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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 476
Title: "An act relating to..
limited historic gambling."
Sponsor: Senator Fahrenkamp
Requestor: Senate Judiciary
Date of Request: 3/12/84

FISCAL DETAIL

Agency Affected: Public Safety
Program Category Affected: Administration of Justice
BRU, Program or Subprogram(s) Affected: Alaska State Troopers

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Francis C. Allan *G.C.A.* Phone: 269-5691
Division: Alaska State Troopers *MCK* Date: 03/12/84
Approved by Commissioner: Robert J. Sundberg *RJS* Date: 3/16/84
Agency: Public Safety

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

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REPLY TO Atlantic City Office

April 20, 1983

Mr. Robert W. Ward, Jr., Director
Skagway Convention & Visitors Bureau
City of Skagway
7th & Spring Streets
P. O. Box 415
Skagway, AK 99840

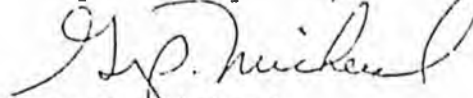
Re: Casino Gambling

Dear Mr. Ward:

Enclosed please find an analysis of the casino proposal prepared by the Skagway Convention and Visitors Bureau, with particular emphasis on the seven questions you posed. This analysis was performed by this firm in conjunction with Duane Burke and the Public Gaming Research Institute.

We and Mr. Burke stand ready to provide any further assistance you may need in this connection or respond to any further inquiries you may have. Thank you.

Very truly yours,


Guy S. Michael

GSM/cp

Enclosures

cc: Mr. Duane Burke

1. What would our personnel requirements be to accommodate 300 gamblers, dispersed among the six sites, at the hours listed on the fact sheet?

It is assumed that the purpose of this inquiry is to determine necessary staffing levels for casino games as they might be necessary in a casino proposal for Skagway. In particular, in connection with staffing levels, it is assumed issues of cost and recruitment are critical. In this connection, there is an assumption implicit in the phrasing of the question which might be misleading and might not best be the way to approach the matter. This assumption is that staffing levels should be geared to any specifically anticipated number of gamblers. Although patron size is a factor, staffing levels are best developed by ratio to the number of games offered. It is the determination of the number of games to offer which is contingent on the estimate of anticipated patron demand.

Given this method of personnel calculation, the following is offered as a sound beginning point from which to estimate potential staffing needs.

Any blackjack table would require, at all times while in operation, one dealer. In addition, at the first level of supervision, there must be one floor person for, at least, every four blackjack tables. That first level supervisor should be required to oversee no more than that number. The

second level supervisor, or pit boss, may be assigned the handling of no more than 12 blackjack tables.

These ratios are based on staffing levels utilized in casino operations of some size. Given the dimensions of the operations proposed on your Fact Sheet, those ratios can be slightly modified. In particular, the tables proposed for the Red Onion Saloon, Moe's Frontier Bar, and the Golden North Hotel could be efficiently staffed with one dealer per table and one supervisor overseeing those two dealers. This assumes, in addition, that there would be overall management, such as a casino manager, to whom the blackjack supervisor would report. In the case of the Golden North Hotel, the single supervisor could handle all four tables.

With respect to the Klondike Hotel, its six tables would probably require, in the ideal, a single dealer at each table, two first level supervisors for each set of three tables and one overall supervisor. Application of similar ratios to the Eagle Hall would require a dealer at each table, three first level supervisors, and one second level supervisor. Finally, at A.B. Hall, there would need to be employed one dealer for each table, three first level supervisors and one second level supervisor.

To reiterate, the levels of supervision and the staffing noted here are required to be in place during all operational periods. Obviously, no single dealer can man a table for the entire proposed gaming day. Dealers typically are on the floor for forty minutes out of each hour. Accordingly, the facilities with two tables would require staffing for thirty-six man/hours of dealer time, or, approximately five dealers working 8-hour shifts per day, or, 252 man-hours per seven day week. A similar formula can be applied to the proposed table configurations at the other facilities. This means 504 man-hours per 7 day week at the Golden North Hotel; 756 man-hours at the Klondike Hotel; 1,260 man-hours at the Eagle's Hall; and, with 12 tables for 8-hour days at the A.B. Hall, 1,008 man-hours.

These calculations and estimates have been done on the basis of utilization of the game of blackjack. Obviously, as different games are utilized, the personnel requirements would change. Blackjack has been used here since that is the game you have proposed on your fact sheet. As different games are proposed, we will be happy to supply you with personnel estimates for each.

In addition, for your review and analysis, we attach a typical staffing chart outline for dealers and supervision in the games of Craps, Roulette, Baccarat and Big Six Wheel as well as Blackjack.

RELIEF FACTORS

<u>PIT BOSSES</u>		<u>RELIEF FACTOR</u>
BJ	..1 PIT BOSS/12 TABLES	1.25
CRAPS	1 PIT BOSS/8 TABLES	1.25
RO	1 PIT BOSS/12 TABLES	1.25
BAC	1 PIT BOSS/12 TABLES	1.25
BIG SIX	1 PIT BOSS/12 TABLES	1.25
<u>FLOORPERSONS</u>		
BJ	1 FLOOR/4 TABLES	1.25
*CRAPS	1 FLOOR/2 TABLES	1.25
RO	1 FLOOR/4 TABLES	1.25
BAC	1 FLOOR/1 TABLE	1.25
BIG SIX	1 FLOOR/4 TABLES	1.25
<u>BOXPERSONS</u>		
*CRAPS	1 BOX/1 TABLE	1.25
<u>DEALERS</u>		
BJ		1.33
CRAPS		4.00
BAC		4.00
RO		2.67
BIG SIX		2.67

* 2 supervisors required per 1 craps table (box or floor)

Craps - Box - 1 per table

Floor - 1 per every 2 tables

Plus

(usually) half the number of craps tables

ex: 12 craps tables=
6 box stations plus
3 floor stations + 3 supers. = 9

2. What should an organizational chart of these personnel look like to insure the greatest degree of control and audit capability?

As stated in the response to Question 1, and also, in part, in the response to Question 3, levels of supervision and organization of casino operations are essential components in the control of the casino games. Organizational charts in large casinos look very similar to the kinds of tables of organization one might see in any large corporation. They include, for example, critical elements of function segregation to insure that incompatible duties are not performed by individuals within the same or similar departments. This eliminates, as far as practicable, the possibility that an employee is in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties.

Departments typically found within a large scale casino operation would include:

1. A Surveillance Department, whose responsibility it would be to conduct clandestine surveillance of the operation and conduct of the casino. This department would report directly to the Board of Directors.
2. An Internal Audit Department, whose responsibility it would be to review and appraise the adequacy of internal controls. This department would also report directly to a Board of Directors.

3. A Casino Department who would be responsible to a Director of Casino Operations and, in turn, to a Chief Executive Officer. This department would be responsible for the operation and the conduct of the games.
4. A Slot Department, supervised by a Slot Department Manager, who would report to the Director of Casino Operations and, in turn, to the Chief Executive Officer. This department would be responsible for the operation of the slot machines.
5. A Credit Department, supervised by a Credit Manager, responsible to the Director of Casino Operations. This department would handle the credit function including verification of credit references and the establishment of patron credit limits.
6. A Security Department, supervised by a Director of Security, and responsible to the Chief Executive Officer. This department would perform physical safety functions.
7. A Casino Accounting Department, supervised by a Casino Controller and responsible, in turn, to the Chief Financial Officer. This department would handle all recordation of casino transactions.

Clearly, casino operations of the size contemplated in Skagway would not require the elaborate kinds of casino organization outlined above. Some variation of that organization would be necessary in order to insure that the

games in question are properly run. The level and extent of that organization would depend, in large measure, on not only the size of the operation but also the types of games offered and the method of play. For example, no credit department and a more limited accounting department and function would be required if credit were forbidden. In addition, elaborate systems of surveillance, such as closed circuit television cameras and the like, would appear superfluous in a situation in which but two table games are allowed in a given facility.

Therefore, although it cannot be determined at present with specificity what particular levels of organization would be necessary in casino operations in Skagway, it can generally be said that the organizational structure should insure sufficient levels of supervision to permit of adequate control by segregation of function and sufficient diversity of organization to similarly segregate duties and responsibilities which arise from the operation of casino games.

3. What is the best means of hiring personnel, especially supervisory personnel, to assure professionalism and integrity?

Before any discussion of the methods for recruitment and hiring of personnel in a casino is undertaken, it is necessary to understand the critical importance of the identity of those personnel in the overall context of the security of the casino itself. In a casino, unlike the situation prevalent in virtually every other business of any kind, sales transactions are unrecorded. Although elaborate internal and accounting controls can be applied to exchanges of cash for chips and other representatives of value used in the course of casino games, there is no written account kept of the actual wagers themselves. As a result, the real business transaction of the casino is not reflected in any book or record.

For these reasons, the basic control that is used to make sure that casino business is run properly must rest with the integrity of the people involved. In ways which can be described in more detail as necessary, systems of supervision are utilized which insure that a variety of people must concur with the conduct of each individual casino transaction. Misconduct in the course of these transactions, therefore, requires collusion of a variety of employees. The more people involved in those transactions whose integrity can be reasonably insured, the more

confidence there can be that the transactions themselves are conducted in an honest fashion.

Choices in the hiring of personnel must be the result of a diligent screening process. That process must be undertaken in both the public and private sector. On the public side, a government agency should be provided the authority to issue licenses to casino personnel. All persons involved in any way in the conduct of the games or the supporting accounting functions involved in casino operations should be required to be licensed. In a casino business as small as that proposed in Skagway, the creation of a new agency to perform this function would seem unnecessary. An existing law enforcement agency could be given that authority. It is essential, however, that whatever agency is delegated the authority to conduct the licensing process, that agency be an authorized and credible law enforcement body. It will be expected that persons will attempt to become employed in Skagway casino operations from a variety of jurisdictions. In order to develop the most thorough and efficient summary of those persons' backgrounds, the investigating agency must be able to obtain information from law enforcement authorities literally throughout the world. The receipt of that information is greatly facilitated if the requesting agents have some established relationship with the bodies from whom the information is sought.

Statutory criteria should be established within which the licensing agency can evaluate the qualifications of each applicant for an employee license. Those criteria should be broad enough to permit the consideration of all relevant information, but they should also be specific enough to both survive any constitutional challenge and, of equal importance, establish certain specific qualifications about which the licensing agency has no discretion. For example, general standards of good character, honesty, financial responsibility and casino experience should be included. Information received in the course of the investigation of each applicant can be evaluated in accordance with these standards. In addition, the statutory criteria may provide that persons with a specific type of criminal history not be permitted licensure in any case.

No person should be permitted to work unless and until he has received an appropriate license.

On the private side, casino employers should exercise caution and responsibility in both the hiring and the retention of sensitive casino employees. The license screening process administered by the government serves one purpose, but maintenance of the integrity of the casino ~~games~~ must also come from a coupling of that process with private sector responsibility. Even a suspicion of cheating should be

cause for dismissal. Casino personnel should be sufficiently well paid to ensure that quality people are recruited and retained. Since increased employment in the area does not seem to a significant goal of the Stagway proposal, it seems unnecessary to implement any procedures which would give preference to local residents in casino employment. This would be advantageous in recruiting experienced people from other jurisdictions.

4. What types of games would have been common at the turn of the century, and which of these would be the best in terms of economic gain to the City of Skagway, ease of control and audit, and provide the greatest visitor appeal?

The question of the type of games to be offered in any authorized casino is, to be sure, an important one and one on which we offer thoughts below. However, at the outset, it should be noted that specific designation of particular games is not necessarily essential at this stage of a casino proposal. What is a necessary component in this context in any beginning casino proposal is the recognition that only those games authorized by the regulatory authority empowered to control the casino operation will be allowed to be played in that casino operation. Once this power is established, the public can be assured that the games offered will be fair and in keeping with the general atmosphere intended by the enabling legislation. There is some significant value in leaving open the possibility to introduce new games or remove existing games from play as experience and time dictate success and failure.

For example, New Jersey found it necessary to amend its casino law to broaden the discretion vested in the regulatory authority to authorize new types of games as market demands demonstrated the necessity for modifications and as new games were developed and created. In recent legislation, authorizing casino gambling in Queensland, Australia, the nature and types

of games to be played was left to the discretion of the casino operator to propose and to the governmental apparatus to approve.

With respect to any particular games that might be contemplated and the advantages and disadvantages of them, the game which would probably prove the most popular and be in keeping with the historical ambiance intended is the game of Blackjack.

You appear to have contemplated the introduction of this game by virtue of your reference to it in your fact sheet.

Blackjack is a game regularly played in casinos throughout the world; it is familiar to virtually all casino patrons and has proven successful and profitable as a general rule. Supervision and control of Blackjack has been explained, in part, in other sections of this report. There are other specific dealing rules and procedures which may be implemented which can further insure the integrity of the game. For example, Blackjack should be dealt from a dealing shoe and not out of the dealers' hand. Patrons should not be permitted to touch the cards which they are dealt. Specific shuffling and discard procedures should be followed and specific gaming rules can be implemented which can counteract card counters who might otherwise gain the edge in the probabilities of the game.

Another game that might be considered is the game of poker.

Although poker provides an increased possibility for patron cheating, by virtue of the players' handling of their own cards and their playing against one another, poker also presents a virtual certain profit for the house since the casinos' win comes as a price for dealing the game. The house does not gamble at all in casino poker.

A third game for consideration is the game of craps. This is a very American game which would probably be well known to those who would patronize the Skagway facilities. Craps fits well into the barroom sort of atmosphere which Skagway would be creating. It generates a great deal of player interest and excitement in the course of its play. The house advantage in craps depends on the type of wager placed, but, overall it can be expected that the casino would win between 15% and 20% of all chips purchased at the table.

To reiterate, the listed games above are provided only as suggestions. As also noted above, the initial proposal can include discretionary authority to identify, modify, and eliminate authorized games.

5. What would be an initial cost for equipment and operation to get the program started?

Costs of development are, obviously, a function of the nature of the development itself. The Skagway Proposal eliminates what, in other jurisdictions, has been the most expensive element of casino industry development - construction. The Skagway Proposal, as we understand it, intends to place casino games within existing facilities. As a result, capital costs would be limited to whatever minor alterations to the facility might be necessary for aesthetic, logistic reasons. It is premature to speculate at this point on what types of internal rearrangement might be necessary within any existing facility and, accordingly, the cost of that rearrangement must wait for another day.

However, what can be surmised within some general range is the cost of equipment. We have included in our report for this purpose a brochure prepared by the Paul-Son Dice and Card Company. This brochure is intended for your review as an example of the types of expense that could be anticipated in the purchase of casino equipment.

As one can see from a perusal of the brochure, these costs are not small. In addition, there must be included costs of the equipment which might not typically be realized. For example,

for the game of Blackjack, one must not only purchase the table itself, but the felt layout which covers the table, the locking tray and cover which secures the chip inventory, the drop boxes into which cash received for the purchase of chips is placed, and other similar ancillary apparatus.

One should also carefully consider the significance of items like chips and cards and their associated costs. One takes for granted that chips and cards are an essential element of any casino operation. However, it must be understood that the security over and the integrity of each of those items is critical to the overall honesty of the casino game. Therefore, chips which, in effect, serve as money in a casino, must be specially manufactured to prevent, as far as possible, counterfeiting. In addition, cards must be carefully designed to avoid patterns which lend themselves to easy marking. Cards, and to a lesser degree, dice as well, are regularly destroyed and replaced when they have developed any sign of use or wear that might compromise the integrity of that piece of equipment.

6. What kind of revenue could the city expect to receive?

Speculation on projected revenue is just as difficult in the casino field as it is in any other area, and probably more so. A wide variety of factors must be considered before any specific figure could be deduced. Typically, an analysis of general economic conditions is undertaken as is an analysis of site, location, and supply and demand. Without that kind of information available at the present time, the best projections we might be able to offer can be based in the general experience of existing jurisdictions.

In this connection, we offer you the following experience from Atlantic City, New Jersey. The industry there has estimated that the game of Blackjack typically generates income as follows:

1. A table with a \$2 minimum bet will win (gross profit) between \$68 and \$80 per seat per day.
2. A table with a \$5 minimum bet will win (gross profit) between \$170 to \$200 per seat per day.
3. A table with a \$25 minimum bet will win (gross profit) between \$350 and \$1,000 per seat per day.
4. A table with a \$100 minimum bet will win between \$3,400 and \$4,000 per seat per day.

As another means of comparison, during February of 1983 in Atlantic City, a casino of average performance won approximately \$2,500 per day per craps table, \$1,700 per day per roulette table, \$2,500 per day per big six wheel, and \$6,000 per day per baccarat table.

As has been said previously during the course of this report, the experience of any one jurisdiction will not necessarily coincide with the experience of another. The casino performance figures of Atlantic City provided herein are not those on which Skagway should rely or expect in its situation. There were 21,000,000 visitors to Atlantic City last year. Skagway will experience no such influx. The above figures are provided only so that you have some point of comparison into which you should calculate the variable factors of geography, size, scope, market and the like. As those factors are studied, a clearer picture of expected profitability in Skagway will take shape.

7. Under this proposal, what kind of social problems should we expect?

One lesson we have learned in the course of our having viewed various existing and proposed casino jurisdictions is that each casino environment is distinct. It is impossible to transpose any casino situation from one geographical area to another and assume that precisely the same set of circumstances will apply to each. The economic, sociological and demographic features of a particular region dictate the affect of the introduction of casinos into that region just as surely as they dictate the social effect of any other phenomenon that that region may experience. There are, however, two general categories of lessons which can be learned from the experience of other jurisdictions. On the one hand, certain social impacts can be expected as a general rule, and anticipation of these impacts can greatly enhance the value of the introduction of the casino experience. Secondly, there is a host of misinformation and mythology which surrounds the casino industry and which can be dispelled by a review of what has happened in other parts of the world.

First of all, the most frequent social effect mentioned in connection with the introduction of casinos is the growth of crime in the area. As a general proposition, it can be said that the introduction of casinos on any large scale has, in the past, increased crime rates. However, what must be

clearly understood about this observation is that the associated increase in the crime rate is, in very large measure, not the result of the introduction of casinos per se, but, rather, the result of the resultant enormous increase in the numbers of visitors to the area. For example, the increase in the crime rate in Atlantic City, New Jersey, after the introduction of casinos to that area was no greater and, to some extent, less than the increase in the crime rate in Orlando, Florida which resulted from the introduction of Disney World to that city.

To be sure, there are certain crimes which have typically been linked to casinos themselves. Prostitution and loan sharking are frequently mentioned in this category. However, what must be understood in evaluating the Skagway proposal in this context is the scale of casino operation therein proposed. The kinds of prostitution and loan sharking activity which may tend to arise in 30,000 to 100,000 square foot, million dollar a day operations in Las Vegas or Atlantic City will simply be spawned in the infinitely more subdued and limited casino atmosphere contained in your proposal. For example, one casino activity which has caused some of the most severe law enforcement and social problems in large scale casino operations has been the area of credit. Questions of untaxed casino proceeds, patron fraud, and compulsive

gambling have arisen from the issuance of credit to gamblers. However, in casino enterprises of the size you propose, it would be both unnecessary and inappropriate for credit to be available. This factor alone eliminates many of the social effects which have been criticized in other jurisdictions.

Another issue often linked with casinos, as mentioned briefly above, is compulsive gambling. The specter of the food money being gambled away at the tables haunts those who propose and support casino legalization. Again, there is an element of validity to this fear. Certainly, the availability of casino gambling, or any form of gambling for that matter, increases the possibility that persons will succumb to whatever psychological factors create the compulsive personality where they might not otherwise succumb if the opportunity to gamble had not been made readily accessible. However, here, too, this problem must be viewed in terms of scope and scale. The more limited the opportunity, the more limited the problem.

Other jurisdictions have dealt with this social effect in different ways. For example, in Great Britain, all casino gambling is conducted in facilities in the nature of private clubs. Patron access is limited to members. One may not become a member, or gamble in the facility, for a forty-eight hour period following application. This

practice is in keeping with the overall British policy that gaming not exist to meet any but unstimulated demand. Another practice in keeping with this policy is the prohibition of advertising by any English casino.

In the Bahamas, they have taken the policy a few steps further. In that country, no member of the local population is permitted to gamble. This clearly limits patron categories to visitors and tourists and severely limits any economic effects which may accrue to Bahamians as a result of the existence of casinos in their country.

Finally, in Malaysia, Malaysian citizens are required to deposit \$200 Malaysian (approximately \$85 American dollars) with a cashier on entering the casino. They are given a receipt for the money. When they leave the casino, on showing their receipt, their money is returned to them. This practice insures that, first of all, persons of some means are those who are gambling and, second of all, no one can gamble away their last dollar.

We do not mention these practices to suggest your adoption of all or any of them. We only note them for your consideration in evaluating the methods which can be utilized to limit what might be perceived as negative social impacts which result from casino gambling.

Finally, there is the axiom that where casinos go, organized crime will follow. Clearly, this impression arises from a combination of both historical fact and media reinforcement. The origins of casino gambling in the United States did have connections with organized criminal activity. The State of Nevada would be the first to admit that the first major casino in Las Vegas, the Flamingo, was owned and operated by Bugsy Siegel, a gangster of significant notoriety.

But history, after all, is history. There is nothing inherent in the conduct of a casino game that makes any association between it and organized crime inevitable. Careful review and oversight in the gaming area can, for all intents and purposes virtually eliminate organized crime infiltration in the ownership and the operation of casino enterprises. This is especially so under the circumstances you propose. Again, one must look first to the size and scope of the casinos envisioned. Skagway is not intended to be Las Vegas; it is not intended to be Atlantic City. Rather, Skagway as we understand it, intends to offer a small, quaint casino atmosphere with limited play and limited patronage. These are not circumstances ripe for any substantial criminal incursion.

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P O BOX 415 SKAGWAY ALASKA 99840

A PROPOSAL
FOR
A LIMITED FORM OF GAMBLING
IN
SKAGWAY, ALASKA
(REVISED)

BY THE SKAGWAY CONVENTION AND VISITORS BUREAU

TABLE OF CONTENTS:

I. THE DAYS OF '98.....PAGE 1

II. WHAT ABOUT DAWSON'S GAMBLING.....PAGE 3

III. SOUNDS GOOD - BUT AREN'T THERE
PROBLEMS ASSOCIATED WITH GAMBLING?.....PAGE 5

IV. SKAGWAY TODAY.....PAGE 6

V. WHAT COULD LIMITED GAMBLING LOOK
LIKE IN SKAGWAY?.....PAGE 8

VI. SPECIFIC RECOMMENDATIONS.....PAGE 10

THE DAYS OF '98

"Life itself was a gamble. Settlers crossing the plains faced death from indians, starvation, thirst, and cholera, as well as each other. Everyday chores - prospecting, mining,...hunting - were likely to injure or accidentally kill a person. Violent changes of fortune, for better or for worse, were part of the...experience."

Richard Erdoes - Saloons of
the Old West

SUBSTITUTE THE PASSES FOR THE PLAINS, AVALANCHES FOR INDIANS, FREEZING BLIZZARDS FOR THIRST, SPINAL MENINGITIS FOR CHOLERA, AND YOU HAVE SKAGWAY AND THE KLONDIKE IN 1898.

THE THRILL OF FORTUNES WON AND LOST WAS JUST AS GREAT ON BROADWAY, IN SKAGWAY, AS IT WAS ON ELDORADO CREEK IN THE YUKON. THIS DISCOVERY OF A NEW, ROUGH AND READY FRONTIER, LONG AFTER THE WESTERN FRONTIER HAD FADED INTO SETTLED TRANQUILITY, LURED THOUSANDS OF PEOPLE NORTHWARD IN THE "LAST GREAT ADVENTURE".

THE EVER-PRESENT SHELL GAME, FARO, POKER, DICE, AND THREE CARD MONTE WERE DIVERSIONS FROM THE GREATER GAMBLE OF LIVES AND FORTUNES IN THE BLOWING SNOWS OF THE PASSES AND THE FROZEN MUCK OF THE GOLD FIELDS. THE SALOONS AND GAMING PARLORS OF SKAGWAY WERE AN EQUAL PART OF AN IMAGE THAT WAS BEING REKINDLED THROUGHOUT THE WORLD. IT WAS THE IMAGE OF A FALSE FRONTED TOWN ON THE EDGE OF THE WILDERNESS WHERE MEN LIVED BY THEIR WITS. IT WAS AN IMAGE ROMANTICIZED BY ROBERT SERVICE AND JACK LONDON, WHERE ONLY THE FIT SURVIVED. IT WAS A CHANCE FOR MEN TO PIT THEMSELVES AGAINST THE WORST AND TOUGHEST THAT MANKIND AND NATURE COULD MUSTER, AND SEE WHO WON. IT WAS THE IMAGE THAT HAD DRAWN CIVILIZATIONS ACROSS UNCHARTED OCEANS, THROUGH HOSTILE

FORESTS, OVER SCORCHED DESERTS, AND FINALLY, IN THIS LAST GREAT
GOLD RUSH, TO THE FROZEN NORTH. IT WAS THE KLONDIKE.

WHAT ABOUT DAWSON'S GAMBLING?

WITH THE DISCOVERY OF GOLD ON THE BEACHES OF NOME IN 1899, DAWSON SOON BECAME A VIRTUAL GHOST TOWN. OVER THE YEARS THE ABANDONED BUILDINGS FELL INTO DISREPAIR. DAWSON, AT THE SAME TIME BEGAN TO REALIZE IT'S HISTORICAL POTENTIAL AS A TOURIST ATTRACTION. DAWSON ALSO DISCOVERED THAT THE DETERIORATION OF THE BUILDINGS AND THEIR REMOTE LOCATION WERE MAJOR HANDICAPS TO THE DEVELOPMENT OF A VIABLE TOURISM INDUSTRY.

IN ORDER TO AID IN THE RESOLUTION OF BOTH OF THESE CONCERNS, IN 1971 THE CANADIAN FEDERAL GOVERNMENT PASSED A WAIVER TO EXISTING LEGISLATION THAT ALLOWED THE KLONDIKE VISITORS ASSOCIATION TO RUN A GAMBLING OPERATION IN A CENTRAL LOCATION - DIAMOND TOOTH GERTIE'S. THE PROCEEDS FROM THIS OPERATION WERE TO GO TO THE ENHANCEMENT OF DAWSON'S TOURISM INDUSTRY.

DIAMOND TOOTH GERTIE'S IS THE ONLY ESTABLISHMENT IN CANADA THAT HAS GAMBLING, LIQUOR, AND ENTERTAINMENT UNDER ONE ROOF, AND HAS BECOME THE MAINSTAY OF THE DAWSON ECONOMY. HOWEVER, GERTIE'S WAS NOT WITHOUT PROBLEMS IN HER FIRST YEAR. INEXPERIENCE IN RUNNING A GAMING OPERATION, ON THE PART OF THE K.V.A., AND A LOSS OF BUSINESS TO LOCAL BARS AS PATRONS FLOCKED TO THE CASINO RESULTED IN A NET LOSS FOR SEVERAL BUSINESSES, INCLUDING THE K.V.A..

AFTER THE FIRST YEAR, THE R.C.M.P. SELECTED A PROFESSIONAL PIT BOSS TO MANAGE THE OPERATION AND THE K.V.A. ESTABLISHED A VOLUNTEER GAMBLING SQUAD TO OVERSEE GAMING AND TO REPORT ON ITS PROBLEMS AND BENEFITS. THE RESULT WAS A SMOOTHER, PROFITABLE OPERATION FOR ALL OF DAWSON.

GAMES PLAYED AT GERTIE'S ARE BLACK JACK, CROWN AND ANCHOR, ROULETTE, AND POKER. THE MAXIMUM BET IS \$5. THE K.V.A. EMPLOYS 45 PEOPLE TO RUN THE OPERATION WITH EMPHASIS PLACED ON MAINTAINING AN ATMOSPHERE OF FUN AS WELL AS PROFESSIONALISM. IN 1982 THE NET PROFITS TO THE K.V.A. WERE \$25,000.

FUTURE PLANS ARE TO EXPAND GERTIE'S TO ACCOMMODATE MORE VISITORS, AND TO RAISE THE BET LIMIT TO COVER INCREASED COSTS.

SOUNDS GOOD - BUT AREN'T THERE PROBLEMS ASSOCIATED WITH GAMBLING?
WHENEVER ONE MENTIONS GAMBLING, SEVERAL POTENTIAL SOCIAL PROBLEMS
COME TO MIND. GIOVANNI CASTELLARIN OF DAWSON'S K.V.A. WAS QUESTIONED
ABOUT THESE PROBLEMS. HIS RESPONSES ARE AS FOLLOWS:

GIOVANNI CASTELLARIN, PRESIDENT OF THE KLONDIKE VISITORS
ASSOCIATION SAID THAT THERE HAVE BEEN A FEW PEOPLE WHO HAVE
BECOME ADDICTED TO GAMBLING BUT THAT WELFARE PROVIDES A
FACILITY FOR TREATMENT. CASTELLARIN FELT IT WAS A SMALL PROBLEM
AND THAT IN A SMALL COMMUNITY THE SIZE OF DAWSON (400-500 PEOPLE),
IT CAN BE PREVENTED BECAUSE PEOPLE KNOW EACH OTHER AND KNOW WHO
IS HAVING A PROBLEM. REFUSING TO ACCEPT CHECKS OR GIVE PEOPLE
CREDIT IS ONE OF THE WAYS OF KEEPING PEOPLE WITH A PROBLEM FROM
SPENDING ALL OF THEIR MONEY. OVERALL, ONLY A VERY SMALL NUMBER
OF LOCALS GAMBLE AT ALL; EVERYONE IS SO BUSY DURING THE BRIEF
SUMMER SEASON. (GERTIE'S IS ONLY OPEN DURING THE SUMMER)
CASTELLARIN SAID THAT MOST EVERYONE FEELS THAT THE POSITIVE
EFFECT ON THE COMMUNITY IS 100 TIMES GREATER THAN THE NEGATIVE
EFFECT. EVEN THE LOCAL PRIEST APPROVES OF GAMBLING, "IF IT IS
CONTROLLED AND DONE RIGHT."

CASTELLARIN ALSO SAID, "WE DO NOT KNOW WHAT CRIME MEANS IN
DAWSON."

SKAGWAY TODAY

ON THE AFTERNOON OF JANUARY 14, 1983, ECONOMIC DISASTER STRUCK SKAGWAY. ON THAT DATE THE WHITE PASS CORPORATION ANNOUNCED THAT THE WP&YR NARROW GAUGE "SCENIC RAILWAY OF THE WORLD" WOULD CEASE TO OPERATE UNTIL THE MINES IN THE YUKON REOPENED. THE EARLIEST THAT WHITE PASS COULD SPECULATE ON THE REOPENING OF THE RAILROAD WOULD BE THE SECOND QUARTER OF 1984. THE LOSS OF THE RAILROAD MEANT THE DEMISE OF SKAGWAY'S PRIMARY INDUSTRY. THIS LEFT THE TOWN TOTALLY DEPENDENT UPON ITS SECOND INDUSTRY, TOURISM, FOR AT LEAST THE NEAR FUTURE. THE SITUATION IS NOT DISSIMILAR TO THAT OF DAWSON.

WHAT IS DIFFERENT IS THE ADVANTAGE THAT SKAGWAY ALREADY HAS AS A WELL KNOWN POPULAR TOURIST DESTINATION. THE KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK, THE CHILKOOT TRAIL, BROADWAY, SOAPY SMITH, A.B. HALL, THE GOLDEN NORTH HOTEL, THE PACK TRAIN, THE RED ONION SALOON, AND ALL THE OTHER AUTHENTIC ATTRACTIONS THAT SKAGWAY OFFERS CONJURE UP THAT GOLD RUSH IMAGE OF THE ADVENTURE OF 1898. SKAGWAY OFFERS A GOLD RUSH EXPERIENCE UNEQUALLED ANYWHERE IN THE KLONDIKE REGION

TO ENHANCE THAT WELL KNOWN IMAGE, WHILE AT THE SAME TIME REAPING THE BENEFITS OF INCREASED VISITATION, INCREASED EMPLOYMENT, AND INCREASED REVENUES EXPERIENCED IN DAWSON, SKAGWAY NEEDS TO CONSIDER A LEGALIZED LIMITED FORM OF GAMBLING SCENARIO THAT WOULD INCORPORATE THE BEST ASPECTS OF THE DAWSON PROGRAM AND ACCOMODATE LOCAL CONCERNS. WITH

STRICT HISTORIC GUIDELINES AND CITY OF SKAGWAY CONTROL, THE TOURISM INDUSTRY IN SKAGWAY CAN BE MAINTAINED AND EXPANDED TO GUARANTEE A STABLE SECOND INDUSTRY TO SEE THE CITY THROUGH CURRENT AND FUTURE ECONOMIC DIFFICULTY. A LIMITED FORM OF LEGALIZED GAMBLING WOULD ADD TO SKAGWAY'S PRE-EMINENCE AS THE KLONDIKE GOLD RUSH ATTRACTION OF ALASKA.

WHAT COULD LIMITED GAMBLING LOOK LIKE IN SKAGWAY?

OF THE UPMOST CONCERN TO THE CITY OF SKAGWAY IS THAT ANY GAMBLING IN SKAGWAY BE CONTROLLED BY THE CITY GOVERNMENT. THE CITY COUNCIL WOULD ESTABLISH REQUIREMENTS FOR THE OPERATION OF GAMING TABLES, THE TYPES OF GAMES ALLOWED, THE LIMITS PLACED UPON BETS, AND THE HISTORIC CRITERIA. PROCEEDS FROM GAMBLING WOULD GO TO THE CITY, WITH 50% OF THOSE PROCEEDS TO BE USED FOR HISTORIC PRESERVATION.

ANOTHER MAJOR CONCERN IS THAT ANY GAMBLING OPERATION MAINTAIN AN HISTORIC CHARACTER. THE INTENT IS TO RECREATE THE ADVENTURESOME ATMOSPHERE OF 1898, NOT TO CREATE THE GLITTER AND STYLE OF A MODERN DAY LAS VEGAS. MAINTAINING THE HISTORIC FLAVOR OF SKAGWAY, AND THE APPEAL OF HAVING FUN, IS IMPERATIVE FOR THE COMMUNITY AS WELL AS THE TOURISM INDUSTRY.

A FINAL CONCERN IS THAT GAMBLING IN SKAGWAY NOT BECOME THE MAJOR ATTRACTION FOR THE COMMUNITY, BUT SIMPLY ANOTHER ASPECT OF OUR HISTORIC ATMOSPHERE. WE DO NOT WANT TO BE VIEWED AS THE TOWN IN ALASKA WITH GAMBLING BUT AS THE GOLD RUSH ATTRACTION OF ALASKA THAT INCLUDES GAMBLING. THIS IS THE DIRECTION OF OUR TOURISM DEVELOPMENT AND BETTER MEETS THE CONCERNS OF THE COMMUNITY OF SKAGWAY.

WITH THESE CONCERNS IN MIND, THE CITY OF SKAGWAY WOULD OPERATE A SINGLE CASINO IN THE ARCTIC BROTHERHOOD HALL. THERE WOULD BE A LIMITED FLOOR SHOW TO ENHANCE THE HISTORIC FLAVOR, BUT NO LIQUOR LICENSE WOULD BE SOUGHT. THE AMOUNT OF BETS WOULD INITIALLY BE LIMITED TO \$5.00 TO MAINTAIN THE SOCIAL, ENTERTAINMENT GAMBLING ATMOSPHERE.

THE AB HALL WOULD ACCOMMODATE ABOUT 84 PEOPLE AT ANY GIVEN TIME. THIS IS A VERY SMALL PORTION OF THE VISITOR POPULATION ON MOST DAYS DURING THE SUMMER SEASON. THE REMAINING VISITORS WOULD BE ENJOYING THE OTHER HISTORIC ATTRACTIONS OF THE COMMUNITY.

INFORMATION PROVIDED BY THE PUBLIC GAMING RESEARCH INSTITUTE INDICATES THAT SUCH AN OPERATION WOULD EMPLOY 34 PERSONS PER 8 HOUR SHIFT WITH POTENTIAL GROSS REVENUES OF \$5,880 PER SHIFT. POTENTIAL NET REVENUE TO THE CITY COULD BE IN THE AREA OF \$200,000 FOR THE SEASON.

THIS LIMITED FORM OF GAMBLING WOULD ENHANCE OUR HISTORIC IMAGE WHILE MAINTAINING A STABLE SUPPORT INDUSTRY. IT WOULD PROVIDE VISITORS WITH THE OPPORTUNITY TO ENJOY A FUN AND EXCITING GLIMPSE OF LIFE IN THE "DAYS OF '98". WITH THESE LIMITATIONS AND CRITERIA, GAMBLING IN SKAGWAY COULD BE CONDUCTED WITH THE LEAST SOCIAL COST AND THE GREATEST ECONOMIC BENEFIT.

SPECIFIC RECOMMENDATIONS

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY CONTRACT WITH THE PUBLIC GAMING RESEARCH INSTITUTE TO ANALYZE OUR PROPOSAL IN TERMS OF SOCIAL IMPACTS, OPERATIONAL PROBLEMS, AND POTENTIAL REVENUES.

- . RECOMMENDATION - ANY OR ALL GAMBLING ESTABLISHMENTS BE LICENSED AND OPERATED BY THE CITY.
 - CRITERIA FOR THE NUMBER AND LOCATION OF GAMES, TYPES OF GAMES, HOURS, LIMITS OF BETS AND PROMOTION SHOULD BE SET BY THE CITY COUNCIL.
 - PROCEEDS FROM THE GAMBLING GO DIRECTLY AND EXCLUSIVELY TO THE CITY OF SKAGWAY, WITH 50% OF THOSE FUNDS GOING TO HISTORIC PRESERVATION.
 - THAT A LOCAL GAMING COMMISSION BE ESTABLISHED TO MONITOR THE THE GAMING OPERATION.

- . RECOMMENDATION - THAT A LIMITED NUMBER OF HISTORIC GAMES BE ALLOWED.

- . RECOMMENDATION - THAT THE ALASKA STATE DEPARTMENT OF REVENUE REVIEW SKAGWAY'S OPERATION ON AN ANNUAL BASIS AND REPORT THOSE FINDINGS TO THE STATE LEGISLATURE.

- . RECOMMENDATION - THAT GAMBLING ONLY BE CONDUCTED DURING THE SUMMER, WITH POSSIBLE LIMITED WINTER OPERATION.

- . RECOMMENDATION - THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON THIS PROPOSAL.

- . RECOMMENDATION - THAT THE PROPOSED LEGISLATION NOT EFFECT THE

STATUS OF ANY CURRENT LIQUOR LICENSE.

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY WRITE TO THE REGIONAL DIRECTOR OF THE NATIONAL PARK SERVICE REQUESTING AN OPINION ON THE LEGALITY OF GAMBLING WITHIN THE PARK.

Minutes: Skagway Convention and Visitors Bureau
Regular Meeting March 13, 1983

CALL TO ORDER: 1:30 PM

MEMBERS PRESENT: Jan Wrentmore, Chairman, Dorothy Richards,
Boyd Worley, Jerry Coon,

Absent: John Steinbach, Bill Feero,
one seat vacant

APPROVAL OF MINUTES: Regular Meeting of February 6, 1983
Motion, by RICHARDS to approve the minutes as written.
Unanimous consent requested. No objections.

Motion carried.

NEW BUSINESS

1. Proposal for a Limited Form of Gambling in Skagway

Administrative Report

WARD explained that what he had submitted was only a draft and should only be used as a point of discussion. He recommended that amendments to the proposal be left to the city council. He stressed that passage of the proposal would be based on limits of the proposal and control, especially control. He said that any changes to the proposal should reflect those two concerns.

Public Hearing

BOB COGBURN of the Assembly of God Church said that he was at the meeting as a pastor and not as a representative of his congregation. He asked what contacts were made to the cities that were used as examples in the draft proposal.

WRENTMORE stated that she had spent much time with people from Dawson. She had asked about any increase of crime since the beginning of the gambling program. She said that Dawson people didn't know what crime was. There had been no prostitution as a result. She said that Dawson had some problems with addiction to gambling but that the community felt that they could handle those problems. She continued by saying that the emphasis in Dawson was on fun and social gambling.

COGBURN stated that he had contacted father Daniel Rockwell in Fargo North Dakota. Rockwell had said that initial negotiations for gambling in North Dakota were not held publicly. He said that prostitution had increased in North Dakota. Cogburn reported that the manager of the Opera Gaming House had been imprisoned for embezzlement and that the St. Mary's Catholic Church had lost its license for cheating. Cogburn said that gambling had not

Minutes, C.V.B. 3/13/83

helped the town, and that welfare had increased as a result of the gambling program. Cogburn reported that gambling had increased infighting within the public television stations that were depending upon their gambling operations for funding. He stated that the mafia had made a local casino change its name from Ceasars to another with less mafia affiliation. He said that gambling was everywhere and that police were not encouraged to investigate operations. Cogburn said that as a minister of the gospel of Christ and from a scriptural standpoint he is opposed to gambling and feels it is a poor way to increase business in Skagway. He felt that gambling was preying unjustly on someones weaknesses. Cogburn felt that information we collect on the gambling issue would not reflect the ministerial side of gambling.

WRENTMORE thanked Rev. Cogburn for his research but countered that she had talked with Joni Norby of the Fargo Convention and Visitors Bureau, and Ralph Geaugler, assistant attorney general in the gaming division. Geaugler had stated that the only increase in crime was from dealers ripping of the tables. She said that her information reflected problems arising out of ignorance of the regulations on gaming. Even so, she said that the crime was internal crime as opposed to street crime.

COGBURN asked if Geaugler had mentioned the manager of the Gaming Opera that was in prison, or the loss of the license to the St. Mary's Catholic Church.

WRENTMORE said that Geaugler had not gone into specifics. She said that he had reported an increase of internal crime, but that this crime was not affecting the lives of the people of the community. She felt that fighting within public T.V. stations was fairly common, even without gambling. She continued by stating that North Dakota gives considerable authority to the municipalities. The cities give site authorizations to the individual organization requesting gaming operations. She said that cities also determine the number of tables that would be allowed and the hours of operation of those tables. She reported that all the operations were taxed and that 5% of the tax went to police departments. Under the Skagway proposal, all of the money would go to the municipality and it would be up to the council to see how the money would be spent. She mentioned that there was a gamblers anonymous before gambling was legalized and that Geaugler had not seen any influx of organized crime into North Dakota.

COGBURN was concerned that information was being withheld and that the negative side of the issue was being suppressed. He said that his contacts had reported that the gambling in Fargo was being investigated. He feared that the people

Minutes, C.V.B. 3/13/83

the C.V.B. was contacting were all supportive of gambling.

WRENTMORE felt that she was reporting the same thing the Cogburn was reporting without being as specific. She repeated that the crime that North Dakota was witnessing was internal, and not cases of people on the street being mugged, or increases in prostitution or drugs. She said that the Attorney General's office had a gaming enforcement division that was constantly investigating gambling as a function of the office. She felt that gambling should be watched very closely.

WALKER stated that he had lived in Dawson and could make some personal reflections on the issue. He reported that Gambling in Dawson was restricted to Diamond Tooth Gertie's. The city of Dawson did not allow gatherings of people outside of Gertie's. He stated that the bar charged higher prices for drinks than the other bars. Eh said that this discouraged people from just sitting around to drink. He said that the bar was there to service the people at the tables and that Gertie's was not a local hangout. He said that there did seem to be some problems with certain locals not being able to control their gambling. He said that there was no major objection within the community against gambling.

CHARLOTTE JEWELL asked if there was a door charge at Gertie's.

WALKER responded that there was, but it was minimal. He said that seasons memberships were available for residents. He said that the charges were not meant to restrict entry. He reported that there were instances of dealers not doing what they were supposed to. Harry said that he knew of no movement within the community to further control gambling.

WRENTMORE said that both Dawson and North Dakota were stressing fun and entertainment in their operations. She appreciated Rev. Cogburn's criticism that the C.V.B. was only getting one point of view, but pointed out that lots of senior citizens were going to North Dakota to gamble while the serious gamblers went to Nevada or New Jersey.

JEWELL thought that gambling was a good idea but only if it were strictly controlled. She mentioned Representative Goll's idea of a single, dry casino and thought that it might be a fall back position in the legislature.

WRENTMORE felt that a dry casino would not be as attractive and would limit the drawing potential.

Minutes, 3/13/83

JEWELL thought that the floor show in Dawson was appealing but confessed that she was not a drinker.

WORLEY asked Rev. Cogburn if he was speaking for his congregation.

COGBURN replied that he was speaking for himself but felt that most of his members would agree. He said that he did not understand how a \$2 bet limit could lead to the problems in North Dakota.

WRENTMORE said that she believed the \$2 was per bet but asked for clarification from the group.

RICHARDS said that the limit in Dawson was \$5 but that it adds up. She said that this was still lower than in Las Vegas.

WALKER said that if someone has a weakness of character that causes him to do things in excess, it doesn't matter if the bet is 25¢ because he will abuse himself and his weakness.

COGBURN said that he would not take advantage of that person. He said that that is the question he has about gambling. He didn't feel that the City of Skagway should take that money either.

WALKER asked if people who don't have the weakness should be deprived of the opportunity to gamble.

WRENTMORE hoped that the council would open the proposal to extensive public hearing and possibly bring in people from Dawson or Fargo to comment. She said that the issue needed to be looked at in terms of balance, comparing the positive benefits against the negative impacts.

WALKER asked if any of the funds raised in Fargo were turned back to counseling.

WRENTMORE responded that any public spirited organization could apply for a license to operate gaming tables. The organization would apply to the city council who would issue the permit. The organization would then locate a business to lease space for a table. The organization would also pay the dealers. The business would benefit from the gamblers patronizing the business and from the lease arrangement. Welfare funding has increased as a result of this program in that 65% of the proceeds go to the sponsoring charitable organization.

COON mentioned that people off of cruise ships are already exposed to unlimited gambling aboard ship. Skagway's gambling would be more of an entertainment for them.

Minutes, C.V.B. 3/13/83

WORLEY said that one ship's purser had used \$5,000 in dimes between Ketchikan and Skagway in the slot machines.

WRENTMORE said that in conversations with Ray Pederson he had thought that if there were something in Skagway to keep people busy for 2 nights, the large Westours ships would come back. She said that this would be one of the positive aspects to having a gambling program.

COON said that Westours was planning to build another 70 room on the hotel, but that the start date was on hold. He said that people need something to do or they will pass straight through to Whitehorse.

WRENTMORE said that the reason Dawson implemented gambling was to get people to spend the night to aid the economy.

Bureau Discussion

Motion, by RICHARDS to approve the draft proposal and to forward it to the council. Unanimous consent was requested

RICHARDS under discussion said that she felt that the council was the proper place to make the amendments, but she did not necessarily support the draft proposal as written.

WORLEY asked if the mayor would enlighten Rev. Cogburn on what the council would do with the proposal.

SNURE planned to hold a work session with the council on the proposal. Then he would schedule a series of public hearings, however many were necessary, for input from the public. He said that then the council would vote on a proposal before sending anything to the legislature. He said the council would probably put the issue to a vote of the citizens. Snure said that he was not sure what would be required for a change in state law to allow gambling in Skagway.

COON said that before anything could happen the C.V.B. had to give basic acceptance to the draft proposal so that it could get out to the public.

WRENTMORE called for the question on the draft proposal.

There were no objections

Motion carried.

2. 5 Year Plan for Tourism Development

Administrative Report

WARD reported that the C.V.B. had been a reactive body that

S.E. Conference Policy Statement

structure to develop, promote, and produce Alaska timber products.

The Southeast Conference strongly supports the provision of P.L. 96-487 which will assure an adequate timber supply to provide employment and enable the continued development of transportation systems, corridors, and recreational access to the Tongass National Forest in Alaska.

The Southeast Conference requests the Governor and the Legislature approve funding for an Alaska state forest management plan in all State-approved forests.

MINING

The Southeast Conference supports the prompt, expeditious handling of all permits and work-plan approvals by State and Federal agencies necessary for development of mining projects, including reasonable access; and requests that these agencies offer active technical assistance in obtaining such approval.

The Southeast Conference strongly supports the granting of requests for minor boundary adjustments for mineral production to assure maximum utilization of this natural resource.

WATER, SEWER, AND SOLID WASTE GRANTS

The Southeast Conference continues to support the increase in water, sewer, and solid waste grants and to provide adequate funding for the program.

The conference supports the granting of waivers by EPA from secondary sewage treatment for small communities located along the ocean, as well as waivers requested by Southeast pulp mills.

TOURISM

The Southeast Conference supports the Southeast Alaska Tourism Council (S.A.T.C.) and their goals in establishing and marketing Southeast Alaska as a regional travel destination. The Conference urges the continued and expanded cooperation among communities in furthering the goals of S.A.T.C.

The Southeast Conference feels the present level of funding provided to the Division of Tourism is insufficient to properly promote the State of Alaska as a whole. The Conference requests the State appropriate additional funding for the Division which is more commensurate with the level of marketing required.

The Conference recognizes the value of local development of attractions and visitor facilities and advocates the expansion of the State of Alaska, Division of Tourism's local community

matching grant program by increasing the present \$2,000 funding limit to a minimum of \$5,000.

The Southeast Conference requests that the Legislature enact legislation to allow a limited form of historic gambling to local governments that have had a history of gambling in their communities during the Klondike and Alaska Gold Rush era.

The Conference supports the traditional use of Glacier Bay as a cruise ship destination and encourages the National Park Service to recognize the importance of this to the Southeast communities by adopting regulations allowing such use.

The Southeast Conference further urges the Legislature to provide additional funding to the Division of Tourism; Department of Transportation and Public Facilities; the Division of Parks; and other appropriate agencies to develop facilities and services with demonstrated visitor value (i.e., information centers, parks, marine facilities, and cruise ship berthing areas).

PUBLIC SAFETY

The Southeast Conference endorses the establishment of a treatment-detention center serving Southeast Alaska juveniles facing drug- and alcohol-related problems. It requests an appropriation of State funds to implement this program. The Conference urges the State law enforcement agencies and court system to step up its efforts in enforcing drug laws, with mandatory penalties implemented for convicted violators. It encourages municipalities in Southeast Alaska to support funding positions of family counseling on drugs and alcohol programs as a support for the existing juvenile probation system. The Conference also urges the Department of Education to formulate a drug and alcohol abuse curriculum for Alaska schools.

STATE LAND DISPOSALS

The Southeast Conference believes that all State land disposals within the corporate boundaries of a city or borough should comply with all local planning and development ordinances.

The Southeast Conference requests the State of Alaska to take immediate steps to assure the transfer of lands granted under the Native Lands Entitlement Act of 1906 to the Native applicants. These allotments have been pending for as many as sixty years without approval from the U.S. Department of Interior. Further, the Conference requests that legislation be adopted granting the authority to the Commissioner of the Department of Natural Resources to quitclaim land to the Federal Government for transfer back to Native allotment holders.

DAWSON HAS A DIAMOND TOOTH GERTIE'S
WHY CAN'T WE?

Questions and Answers about HB 659 / SB 476

WHY HISTORIC GAMBLING?

The colorful gold rush saloons and dance halls are an appealing aspect of our gold rush history. It is our history as well as our scenery that attracts visitors to Alaska. Diamond Tooth Gertie's, a restored dance hall which offers limited historic gambling in Dawson City, Yukon Territory, has greatly enhanced Dawson's visitor appeal as an exciting historic attraction.

WHAT WOULD HB 659 AND SB 476 DO?

This legislation would allow qualifying communities local option to implement limited, historic gambling enterprises.

WHO WOULD QUALIFY?

Communities with a "substantial" history of gambling during the Gold Rush era of 1890 to 1910, whose economies are substantially dependent on tourism and whose historic character would be enhanced by the gambling enterprise would qualify for the local option. The communities of Skagway, Fairbanks and Nome would qualify.

WHAT IS A SUBSTANTIAL HISTORY OF GAMBLING?

A substantial history of gambling is a popularly accepted history of casino or bar-room gambling during the period of 1890 to 1910. This does not include communities of admitted histories of back room gambling such as Juneau. Anchorage was founded after the Gold Rush era.

WOULD QUALIFYING MUNICIPALITIES AUTOMATICALLY GET GAMBLING UPON PASSAGE OF HB 659 / SB 476?

This legislation would provide local option to qualifying municipalities. Upon passage of the legislation, any municipality would have to adopt an ordinance outlining specifics in regard to location, hours of operation, limits on the amount of bets and the question of alcoholic beverages on the premises. This ordinance would then have to be ratified by the voters. Consequently, any gambling proposal would have to accommodate the concerns of the public.

It should be noted that since 1977, the City of Ketchikan has had the option to conduct a rain pool classic, similar to the Nenana Ice Classic. If a community had strong reservations about limited historic gambling, it would not need to exercise its option to conduct this activity.

WHO WOULD OPERATE AND CONTROL THE GAMBLING ENTERPRISE?

The essence of this legislation lies in local participation and involvement. Gambling enterprises would be administered by the local governing authority with the city operating the dance hall or casino and with all proceeds going to the city.

WHAT DOES LIMITED HISTORIC GAMBLING MEAN?

The people of the community shall vote on a gambling ordinance that will establish limits on the:

- 1) location of the gambling enterprise
- 2) types of games allowed
- 3) hours of operation
- 4) limits on the amounts of bets
- 5) question of alcoholic beverage on the premises.



ALASKA VISITORS ASSOCIATION

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1983-84 EXECUTIVE OFFICERS

President
ROBERT M. BRENNAN
Princess Tours
Seattle, Washington

Vice President/ Administration
RAL WEST HARDWICK
Alaska West Associates
Anchorage, Alaska

Vice President/ Government Relations
CHRIS VON IMHOF
Alyeska Resort
Girdwood, Alaska

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DENNIS BRANDON
Sheffield Enterprises
Anchorage, Alaska

Treasurer
A. K. "KIRK" LANTERMAN
Westours, Inc.
Seattle, Washington

Executive Director
DALE FOX

PAST PRESIDENTS

GEORGE SUNDBORG
1950

ROBERT E. ELLIS
1951-1952

EDWARD D. COFFEY
1952-1955

MARSHALL CRUTCHER
1955-1956

BEN CRAWFORD
1956-1957

F. VERETT PATTON
1957-1959

ROBERT A. BAKER
1959-1960

ROBERT E. ELLIS
1960-1962

ROBERT GIERSDORF
1962-1963

E. E. SWOFFORD
1963-1964

H. JACK MUSIEL
1964-1966

JAMES JOHNSON
1966-1967

FRANK DOWNEY
1967-1968

BILL SHEFFIELD
1968-1969

JOHN MONROE
1969-1970

RONALD LAVIMORE
1970-1971

JOHN STEVENS
1971-1972

LEN LAURANCE
1972-1973

E. AL PARRISH
1973-1974

A. E. "BUD" HAGBERG
1974-1975

CHUCK WEST
1975-1977

CHARLES CONWAY
1977-1978

JIM BIRKLEY
1978-1979

MARTHA EDWARDS
1979-1980

ROLF KLUG
1980-1981

DAVE PALMER
1981-1982

CHRIS VON IMHOF
1982-1983

A RESOLUTION IN SUPPORT OF LIMITED HISTORIC GAMBLING IN ALASKA

Whereas, Alaska's Gold Rush History is an attractive and integral part of our tourism appeal; and,

Whereas, the colorful gambling halls and characters of the gold rush era continue to provide a spirited reminder of Alaska's history; and,

Whereas, the recreation of historic gambling in Alaska would enhance Alaska's tourism industry;

Be it therefore resolved that the Alaska Visitors Association supports legislation that would allow local option for municipally-controlled limited historic gambling in communities with a substantial history of gambling during Alaska's gold rush.

Passed by AVA Membership, October 6, 1983, Valdez, Alaska