City of San Antonio, Texas

THE POTENTIAL IMPACTS OF CASINO GAMBLING IN SAN ANTONIO

Submitted to:

THE MAYOR
AND CITY COUNCIL

NOVEMBER 10, 1994
City of San Antonio, Texas

THE POTENTIAL IMPACTS
OF CASINO GAMBLING
IN SAN ANTONIO

Prepared for:
The Mayor
and City Council

Prepared by:
the Staff Task Force on Casino Gambling

Members
Clinton Bolden, Co-Chair
Steve Moore, Co-Chair
Eddie Garcia
Dale Jacobs
Trey Jacobson
Lou Lendman
Myra Leo
Jesse Lopez
Kevin Moriarty
David Pasley
Capt. Bill Smith
Rebecca Waldman
Mark Webb
Asst. Chief Steve Worley

Departments
Economic Development
Convention and Visitors Bureau
Convenience Facilities
Police
Economic Development Management Services
Intergovernmental Relations
Economic Development Community Initiatives
Planning
Police
City Manager’s Office
City Manager’s Office
Fire

NOVEMBER 10, 1994

OFFICIAL STATEMENT
This report is presented to aid in public discussions about the gaming industry in Texas and San Antonio. Much of the information contained in the report is based upon proposed legislation, staff assumptions, limited comparable data, and survey results. Therefore, the City of San Antonio cannot warrant or represent the accuracy of all information contained herein.
Section One:  
Key Findings

1. The introduction of casino gambling to the local economy could produce net positive economic benefits (direct and indirect) including marginal increases in spending, earnings, and employment in the metropolitan area.

2. The majority of casino revenues would likely be collected from local area residents.

3. Expenditures at the casinos by local residents and the existing tourist market could shift some spending away from other industry areas, particularly retail, restaurant, and other leisure activities. This could result in decreased direct spending, decreased employee earnings, and decreased employment in those sectors.

4. Limited findings suggest that the introduction of casino gaming to San Antonio would have little or no impact on the City's ability to attract conventions or conferences.

5. No evidence can be found to suggest that the availability of gaming would prompt convention delegates to lengthen their stay in San Antonio.

6. Gaming may enhance San Antonio's ability to attract certain additional leisure group business (motor coach tours, for example).

7. No evidence can be found to support statements that the presence of casinos in San Antonio would help capture local gambling dollars currently spent in Las Vegas.

8. The introduction of casino gaming could negatively impact the profitability of certain types of family attractions, such as local theme parks.

9. Highly visible promotion of casino gaming in San Antonio may undermine the city's family destination reputation, which could reduce any visitor growth created by gaming.

10. The introduction of casino gambling could produce an additional $1.2 to $2.6 million in City general fund revenues. (This represents a 0.34% to 0.74% increase over FY 93-94 general fund revenue estimates). The hotel revenues generated from the additional overnight casino visitors could produce $323,000 to $1.2 million in additional hotel/motel taxes. (This represents a 1.38% to 5.1% increase over FY 93-94 hotel/motel tax revenue estimates).
11. The Police Department expects a marginal increase in overall crime indirectly related to casino gambling and its corresponding social impacts.

The Police Department estimates that 2 additional police officers may be required to respond to additional service calls from casino visitors. The total annual estimated cost of this staffing requirement is $106,000.

12. Staff does not anticipate additional fire department expenses directly attributable to casinos.

13. As reported in academic journals, university research findings suggest that the relative proximity of a casino is likely to increase the gambling activity of local residents, and as individuals gamble more, there are likely to be increases in divorce, separations, marital problems related to money matters, less time spent with the family, work absenteeism, alcohol consumption, reductions in work productivity, and reductions in civic and religious activities.

14. It is possible that the introduction of casino gambling in San Antonio could place a burden on the community that outweighs the possible economic benefits that might be realized.