

THE CASE FOR
INDIAN GAMING
IN CALAIS, MAINE

Introduction

The Federal Indian Gaming Regulatory Act and the popular border crossing at Calais, Maine create a substantial economic opportunity for the most economically depressed region of Maine. This material explains how a legal, well-run gambling casino owned by the Passamaquoddy Tribe could substantially improve the economy of Eastern Maine.

This material addresses the intent of the federal Indian gaming law and its application to the depressed circumstances found in Washington County. As you gather information and decide for yourself if the Passamaquoddy Tribe should have the same right to run a gaming facility as Indian tribes in other parts of the country, we ask that you consider the following basic facts:

- Washington County has long been among the poorest parts of the state of Maine, with unemployment consistently high for Maine (Maine Dept. of Labor: 10.3% in 1991; 16.4% in February, 1993) and per capita income always at or near the bottom (1990 Census: \$9,607 in Washington County, 25% below the statewide average .
- There is little hope for meaningful economic development in the region.
- The federal Indian Gaming Regulatory Act was enacted to improve the self-sufficiency of American Indian tribes through the operation of gambling facilities under terms negotiated with their respective state governments. Sixty-one tribal/state compacts have been agreed upon in the twenty-eight other states having self-governing Indian reservations. Governor Cuomo of New York has recently signed an agreement for the sixty-second.
- The Passamaquoddy proposal would make use of Washington County's greatest untapped economic resource: the enormous border crossing traffic to and from Canada's maritime provinces (Maine Office of Tourism: over 4 million people per year since 1990).

Understanding the Region

By most measurements, Washington County is the poorest county in Maine, with income 25% below the state average and unemployment 30%-40% higher than the state average.

Getting and keeping a steady job consumes the efforts of most of Washington County's working-age residents. For centuries, the economic life of eastern Maine has relied on resource-based employment related to blueberries, fish and wood. Most of these jobs are unskilled, seasonal and weather-dependent.

Other than the scenic quality of the region's coast, there is little besides the harvesting and processing of the woods, barrens and ocean that the residents of Washington County can count among their economic assets; little, that is, until you consider the substantial cross-border travel by Canadian residents.

This constant flow of traffic is the most important untapped resource for the region's residents. History has proven, however, that it takes more than scenery to get these travelers to spend time and money in Washington County.

A New Pattern of Success

The casino gaming facility proposed for Calais, Maine will bear no resemblance to the gambling meccas of New Jersey and Nevada, where multiple large facilities dominate the local culture. Instead, it will be patterned after the successful, stand-alone, Indian-managed casino in Ledyard, Connecticut.

The success of this proposal rests on the assurances that a Calais casino would be run openly and honestly. More than promises and good intentions ensure that that will be the case. Strict regulations are proposed by the Tribe requiring licensing by the Maine State Police of all casino personnel and vendors.

The Approval Process

According to the federal Indian Gaming Regulatory Act (IGRA) passed by Congress in 1988, Indian gaming operations are authorized on tribal lands under the terms of an agreement, or "compact," negotiated with the host state. Congress passed this law in recognition of the historic neglect of Indian tribes in the United States, and with an appreciation of the fact that there are few other means of bringing employment to the remote regions where most tribal communities have been left.

After a municipal referendum and by unanimous vote of the City Council, the City of Calais approved the siting of a casino gambling facility by the Tribe along Route One at the edge of the city. The Tribe is now asking for legislative approval for this site.

With legislative consent, the Tribe will be empowered to enter into good faith negotiations with the state to agree on the terms and conditions of the compact which will govern casino operations. The legislation will eliminate any questions about the applicability of the Indian Gaming Regulatory Act in Maine.

Upon approval, the Tribe will proceed with site approvals and construction of the casino and hotel complex.

Jobs for eastern Maine...
...and taxes for state government

- Unlike many worthy economic development initiatives that require some form of public funding or other special economic concession, the Calais hotel/casino requires no public assistance and will pay extra taxes to Calais.
- \$20 million for the hotel/casino construction and infrastructure improvements will generate between 400-700 construction jobs (Associated General Contractors estimate 35-50 jobs per million dollars of construction investment).
- Between 400 and 700 equivalent full-time permanent jobs at the casino are expected, virtually all of which will be held by Washington County residents, producing significant personal income tax revenue for the state. Payroll is expected to be between \$5 million and \$10 million.
- Goods and services purchased by the operation would add additional millions to the area economy. The combined effect of payroll and the facility's own spending would dramatically increase economic activity in the area, and reduce the burden on state and local governments of welfare, unemployment benefits and other social service costs.
- State sales taxes on food, beverage and hotel rooms will generate new income for the state's general fund.
- Tribal ownership of the casino means that profits will remain in the eastern Maine economy and will be spent to support the reservations at Indian Township and Pleasant Point, and to fund additional economic development. The Tribe is currently the second largest employer in Washington County, and more than two-thirds of the nongovernmental jobs it has produced are held by non-tribal members.
- By agreement with the City of Calais, the casino will make annual payments to the City equal to 125% of the municipal property tax that the facility would pay if it were not on tribal land.

Ending dependence

Over the years, Maine Indians were forced into a cycle of dependence as wards of the state government. Maine Indians were not entitled to the support given Indians in other parts of the country, and the State's Indian programs often rewarded dependence instead of encouraging self-government and self-sufficiency.

With the passage of more recent federal Indian laws, including the historic Maine Indian Land Claim Settlement Act of 1980, the Maine tribes got an opportunity to build the economic foundation necessary to break the cycle of government subsidy and dependence. The Passamaquoddy Tribe is justifiably proud of the businesses which it has created, especially ones like Fiber Extrusion, the \$10 million synthetic fiber recycling plant in Eastport which has produced some of the first new capital intensive jobs in that region in a generation.

But economic development in Washington County is a difficult task, a fact which is clearly illustrated by the 30% unemployment rate which remains on the Passamaquoddy's Pleasant Point reservation and the 58% unemployment rate at the Indian Township reservation.

Summary

A well-regulated gaming enterprise owned by the Passamaquoddy Tribe could have a major positive influence on the economy of Washington County and on the economic and cultural future of the Passamaquoddy Tribe. The federal policy permitting Indian gaming as a means of bringing employment and self-sufficiency to remote tribes is especially well suited to Washington County, with its stream of traffic through the Calais border crossing. We hope you will agree that Maine Indians, who were the last Indians in the U.S. to get the vote and among the last to receive the benefits that Indians in other parts of the Country receive, should now have the same right as Indians in other parts of the country, to use gaming as a means of improving their condition and that of their non-Indian neighbors.

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