹ Connecticut Department of Public Safety.

⁴⁴² Connecticut Department of Transportation, Special Report, Accident Totals By Town.

⁴⁴³ Ibid.

The SCCOG report also discussed high-frequency accident locations (“HFALs”). It identified the following high-frequency accident locations:⁴⁴⁴

Near Foxwoods:

- Three different intersections on Route 2 with local roads in North Stonington
- I-95 at Exit 92 and Route 2 in North Stonington
- Three different locations on Route 214 in Ledyard
- The intersection of Route 2 and Route 164 in Preston near the Ledyard town line

Between Foxwoods and Mohegan Sun:

- The intersection of Route 12 and Route 2A in Preston

Near Mohegan Sun:

- Route 2A at Mohegan Sun Boulevard in Montville
- Various roadway segments along Route 32 near Route 2A in Montville

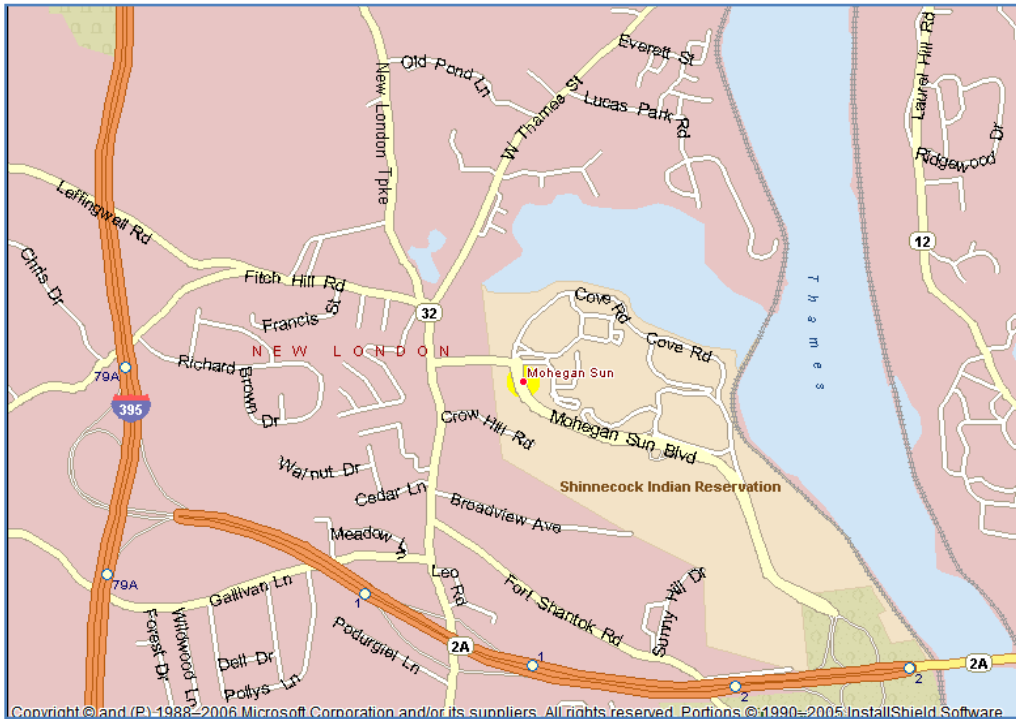
We highlight these particular roadway segments or intersections because of their close proximity to a casino. There are many other locations throughout the region where casino-destined traffic contributes to accident volumes.

In addition to the generic-accident factors mentioned above, the mix of casino employees driving to work, casino patrons adjusting to lower speeds on local roads after many miles of high-speed driving on an interstate, and slow-moving local traffic all contribute to higher-accident frequency. Both casinos increased highway capacity near their properties to accommodate higher traffic volume.

The following map shows connecting highways to Mohegan Sun.

⁴⁴⁴ Ibid., p.47.

Figure 131: Mohegan Sun Connections



Mohegan Sun is about one mile from the I-395 Exit at 79A. Motorists use Route 2A to get to the casino. According to Mitchell Etes, president and CEO of Mohegan Sun, the casino spent nearly \$38 million to widen Route 2A. It added an interchange that connects Mohegan Sun Boulevard, allowing for near-seamless movement from the interstate to the property's parking garages.⁴⁴⁵

"It was the smartest \$38 million they ever spent," Etes said. Mohegan Sun estimates that about 95 percent of its drive-in patrons arrive via I-395, thus avoiding local roads.⁴⁴⁶ The casino expects to complete the work sometime in 2009. Mohegan Sun executives acknowledge that easy access from Interstate 395 provides their facility with a sustainable competitive advantage over Foxwoods.⁴⁴⁷

Most Mohegan Sun employees also arrive via I-395, although some access the property via the intersection of Route 32 (Norwich/New London Turnpike) and Sandy Desert Road, which leads to the west side of the casino property. Some employees even walk to work along Route 32 from homes near the casino. Recognizing the safety problems caused by pedestrian movements on Route 32, Mohegan Sun spent \$2 million to erect sidewalks along the eastern side of Route 32 from the Norwich line south to Fort Shantok Road. The work is expected to be finished by July 1, 2009.⁴⁴⁸

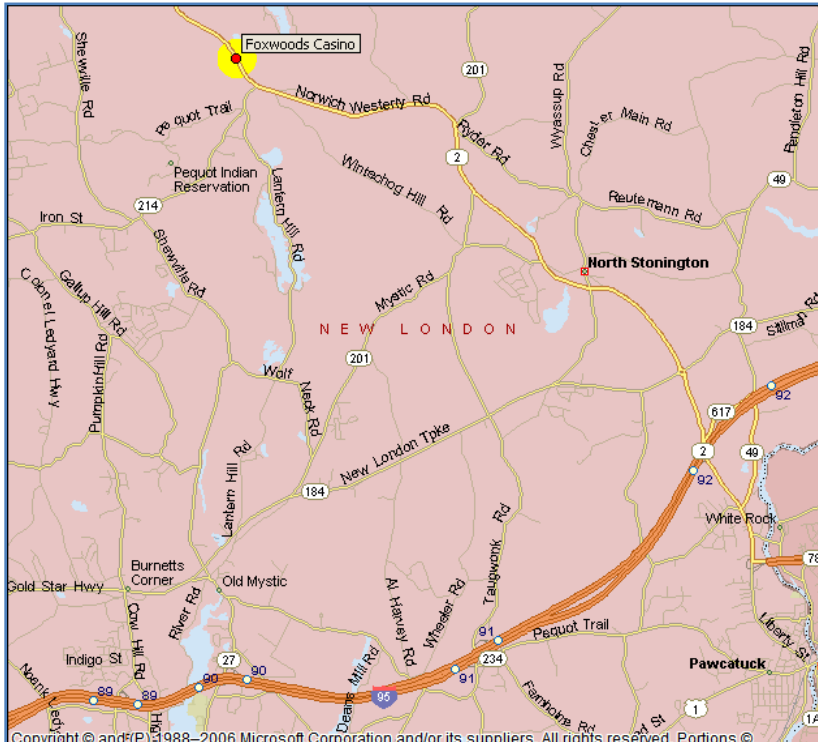
⁴⁴⁵ Interview with Mitchell Etes, president and CEO of Mohegan April 21, 2008.

⁴⁴⁶ Interview with Jeffrey Hartmann, Executive Vice President and Chief Operating Officer, Mohegan Sun, June 19, 2008.

⁴⁴⁷ Interviews with Mohegan Sun staff, April 16, 2008.

⁴⁴⁸ Interview with Mohegan Sun officials, December, 2008.

Figure 132: Patron Route to Foxwoods from Interstate 95



Foxwoods is located almost midway along the 14-mile segment of Route 2 between Norwich and Exit 92 off I-95 in Stonington. Since Foxwoods opened, this segment of Route 2 has been a persistent challenge in traffic management.

As of January 2009, a Foxwoods-funded project to build a \$60 million flyway along Route 2 was nearly complete. It will allow casino-destined traffic to go over the highway directly to Foxwoods property. It will facilitate direct access for visitors, employees and casino buses. It will also enhance safety by reducing left turns across oncoming traffic lanes.

But the project, which extends from North Stonington near the Ledyard town line to the Preston town line, improves only two miles of the 14-mile section of Route 2. The rest of the highway will remain a winding two-lane road crossing many signalized intersections that ConnDOT and SCCOG call “only marginally adequate” to handle traffic flow.⁴⁴⁹

North Stonington First Selectman Nick Mullane said more and more casino patrons divert off Route 2 to use local roads to get to Foxwoods. “Before Foxwoods, we had one traffic light. Now we have nine,” he said.

Mullane argues the flyway will make things worse, not better. He fears that motorists using the flyway will fail to slow down once they get into North Stonington, causing more accidents to occur.

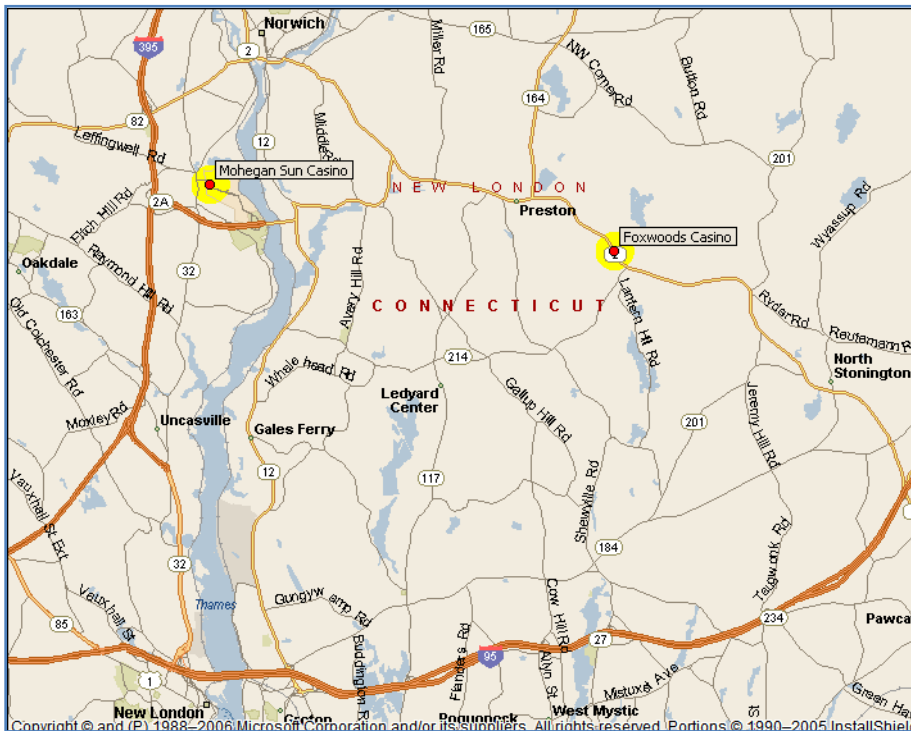
⁴⁴⁹ Southeastern Connecticut Council of Governments Regional Plan of Conservation and Development 2007.

Other improvements in the Route 2 corridor, if they are ever undertaken, are years away, according to James Butler, executive director of the SCCOG. Even if shoulder and intersection improvements occur, Butler noted, there are no plans at this time to widen Route 2.

In the random telephone survey Spectrum commissioned, 12 percent of the respondents reported they travel 51 to 75 miles to gamble, almost all to the two Indian casinos. This travel strains the highway infrastructure of southeastern Connecticut.

The next map shows the segment along the Route 2, Route 2A and Route 32 corridor that patrons use to go back and forth between Foxwoods and Mohegan Sun. Many casino employees also use the route.

Figure 133: Cross-Casino Traffic Route



The distance between Foxwoods in Ledyard and Mohegan Sun in the Uncasville section of Montville is about 10 miles. But the travel route may seem much longer to motorists because of the narrow, winding and often congested roads that connect the two casinos.

Leaving Foxwoods, a driver would travel northwest into Preston on Route 2 in the direction of Norwich. After traveling nearly five miles, the traveler makes a left turn to the west onto Route 117 and after a very short distance, links up with Route 2A. This part of the journey is less than three miles but it is on a winding two-lane road often lacking shoulders through the villages of Hallville and Poquetanuck in Preston.

Emerging at a signalized intersection with Route 12 near the 400-plus acre property of the former Norwich State Hospital, which is located mostly in Preston, the traveler turns south onto the now joined Route 12/2A for a very short distance. Another turn to the west at a signalized intersection, takes the traveler off Route 12 onto Route 2A to cross the Thames River on the two-lane Mohegan-Pequot Bridge. Once on the west side of the Thames River, the

traveler continues a short distance on Route 2A before exiting on a ramp to the signalized intersection with Mohegan Sun Boulevard to enter the casino property.

ConnDOT has been studying this travel route between the two casinos since the early 1990s. In August 2004, the agency recommended the following steps to reduce traffic congestion and improve safety:⁴⁵⁰

- Increase capacity on Route 2A across the Thames River by adding a second, parallel, two-lane bridge adjacent to the existing Mohegan-Pequot Bridge;
- Relocate Route 2A in Preston between Route 12 and Route 2 to a new four-lane alignment north of Poquetanuck Village;
- Widen Route 2 in Preston to 4 lanes from the new Route 2A intersection to Route 164, and;
- Improve Route 2 in North Stonington from Route 214 to I-95;

The projected costs: \$113 million.⁴⁵¹ SCCOG favors this proposed solution, noting that existing traffic and safety problems would be greatly exacerbated should development of the former Norwich Hospital property along Route 12 occur.⁴⁵² But SCCOG officials that we interviewed for this report noted that there was much opposition to this project in Preston and North Stonington.⁴⁵³ Thus, given the environmental permits that would be required, the probable escalating cost of this project and resistance in the affected municipalities, it is difficult to predict when, or even if, this project will ever be completed.

One of the themes that appear over and over in this report is the fragmentation of government and the lack of regional approaches toward solving problems in southeastern Connecticut. As the SCCOG points out, the differing views among citizen groups, municipalities and tribal nations have sometimes created barriers to consensus. Yet the need for several significant highway improvements is well documented.⁴⁵⁴

Ideally, any transportation infrastructure improvements in New London County would include linking the various mass transit modes in the area. The 2007 Regional Transportation Plan of SCCOG placed high priority on an intermodal connections plan for a high-quality, dependable, seamless, business-based transportation system, linking rail, ferry and buses to the region's major tourist centers.⁴⁵⁵

It is possible to go from New London to Foxwoods or from New London to Mohegan Sun on existing Southeast Area Transit ("SEAT") buses. But there is no loop, outlined in red, that takes bus passengers back and forth from Foxwoods to Mohegan Sun. SCCOG is recommending that the following loop in red be established so that patrons can easily get to both casinos on public transit.

⁴⁵⁰ Final Environmental Impact Statement, Route 2/2A/32, Volume 1, ConnDOT and FHWA, August, 2004, p. S-2.

⁴⁵¹ Ibid., p. 2-46.

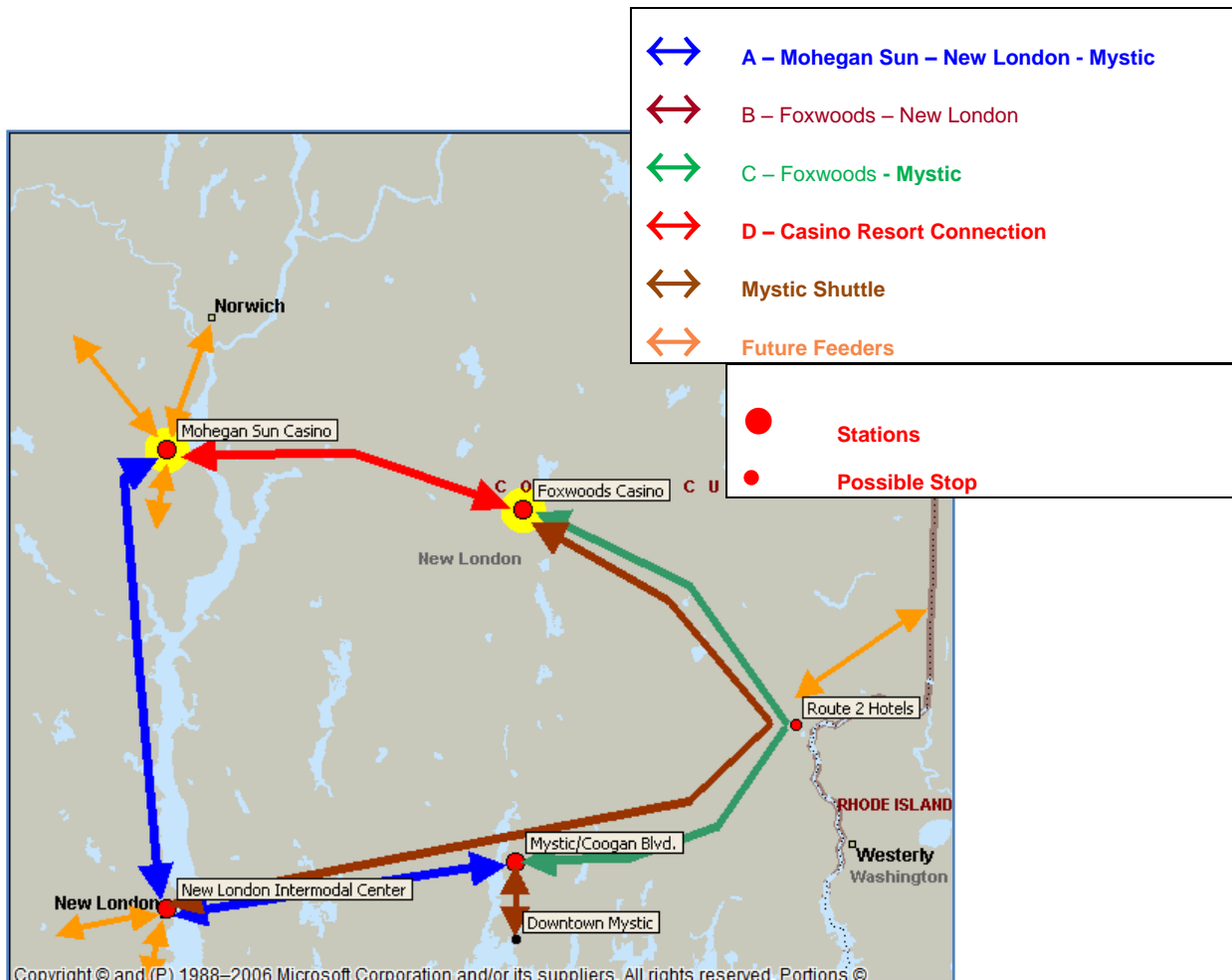
⁴⁵² Southeastern Connecticut Council of Governments Regional Transportation Plan FY 2007-2035, p. 35.

⁴⁵³ Interview of August 8, 2008,

⁴⁵⁴ Regional Plan of Conservation and Development 2007, SCCOG.

⁴⁵⁵ Southeastern Connecticut Council of Governments Regional Transportation Plan FY 2007-2035, p. 80.

Figure 134: Potential Intermodal Loop



SCCOG estimates \$12 million is needed for capital and operating support to start a two-year pilot project to demonstrate the feasibility of this multimodal project.⁴⁵⁶ Foxwoods states that it attracts an average of 36,000 patrons per day, and Mohegan Sun states that it attracts an average of 40,000 guests per day. However, since many visitors stay overnight, the actual number of daily ingress and egress trips is lower than the overall number of visitors.

⁴⁵⁶ Ibid., p.81.

Figure 135: Foxwoods, Mohegan Sun Origins of Visitation

Visitor State of Origin	Foxwoods ⁴⁵⁷	Mohegan Sun ⁴⁵⁸
Massachusetts	36.0%	17.8%
Connecticut	33.0 %	53.1%
Rhode Island	13.0%	3.4%
New Hampshire	3.1%	1.7%
Maine	1.4%	0.6%
Vermont	0.5%	0.3%
New York	9.2%	19.0%
New Jersey	1.9%	1.1%
Other	2.0%	3.0%

Source: Foxwoods, Mohegan Sun

The travel route is strongly influenced by the state of origin of visitors. For example, more in-state patrons are attracted to Mohegan Sun. That’s because the bulk of Connecticut’s population residing southwest and northwest of New London County can more easily reach Mohegan Sun via feeder routes to I-395.

Conversely, the concentration of Massachusetts’s population in the eastern portion of that state near the I-95 corridor allows a large segment of visitors to go directly south on I-95 to Foxwoods.

This summary of long-distance travel routes underscores the more convenient access Mohegan Sun offers in comparison to Foxwoods. The Mohegan Sun patron leaves I-395 at Exit 79A to an improved four-lane Route 2A for a very short distance, drives down a ramp and encounters just one traffic light, which is located at the entrance boulevard to the property.

Foxwoods’ patrons, after exiting I-95, I-395 or the limited-access portion of Route 2 west of Norwich, must complete their journey on a two-lane highway with signalized intersections for a distance of up to 10 miles.

About 10 percent of all visitors arrive at both casinos by shuttle, line buses or tour buses. Ferry passengers from Long Island disembark in New London, where they can board shuttle buses to either casino and receive bonus incentives. Similarly, travelers on Amtrak’s main line between New York and Boston can leave the train in New London, and board shuttle buses for either the Mohegan Sun or Foxwoods. Shuttle buses also run to both properties from Mystic and Norwich area hotels and motels.

There is bus service from Boston, New York and other northeastern locations. Patrons receive food vouchers and free bets to help subsidize the cost of the trip.

Both casinos have increased in size; Foxwoods opened the MGM Grand on May 18, 2008, an 825-room casino hotel with 115,000 square feet of meeting space, and Mohegan Sun opened the 64,000 square-foot Casino of the Wind on August 29, 2008. However, because of

⁴⁵⁷ Data for Foxwoods are estimates based on visitor surveys for 2007 from New England Casino Gaming Update 2008, Center for Policy Analysis, University of Massachusetts-Dartmouth, March 2008, p. 16.

⁴⁵⁸ Mohegan Sun data is for 2007 and was submitted to Spectrum for this report by Mohegan Sun in November 2008.

declining revenues, both Connecticut casinos reduced their workforce through attrition or layoffs. During the summer of 2008, including both full and part-time workers, the two properties employed 22,000 employees.

Figure 136: Full-Time Casino Employment by State Residence

	Foxwoods		Mohegan Sun	
	No. employees	Pct. of total	No. employees	Pct. of total
Connecticut	7,582	73.8%	9,157	89.5%
Rhode Island	1,971	19.2%	355	3.5%
New York	508	4.9%	601	5.9%
Massachusetts	106	1%	74	0.7%
All other states	100	1%	43	0.4%
Total	10,267	100.0%	10,230	100.0%

Source: Foxwoods, Mohegan Sun

These communities had at least 100 residents on the casinos' payroll as of the fall 2008:

Figure 137: Communities with 100 or More Full-Time Casino Employees

Community	Mohegan Sun	Foxwoods
Norwich	2,556	1,841
Uncasville	1,020	225
New London	624	481
Griswold	536	256
Groton	387	563
Oakdale	279	102
Preston	249	174
Plainfield	223	215
Ledyard	173	654
Willimantic	170	123
Colchester	151	102
Gales Ferry	144	133
Taftville	143	113
Westerly, RI	136	655
Moosup	103	123
Mystic	103	204

Source: Foxwoods, Mohegan Sun

The 15 communities account for nearly 70 percent of Mohegan Sun employees and nearly 60 percent of Foxwoods employees. More than 19 percent of Foxwoods workers live in Rhode Island, compared to less than 4 percent of Mohegan Sun employees.

Foxwoods draws its employees from Norwich and communities east of the Thames River in Connecticut and Rhode Island that are adjacent to the Route 2 and I-95 corridors. They use I-95, state highways or local roads that ultimately take them to Route 2 and the casino or to satellite parking lots located on or near Route 2.

Mohegan Sun's employees are also concentrated in Norwich, but then fan out to municipalities north and west of the Thames River along I-395, Route 32, and Route 2 (west of Norwich) corridors. Nearly 6 percent of Mohegan Sun employees live in New York state. Employees are permitted to park their cars in a garage located at the casino.

Many employees commute long distances to and from work because of the difficulty in finding affordable housing near the casinos. The trips exacerbate traffic congestion, increase accidents as well as general highway maintenance. The wide dispersal of employee residences also makes it difficult and expensive to establish mass transit routes for journey-to-work trips.

Most Foxwoods employees park at satellite lots. A satellite lot in Norwich, just west of the Preston town line, has nearly 2,000 spaces. Southeast of Foxwoods, near Exit 92 off I-95, there are park-and-ride lots in North Stonington, Stonington and Westerly with about 525 total spaces that are used by casino employees. There is also a satellite lot in Groton with 350 spaces. The casino operates a shuttle system for employees.⁴⁵⁹ The off-site site parking lots reduces vehicular volume along Route 2.

South East Area Transit (“SEAT”) is a multi-municipal public agency created by local municipalities. The nine founding towns were East Lyme, Griswold, Groton, Ledyard, Montville, New London, Norwich, Stonington and Waterford. All SEAT fixed assets and land are owned by the state of Connecticut and are leased to SEAT.⁴⁶⁰

SEAT operates two regularly scheduled bus routes for Mohegan Sun and one for Foxwoods.⁴⁶¹ Casino officials and elected representatives noted the scheduling of the routes often does not coordinate with work shifts. The result, they noted, is that it is not practical for casino employees to use mass transit.

SEAT management did not make data available to us that would reflect ridership on specific routes.⁴⁶² They only provided total ridership for all routes, which increased 35 percent from FY 2005 to FY 2008.

SEAT staff cited rising gasoline prices and increases in workforce numbers at the casinos as two factors driving increased passenger counts. They said the agency would like to expand service by adding new routes and increasing the number of buses and frequency of service on some existing routes, particularly to casinos, but lamented that budget constraints make it difficult to do so.

⁴⁵⁹ Information provided by Foxwoods, November 2008.

⁴⁶⁰ SEAT Home Page, <http://www.seatbus.com>, (accessed on May 12, 2009).

⁴⁶¹ Interview with SEAT chairman James Martin, general manager Ella Bowman and other staff members on August 5, 2008.

⁴⁶² Ibid.

Section VII: Legal Gaming Participation Levels

This section examines gambling participation. The majority of Americans have gambled in one form or another at least once in their lives. Nationally, the proportion of the population that has gambled ranges from 81 percent in the southern states to more than 89 percent in the North.⁴⁶³ Our own Connecticut survey showed that within the past year, 70 percent of respondents participated in at least one gambling activity.

In Connecticut, our survey was designed to capture the participation of gambling on a full range of activities as well as provide an estimate of how much money respondents spend per month on each activity. We included the following gambling activities:

- Casino
- Lottery games
- Horse racing
- Dog racing
- Bingo
- Jai-alai

It should be noted that Connecticut has no racetracks, dog tracks or Jai-Alai facilities, but respondents, nonetheless, indicated they were betting on such venues. They could legally make such bets at OTB facilities in the state.

The following table shows the frequency of gambling participation. Playing a lottery game (54 percent) and gambling at a casino (36 percent) are the most frequent gambling activities in the past year. This section of the report does not include participation in illegal gambling, which will be discussed in a subsequent section.

Figure 138: Gambling Participation, by Frequency and by Game

	Lifetime Participation %	Past Year Participation %	Monthly Participation %	Weekly Participation %
Casino	71.9	35.6	7.1	1.1
Lottery	71.5	53.7	29.0	8.2
Bingo	30.1	9.0	1.3	0.2
Horse race	29.7	7.4	1.2	0.2
Jai-alai	19.0	0.4	0.2	0.2
Dog Race	13.8	1.3	0.0	0.0

Overall, more than 90 percent of respondents have participated in a gambling activity in the past year.

⁴⁶³ Marianna Toce-Gerstein and Dean Gerstein (Toce-Gerstein, Gerstein & Volberg, 2003a, 2003b).

Favorite Gambling Activity

One-in-four respondents identify slot machines as their favorite gambling activity, the most popular of all gambling activities. Seventeen percent say playing the lottery is their favorite activity, and 12 percent say casino card games.

Most respondents usually participate in their favorite type of gambling with another person. One-third of respondents (33.4 percent) gamble with friends or co-workers, 24 percent with their spouse or significant other and 13 percent with a family member. Twenty-three percent usually gamble alone.

The majority of respondents (87 percent) gamble for no more than 5 hours. One-third (34 percent) gamble for less than an hour; 27 percent for one to two hours; 28 percent for three to five hours and 5 percent for between six and 12 hours.

Respondents generally travel 75 miles or less to participate in their favorite gambling activity. This largely can be attributed to the fact that Connecticut is relatively small state, offering a wide variety of gambling activities that are easily accessible. Twenty-one percent do not travel at all to participate. For example, a person who shops at a food market and picks up a lottery ticket might take the position that he or she did not travel at all. An additional 21 percent of the respondents travel 5 miles or less. Twelve percent travel 6 to 25 miles, 20 percent travel 26 to 50 miles, and 12 percent travel 51 to 75 miles.

The effect on these figures by type of favorite activity should be noted. As expected, most of these respondents play lottery games by themselves, do not play for a long period of time and travel very little to play.. The opposite is true for those whose favorite games are based in a casino. Most of these respondents go with other people, travel more and gamble for longer.

Figure 139: Favorite Gambling Activities among Connecticut Gamblers In %

Gambler frequency:	Total (1,427)	Infrequent (140)	Past- year's (527)	Monthly (557)	Weekly (193)
Slot machines in a casino	24.6	19.8	30.7	24.6	19.2
Lottery	19.2	12.7	16.5	19.5	27.7
Card games at a casino	12.0	16.7	7.8	13.7	11.6
Table games at a casino	5.8	4.8	4.9	6.3	8.0
Bingo	4.7	6.3	4.1	4.3	3.1
Horse race	3.5	3.2	3.3	2.8	6.7
Raffles	2.8	1.6	4.1	1.5	0.4
Dog race	0.4	0.0	0.2	0.0	1.8
Jai alai	0.3	1.6	0.2	0.2	0.0

The following statistically significant difference was found between non-problem and problem/pathological gamblers.

- Problem and pathological gamblers in Connecticut were significantly more likely to prefer skill games such as card games and other table games than non-problem gamblers, who preferred games of chance such as the lottery.
- Our survey found there were significant differences among reasons to gamble between non-problem and problem gamblers.

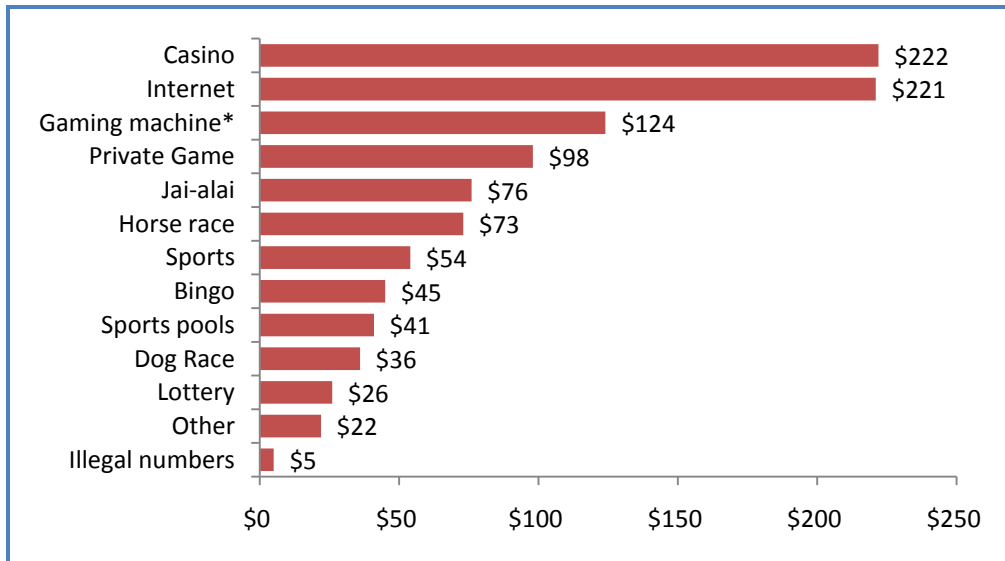
Figure 140: Why Problem and Non-Problem Gamblers Gamble

Somewhat or very important	Non-Problem Gamblers (2016) %	Problem & Pathological Gamblers (95) %
Excitement or challenge	59.9	89.4
To win money	72.4	89.4
As a distraction	16.3	35.3
Support good causes	50.8	39.6

Spending

We asked respondents how much they spent on a monthly basis on various gambling activities. They responded with a specific number. We then computed an average figure. The table below provides a summary of the responses.

Figure 141: Total Monthly Spending on Gambling Activities

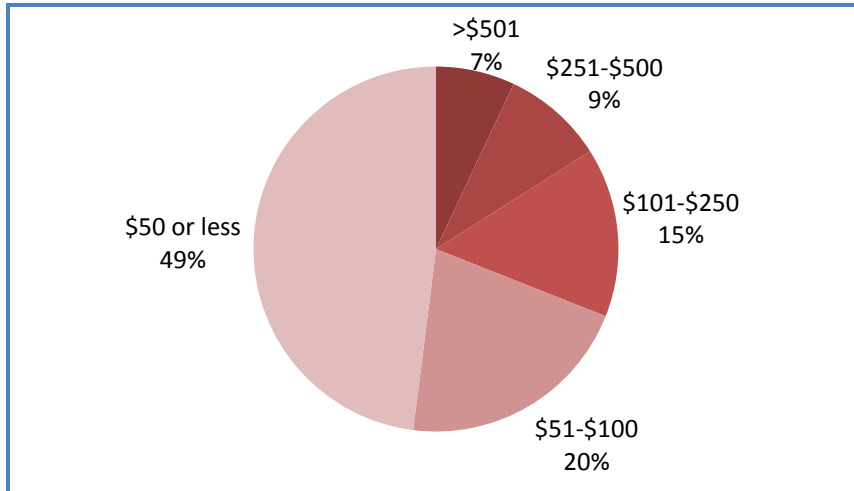


*Defined as a slot machine or keno offered at a bar, convenience store, race track or other location. The question asked respondents to not include gaming machines at casinos. Note that in Connecticut, the only place where one can gamble on a gaming machine would be at one of the two Indian casinos.

Casino Gaming Participation

The chart offers another look at how our respondents answered the question. In this case, the figures were put into ranges of spending, and we then developed the percent ranges that the respondents fell into.

Figure 142: Total Monthly Spending at a Casino



Respondents were also asked what casino games they play. Almost two-thirds play slot machines, and almost one-quarter play card games. Again, in terms of spending, we determined the ranges of spending in which respondents fell, and then developed percentages for spending ranges. Due to rounding, percentages may not add up to 100 percent.

Figure 143: Monthly Spending By Game Type

	Total	<\$50	\$51-\$100	\$101-\$250	\$251-\$500	>\$500
	%	%	%	%	%	%
Slot machines	67.1	79.5	61	59.3	65.2	38.2
Card games	23.3	15.2	23.3	32.7	23.2	50.9
Other table games*	7.7	3.1	11.3	8.0	11.6	10.9
Bingo	1.2	1.3	2.5	0.0	0.0	0.0

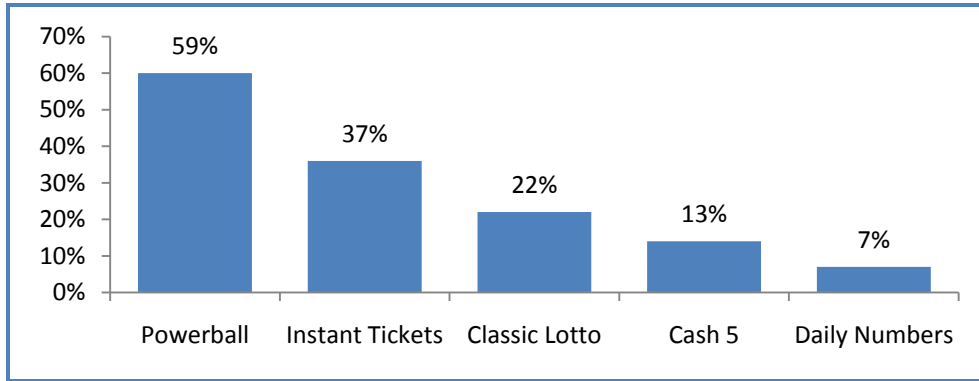
*Refers to games such as roulette and craps

A majority (89 percent) of respondents visit a casino somewhere in Connecticut. Other locations include Las Vegas and Atlantic City; however, neither was cited by more than 5 percent of respondents.

Lottery Participation

When asked about the types of lottery games they play, three-in-five lottery gamblers buy Powerball tickets; more than one-third (36 percent) of lottery gamblers buy instant tickets. Respondents were allowed to give multiple responses.

Figure 144: Participation in Lottery Games by Game



Minimum Jackpot Amounts

Those who played a lottery game in the past year were asked what the minimum jackpot in both Classic Lotto and Powerball games would have to be for them to buy tickets.

Figure 145: Minimum Jackpot to Play Classic Lotto (in millions)

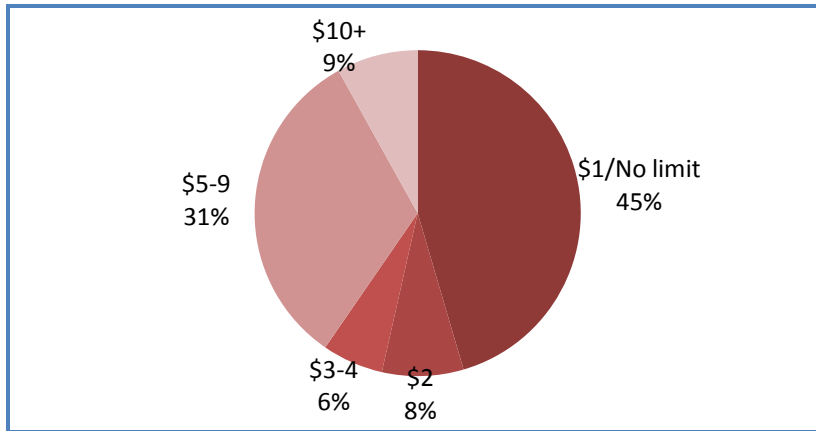
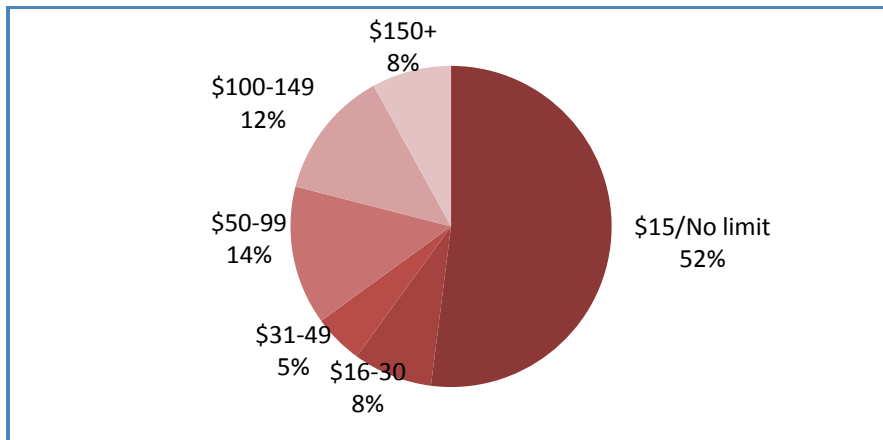


Figure 146: Minimum Jackpot to Play Powerball (in millions)

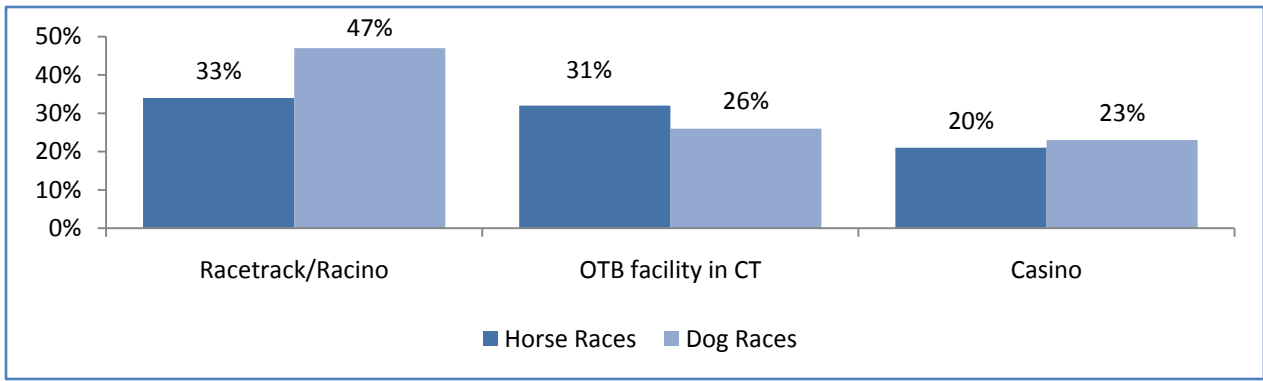


Pari-Mutuel Participation

Respondents who gambled on horse or dog races in the past year were asked where they placed their bets. The most common location was at a racetrack or racino. Respondents use OTB facilities in Connecticut 32 percent of the time for horse races and 26 percent for dog races. One-in-five respondents go to a casino to place their wagers for both horse and dog races. Connecticut does not have live racing.

Note that given the small sub-sample sizes, caution should be used in interpreting the results. There were 170 respondents in the phone survey who have gambled on horse racing in the past year; only 23 had wagered on dog races.

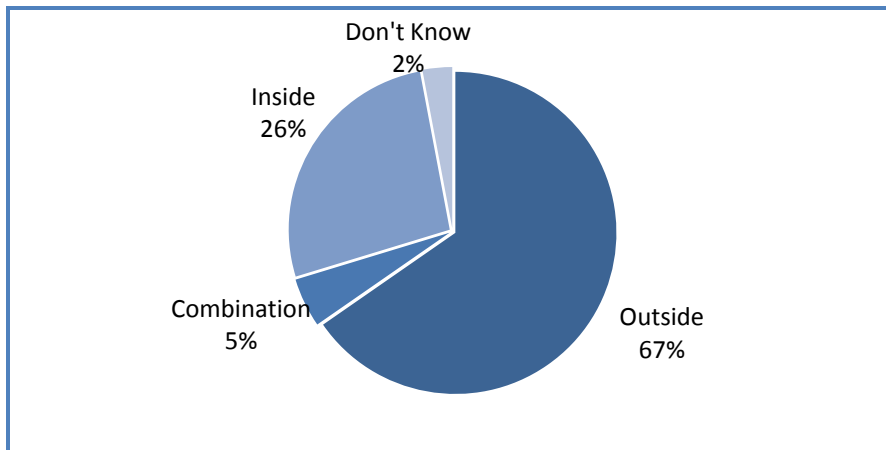
Figure 147: Participation Locations for Horse and Dog Races



Bingo Participation

Respondents who played bingo in the past year were asked what percentage of their play was outside of a casino.

Figure 148: Participation of Bingo Games inside a Casino



Section VIII: Extent of Illegal Gambling

This section of the report attempts to look into the scope, size and impact of illegal gambling. Gambling can only legally occur in Connecticut if a state law has been passed authorizing it. The tables below were all derived from our telephone survey.

Figure 149: Lifetime and Past-Year Illegal Gambling Participation

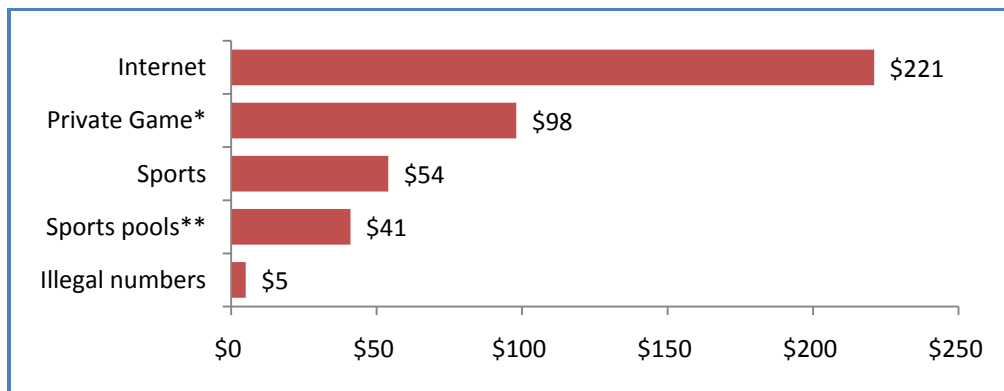
	Lifetime Participation (2298) %	Past-Year Participation (2298) %
Sports pools*	42.2	24.1
Private Game**	30.9	15.6
Sports	17.8	8.4
Internet	2.5	2.0
Illegal numbers	1.2	0.2
Total	55.3	33.2

* Refers to a pool in which participants choose a sporting event outcome. An example would be pools in which participants pick winners in the NCAA championship basketball tournament or weekly bets on the outcome of NFL football games.

**Refers to private games, most often in one's house, that could include card games such as poker, dice and dominoes. A private game could also include wagers placed between participants on games like golf or bowling.

The following table shows the incidence of illegal gambling activities. More than half of respondents (55 percent) in our telephone survey have participated in an illegal gambling activity in their lifetime. One-third (32 percent) did so in the past year; 9 percent participate monthly. It should be noted that the figures may be higher because survey participants might have been reluctant to admit they gambled illegally.

Figure 150: Average Monthly Spending on Illegal Gambling Activities



*Refers to private games, most often in one's house, that could include card games such as poker, dice and dominoes. A private game could also include wagers placed between participants on games like golf or bowling.

**Refers to a pool in which participants choose a sporting event outcome. An example would be pools in which participants pick winners in the NCAA championship basketball tournament or weekly bets on the outcome of NFL football games.

On average, respondents who participated in illegal gambling activities in the past year spent nearly \$100 per month. Respondents were asked to indicate how much money they spent on a monthly basis on certain gambling activities. We then developed averages for each category.

The following table shows the breakdown of illegal gambling in the past year by select demographic groups.

Figure 151: Past-Year Illegal Gambling Demographics

		Have Participated %	Have Not Participated %
Gender	Male	60.5	38.7
	Female	39.5	61.3
Age	18 – 34	29.4	17.7
	35 – 44	24.5	19.5
	45 – 64	36.5	38.6
	65+	9.6	24.3
Ethnicity	Black/African American	7.5	6.9
	White/Caucasian	86.7	81.8
	Hispanic/Latino	4.4	8.4
	Other	1.5	2.9
County	Hartford County	21.1	30.9
	Litchfield County	4.6	5.8
	Middlesex County	4.6	4.0
	New Haven County	22.8	22.7
	New London County	11.9	7.8
	Tolland County	4.8	3.9
	Windham County	3.8	4.6
	Bachelor’s degree	25.5	18.8
	Postgraduate degree	16.3	12.5
	Income	Under \$25,000	8.6
\$25,000 to less \$50,000		15.7	24.8
\$50,000 to less \$75,000		18.3	18.3
\$75,000 to less \$100,000		16.6	14.6
\$100,000 to less \$125,000		13.9	9.2
\$125,000 or more		27.0	14.9
Religion	Protestant	27.2	34.6
	Catholic	42.6	40.3
	Other	5.4	6.1
	None	24.7	19.1