

As Southland Park becomes gambling mecca, Memphis is losing out

Ted Evanoff, USA TODAY NETWORK – Tennessee Published 9:00 a.m. CT July 29, 2017 | Updated 7:59 p.m. CT July 29, 2017



(Photo: Yalonda M. James/The Commercial Appeal)

Crowds once swarmed Beale Street for blues joints, wild poker and dice games.

Across the river in Arkansas, a few West Memphis bars mirrored Beale.

Just about everyone around here has heard the old stories.

Not only was Memphis the Delta's business capital, but the cultural capital too, the place to find relief from the lonely cotton towns searing on the flood plain from the Bootheel to the Yazoo, even if relief was only a game of five-card draw.

All this sounds part of the past, but it's not.

Here in the big city, looking for a good time is still a way of life.

Look at what's happened across the river.

Queen of chance

A single gambling hall now takes in more wagers than all the casinos clustered on the distant edge of metropolitan Memphis in Tunica County, Miss.

Bets topped \$2.7 billion last year at Southland Park Gaming and Racing, surpassing the \$634 million wagered at Tunica's eight casinos.

West Memphis is our new queen of chance.

The gambling palace pays out \$35 million in annual Arkansas tax revenue, a windfall that raises the question:

If gaming is a way of life here, and Memphis is starving for tax base, why is the palace outside Memphis?



Customers arrive at Southland Park Gaming and Racing casino in West Memphis last year. The entertainment destination launched a \$37 million expansion in 2014. (Photo: Yalonda M. James / The Commercial Appeal)

Delta heat

Hot wind fans the Delta heat as cars circle the parking lot, the drivers looking for a parking slot close to the doors.

It is 3:15 p.m. on a recent Friday.

Years ago, \$5 and I parted at Gold Strike casino in Tunica, a loss I remember still. I've not gambled again.

So it's a surprise to see Southland Park close up for the first time ever on a work day in July. What's the surprise? The crowd.

Nearly 500 cars and trucks are parked in the south and west parking lots. About three quarters of the vehicles by my rough survey bear license tags issued in a single place, Shelby County, Tennessee.

West Memphis is home to about 25,000 people; about 938,000 live in Memphis and Shelby County.

If my guess is correct, and three-fourths of Southland patrons reside in Shelby County, the money flowing into the casino every year from over the river averages about \$2,100 for every man, woman and child living in big Shelby.

This matches the property tax bill on a Memphis house valued at \$140,000, the average price homes are selling for this summer.

'Better chance'

"I come here because it's close. If I lose in Tunica and it's late I'll get a hotel room. But when I'm here, I can just drive home."

This is Kim Grable. She's 47, lives in Bartlett, a city in Shelby County about an hour-long drive to Tunica's casino district, half that time to West Memphis.

Groomed with a sleek hair style and a long cotton dress, she said she's just returned from a casino jaunt in Biloxi on the Mississippi coast.



The former Harrah's Tunica casino is shown in this May 13, 2014, photograph. The casino closed June 2, 2014, and was demolished in Aug. 2015. The hotel buildings, convention center and golf course remain but are vacant. (Photo: Rogelio V. Solis, AP)

She figures winnings are higher on the Gulf Coast than at Southland, although she insisted she can do better at Southland than at Tunica.

"Not only is it closer," Grable said. "I have a better chance of winning."

Fading and in danger

Southland wasn't always flush.

In 2004, it was fading and in danger, taking in \$86 million in wagers.

It was then a dog track, but America was smitten with casinos.

Downriver in Tunica, big charter jets regularly landed on the mile-long runway. Tour buses lined up at the casino hotels. U.S. 61 was widened for the Memphis traffic. Three golf courses flourished.



Chuck Connors, from Frenette Kennel, makes the fourth turn during the first greyhound race on Friday, April 7, 2017, at the Naples-Fort Myers Track and Entertainment Center in Bonita Springs. (Photo: Katie Klann/Naples Daily News)

In 2004, the nine casinos – yes, nine, Harrah's hadn't closed yet – took in more than \$1.2 billion.

The next year, Arkansas' Legislature let the state's two gambling destinations, West Memphis and Hot Springs, home of the Oaklawn horse track, install the so-called electronic games of skill, provided local voters agreed. Three of every five West Memphis voters approved. Southland Park began building a \$40 million casino in 2006.

Then the Mississippi River flooded in spring 2011, inundating the Tunica casino district for a month, steering Memphians to West Memphis. Within three years, Southland poured on a \$37 million expansion, positioning the casino as a lively entertainment destination with bars, restaurants and music.

Memphians swarmed in.

'Church town'

No one talks seriously anymore about putting casinos in Memphis.

That topic came and went in the 1990s when ideas were floated about repurposing The Pyramid arena or Mud Island urban park.

East and Middle Tennessee lawmakers long have opposed casinos in the state, particularly casinos desired by what they consider to be the vice lovers in Memphis. Social conservatives of all races in Memphis and nearby DeSoto County oppose gaming too. So the casinos went to Tunica.

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The Memphis skyline can be seen under the Hernando DeSoto Bridge crossing the Mississippi River. The bridge takes its name from Spanish explorer Hernando DeSoto who is believed to be the first European explorer to cross the mighty river. (Photo: Mike Brown/The Commercial Appeal)

"Memphis is a church town. There's a church on every corner. The preachers stopped the casinos."

This is Sharon, 55. She was buying a sandwich and soft drink at a Southland Park snack bar. She said she lives in Memphis but doesn't want her name to appear in this story. Why offend her preacher?

She looks past the snack bar to the casino, does the math.

"Southland is just raking it in," she said.

Tax dollars

Beale Street had looked deserted.

Before driving over the Hernando DeSoto Bridge into Arkansas, I looked down the Beale Street Historic District's sidewalks.

Empty.

Tourists easily could parallel park a block away from Rum Boogie or Lew's Blue Note. Not far away, they could reach Bass Pro Shops in a short walk. I estimated about 240 vehicles were parked outside The Pyramid at 3 p.m.

If what has happened across the river had happened in Memphis, the city tax base would be better off.

"I haven't heard anyone talking lately about putting casinos in Memphis, but if we had one it would go a long way toward solving the city's financial problems," said state Sen. Lee Harris, D-Memphis.

Of course, if you were here in the early 1990s, you realize that's wishful thinking. In a state whose Constitution bars casinos, Memphis never was going to get them, not unless the city's business, civic, government and religious leaders urged statewide support for a constitutional amendment.

No one has put forth that kind of energy, so the city has had to play the best hand it could.

And that play has revolved largely around the Beale Street Historic District's 33 restaurants, shops and nightclubs.

Beale Street

What emerged was a replica of a neon-lit 1950s' street. Beale's historic district opened in 1983 and now ranks as Tennessee's largest tourist draw, bringing in 6 million visitors per year and running up about \$40 million to \$50 million in annual sales.

Although Beale district sale taxes are diverted to a Downtown tourism development fund, rather than the \$669 million General Fund used for police, fire and other essential services, the diversion is considered necessary money for a city betting heavily on tourism.

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March 11, 2017 - (Left to right) Sabrina Gandy, Caroline James, and Emma Nichols attempt to catch beads during the 44th Annual Silky O'Sullivan Beale Street St. Patrick's Day Parade last March.
(Photo: Yalonda M. James, *The Commercial Appeal*)

The Downtown fund collects about \$1.9 million per year and repays money borrowed to renovate the Pyramid for Bass Pro and eventually will be used to help upgrade the Memphis Cook Convention Center and nearby Pinch District.

But in a city enduring an ugly rash of homicides and violent crime even as it struggles to afford police and replenish the municipal pension fund hit by the 2008 financial crash on Wall Street, it's tempting to wonder what we might have had we let in the casinos.

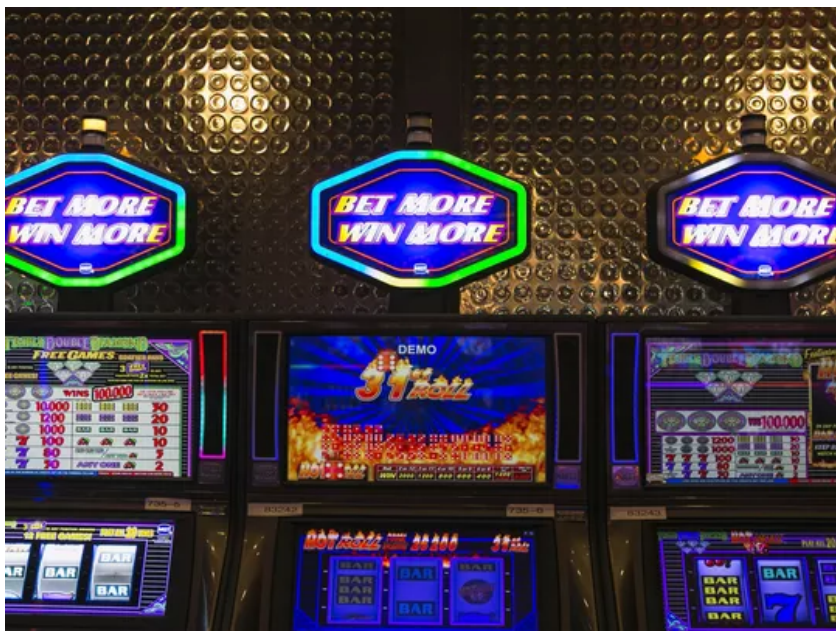
\$2.7 billion

Southland gamblers bet more than \$2.7 billion last year.

This amount exceeds the annual Memphis payroll for 30,000 workers at FedEx, the city's largest employer.

If you took every dime earned by the 25,000 residents of West Memphis and stacked every cent next to Southland's haul, the casino pile would be seven times higher. Probably no other Arkansas business situated on 140 acres or less brings in this much money.

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Electronic games are the biggest draw at Southland Park Gaming and Racing in West Memphis, Arkansas. (Photo: Yalonda M. James / The Commercial Appeal)

Gamblers wager on live dog races viewed from 10,000 seats placed on air-conditioned stands overlooking the open-air oval dog track through windows two stories high. By 3:15 p.m., a few dozen patrons are scattered throughout the stands, getting ready for the 4 p.m. start to the greyhound races.

Most everyone in Southland ignores the graceful dogs. Gamblers favor the electronic gaming devices. More than 1,900 of the colorful blinking machines are grouped in rows of five or 10 devices placed along the casino floor adjoining the dog race stands. Most rows seem to have three or four players.

American wealth

Last year, Southland owner Delaware North Companies Gaming & Entertainment of Buffalo, N.Y., paid more than 700 workers about \$25 million in wages. Kennel operators received more than \$28 million. Another \$35 million in tax payments was provided West Memphis, Crittenden County and the state of Arkansas.

A variety of donations included \$100,000 for Arkansas State University Mid-South's hospitality school, part of a \$1 million gift Southland has pledged the West Memphis school named for Jeremy M. Jacobs, chairman of the Buffalo company and one of America's 400 richest men.



His personal wealth exceeds \$4 billion, which makes Jacobs about twice as rich as FedEx founder Fred Smith, according to the business magazine Forbes.

On Wednesday, Southland Park president David Wolf handed ASU Mid-South this year's \$100,000 donation, saying, "This program will continue to generate a deep pool of qualified hospitality workers who will strengthen the tourism and entertainment efforts of Crittenden County and our region."

[Southland Park gives ASU Mid-South \\$100,000 for hospitality program](https://www.commercialappeal.com/story/money/2016/06/30/southland-park-gives-asu-midsouth-100000-for-hospitality-program/90568400/?from=global&sessionKey=&autologin=)
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Tunica blues?

Mississippi casino industry executives have raised the idea of asking the state legislature for help.

"Something has got to be done, particularly in the Tunica market," Larry Gregory, executive director of the Jackson-based Mississippi Gaming & Hospitality Association, told the trade journal Global Gaming Business.

Executives are concerned casino winnings statewide fell to \$2.1 billion in 2016 from \$2.7 billion in 2007, a steady decline that already has displaced one casino. Tunica's biggest gaming property, Harrah's Tunica resort and hotels, laid off 1,200 workers in 2014 and closed permanently.



Blues legend James Cotton plays his harmonica in 2008 after the unveiling of his historic highway marker on U.S. 61 near Tunica. (Photo: Ben Fant)

Last year, wagers at the eight remaining casinos totaled \$634 million, half the take of 2004. Part of the decline traces to the nation's casino binge. Tunica still counts 5,000 casino and hotel workers, but it no longer is the big gaming destination between Atlantic City and Las Vegas. Companies and tribes today run 1,051 casinos in 40 states, pulling in \$73 billion last year.

Starved for tourists, Tunica's casinos must rely on metro Memphis residents like never before, but have slammed into Southland Park's expansion.

Webster Franklin, chief executive of the Tunica County Convention and Visitors Bureau, said casino owners must be encouraged to reinvest in the Tunica district, especially as the 25-year-old barges the casinos float on reach replacement age.

Gulf Coast casinos were allowed to be moved a short way inland after the 2005 Hurricane Katrina. Lawmakers could be asked to let the Tunica casinos depart the riverside barges they now float on and relocate on land closer to U.S. 61, the main highway.

Help could come from the Mississippi Economic Council, the statewide chamber of commerce based in Jackson. The council plans to commission a policy study "to open a dialogue on how lawmakers can work with and assist gambling as a tool for economic growth, tourism, jobs," *Global Gaming Business*, the trade journal published in Henderson, Nev., reported in May.

"The Tunica casinos are producing \$600 million a year. That's nothing to sneeze at," Franklin said. "But today we've got to look at ways existing properties can compete with the competition that is everywhere now."

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