

April 17, 2013

# THE HUFFINGTON POST

CANADA 



## [Richard Florida](#)

*Director, Martin Prosperity Institute, University of Toronto, Rotman School of Management; Global Research Professor, NYU; Editor-at-Large, Atlantic Cities*

## Casinos Are City-Ruinners

Posted: 04/17/2013 3:51 pm

[Video](#), [Richard Florida](#), [Rob Ford](#), [Sheldon Adelson](#), [Warren Buffet](#), [Casino](#), [Cities](#), [Economic Development](#), [Toronto](#), [Canada News](#)

The debate over a casino in downtown Toronto is coming to a head. Mayor Rob Ford's executive committee of Toronto City Council voted 9-4 in favour of a downtown casino, putting the ultimate fate of the casino before a vote of the full City Council.

Ford said he was "optimistic" Toronto will ultimately get a downtown casino, according to the [Globe and Mail](#). "Nine votes, I think that's a good beginning."

Fortunately, a majority or near majority of Toronto's councillors are on record as being opposed to a downtown casino, according to recent reports.

If Council votes no, the mayor said he will take the issue directly to the voters. "It's either no or yes. If it's a yes, thank you very much, appreciate your support for creating 10,000 good-paying jobs," Ford [said on Monday](#). "And if it's a no, then I guess that becomes an election issue." But he backtracked on this on Tuesday, [saying that](#): "It's not an election issue. They are just going have to explain to the voters why they didn't create 10,000 good-paying jobs. I want to deal with it this year. I'm optimistic. People are seeing the light."

Ford and the nine committee members who voted yes are not the only ones people pushing for a downtown casino. Key elements of Toronto's business leadership have either been active cheerleaders for it, quietly supportive, or eerily mum.

You have to ask yourself, why?

Toronto's business leaders like to think that they are helping to build a great global city, but casino building is city-ruining of the highest order. Virtually every serious study that has ever been done of the economic impacts of casinos shows that their costs far exceed their benefits and

that they are a poor use of precious downtown land. A downtown casino will tear holes in Toronto's urban fabric, create more costs than benefits, and as surely as if it's holding up a giant sign, will send the message that Toronto is on the wrong track. As the architecture critic [Christopher Hume](#) put it a while back: "Torontonians have made it clear they're not interested." He added, "the beauty of this city now is that it doesn't need a casino, let alone want one. In fact the casino needs Toronto more than the city needs it."

I had my chance to vent about casino gambling in Toronto in the *Star* last spring. "About one thing," I [wrote](#), "urbanists across the ideological spectrum are unanimous. And that is that building casinos, especially in an already thriving downtown, is a truly terrible idea." My colleague Kevin Stolarick put it best: "Adding a casino to Toronto will not make it a 'world-class' city. It will make it second class."

David Olive, the business columnist of the *Toronto Star*, recently [wrote](#) that in the "Toronto casino debate, it's time to walk away from the table." Citing a [March study by my research team at the University of Toronto's Martin Prosperity Institute](#), he writes that:

"The turning point in the interminable debate over a new casino resort in downtown Toronto will be, one hopes, the astonishing report released March 12 by the Martin Prosperity Institute (MPI) at the University of Toronto.

"The MPI found that a casino makes little -- if any -- sense for the GTA. And it implies that the slick lobbyists employed by casino advocates Ontario Lottery and Gaming Corp. (OLG) and its private partners are betting on what they hope is widespread gullibility among Torontonians.

"The MPI report knocks the stuffing out of the casino advocates' bloated claims of renewed economic vitality in a GTA that, in fact, is already thriving -- a rare metropolis to boast the status of North America's fastest-growing city twice in the past half century (currently and in the 1960s and 1970s).

"The Martin Prosperity Institute is an extension of the business school at U of T. As such, it is pro-business and has a vested interest, for the sake of attracting the best and brightest students worldwide, in the GTA's economic stardom.

If a new downtown casino, as proposed, could help advance MPI's interests, the think tank would be a cheerleader for it. Instead, in remarkably blunt language, the business and urban-economy experts at MPI conclude that the casino champions have simply generated a blizzard of numbers, 'all of them meaningless' and conveyed in a 'remarkably skewed' and 'misleading manner.'"

The *Globe and Mail's* Margaret Wente [dubbed](#) Toronto's casino push, a "dead man's hand," pointing out: "Casinos aren't for cities on their way up. They're for cities out of options."

Toronto is hardly unique in the push for casinos. Mega-casino moguls and developers like Sheldon Adelson and Malaysia's Genting Group are proposing lavish billion-dollar casino complexes in cities across the globe. I called it "the casinoization of everywhere" in an oped in

the [New York Daily News](#) -- the latest manifestation of what the late Susan Strange aptly dubbed "casino capitalism."

In the U.S. alone, gambling generates roughly \$90-billion in annual revenues, a figure that is projected to expand to \$115-billion by 2015. Faced with the prospect of laying off teachers, firemen, and policemen, it looks like manna to cash-starved cities and metros. But if there's one truth we know about casinos, it's that the house always wins. Casinos generate mega-profits for their developer-owners, who don't have to deal with the myriads of problems they cause for the cities in which they are located.

Gamblers might fool themselves into thinking that they can get something for nothing, but cities and governments should know better. For all the ostensible billions in tax revenue, spillovers from increased tourism, and higher property values casinos supposedly generate, when all the social, moral, and monetary costs that they levy on cities are added up, they have almost always proven themselves to be financial and economic disasters.

Most of the outspoken opposition to Toronto's casino has come from academics like me, journalists, religious groups, and civic activists. Toronto's business leaders have been conspicuously mum on the subject -- and on Mayor Rob Ford's small-minded, anti-urban agenda. In addition to holding the mayor, pro-casino councillors, and the OLG accountable, civically-minded Torontonians should be asking where the city's business and political leadership stands. Especially when you consider how many of the most outspoken opponents of casinos in other

A case in point is Warren Buffet, the über-successful investor. "I'm not a prude about it," he [said](#) in 2007, "but to a large extent gambling is a tax on ignorance. I find it socially revolting when a government preys on the weakness of its citizenry rather than serving them. When a government makes it easy to take their Social Security and start pulling handles or playing lotto, it's a pretty cynical act.... It receives taxes on the backs of those dreaming of a car or colour TV....it's not government at its best." When casino gambling was proposed in his home state of Nebraska, he took to the airwaves to oppose it, as seen in the above Fireside Chat.

The same is true of the Florida billionaire Norman Braman, the former owner of the Philadelphia Eagles, who vehemently opposes destination mega-casinos in South Florida. "If you open the door to casinos," he told the journalist Elliott Rodriguez in the television interview posted above, "you are opening the door to crime and creating more unemployment. No proponent of casino gambling can name any place in the United States where casinos have revitalized a community. Actually, it's had the opposite effect." To Dylan Ratigan (the video is posted below) he said, "If you look at all the statistics concerning casinos throughout the United States, whether they're riverboat or permanent, after three to five years, almost two jobs are lost for every one that's created." He makes an important point. As in Singapore, most places that introduce gambling see a quick upward spike, followed by a steep decline. Casino lobbyists prefer to talk about their early successes.

When all is said and done, gambling is one of the most regressive ways to generate public revenue and one of the least productive uses of money imaginable -- it takes the most from the people who can afford it the least.

A glitzy mega-casino in the heart of downtown would be a direct affront to Toronto's brand as a well-managed city of builders and investors. Taken together with Mayor Ford's bizarre statements on gay rights, his move to abolish bike lanes, and the numerous scandals that surround him, it couldn't but have a seriously deleterious effect on the city's ability to attract people and thus on its long-run economic prosperity. As I told the *Globe and Mail* [recently](#): "Casinos are brand killers. People in the outside world would say, 'Toronto is a great city, so why are they putting a casino there?' "

For everyone who's concerned about Toronto's future, it's time to take score. Not just of who's been in favour of such a city-ruining monstrosity and who's been opposed to it, but who among the city's so-called leaders have sat quietly on the sidelines.

**Follow Richard Florida on Twitter: [www.twitter.com/Richard\\_Florida](http://www.twitter.com/Richard_Florida)**