

No Casino

Information For The Public



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Dineane Sperske

Oxnard City Council Meeting of May 8, 2001
305 W. Third St., Oxnard, CA 93030
7:00 P.M.



Crowds gathered outside for over an hour before the council meeting even started. Pro-casino people were bussed in by Paragon and were given green t-shirts to wear by Paragon staff. Blue speaker cards were unavailable to the anti-casino speakers for a while. City staff set up a TV outdoors in the parking lot for the over-flow crowd to see the proceedings.

City of Oxnard Mayor: Dr. Manuel M. Lopez

The 5 on the City Council, when looking at the seating from left to right:

Councilman Dean Maulhardt (tan jacket, black & white checkered tie)

Councilman John Zaragoza (black jacket)

Mayor Manuel Lopez (brown jacket)

Councilman Bedford Pinkard (tan jacket)

Councilman Tom Holden (light brown jacket)

* At the start of the city council meeting, there is another man sitting to the right of Holden. He is not part of the city council but is a member of the housing authority; a little later into the tape he leaves, and only the 5 making up the City Council are seated on the platform.

There are "Public Comments on Items Not On the Agenda". (3 male speakers.)

Then there is the " Item G - Review of Information on the Consent Agenda." (very brief.)

Councilman Maulhardt says: " Mr. Mayor, can I make one request – there's one item at the very end of this agenda. I may leave beforehand, - no -. That I've made a request to have on the ... the county has me to request for our help our contribution to the 4th of July – and so I would ask our city council to have that on the agenda to give them approval for the support they"

<Discussion> "Take a vote on that?" "No, it's coming up on the next agenda."

Then the main agenda item for May 8th, the "Item K – the city manager's office item" - Report on Indian Gaming.

City Manager Ed Sotelo talks about the fact-finding report. Sitting next to him, in camera view is the City Attorney Gary Gillig. Sotelo talks about meeting with Paragon Gaming and got \$40,000 of funding for the report....says "because of the magnitude of the study a

* Note 1:

Oxnard population is about 170,000. There are over 40 'Neighborhoods' (an organizational structure within the City) of about 3,000 to 4,000 people in each Neighborhood.

large staff group was assembled" and starts slide show. *[List of city staff that took trips to get research for the report is in the Appendix.]* Talks about the "review of current research – 2 studies: 'NGISC' and the 'Effects of Casino Gambling on Crime and Quality of Life in new Casino Jurisdictions', "a funded study on January 2001."

Sotelo (reading): " Tonight we are presenting for you a report on Indian gaming. On March 12th, 2001, the city council received a letter from the Greenville Rancheria Maidu tribe asking city council to consider joining with them in a gaming-based economic development project at the site of the Oxnard Factory Outlet mall. On March 13, 2001, a majority of the city council directed staff to prepare a report on the impacts of tribal gaming on communities that host gaming. Our purpose was to review the impacts of tribal gaming in communities from a fact finding unbiased approach. Our goal was to report what ever we observed and report back exactly what we observed and researched. The first item of business for staff was to meet with Paragon Gaming to secure the necessary funding to offset any extraordinary costs resulting from the study. Funds were provided by Paragon Gaming in the amount of \$40,000. However, the report was directed by the city, prepared by city staff with no input or involvement by the proponents. This is a common established practice for the proponent of a major project to deposit the resources associated with due diligence and unique studies concerning a major project. Some examples of other projects that have done the same are the River Park project and Ormond Beach."[He talked about "site visits, EIR's, and other types of studies".]

Next on the video tape is the city's Public Information Officer, Jeanette Villanueva-Walker. She talked about the "background of the Maidu Indians" *[some of the same data as in the Maidu letter dated March 12, 2001 in the Appendix].*

Then, Matt Winegar, Development Services Director for City of Oxnard speaks about "Concept" and the Phases 1 & 2; total employment of 688 full time by the end of Phase 2. He said, "according to the application filed by the Greenville Rancheria the 2nd Phase....".

Then, Gary Gillig, City Attorney, gave an overview of tribal gaming law; acknowledging his Assistant City Attorney and Prof. Nelson Rose, "a nationally renown expert." He said the "Mitigation Agreement establishes considerable local controls"..... [casinos get approved if its] "in the best interest of the tribe and not unreasonably detrimental to the surrounding community."

Winegar, (Planning), again: talked about "Development & Environmental Issues" and "Mitigated detrimental impact on the community". It is in the presentation that there was an old 1992 development agreement for the Factory Outlet Center site. This casino proposal is an Amendment to that agreement. He talked about the Fru-Con owners, the

FEIR and MND on the original FOC, and that staff did a rough estimate of traffic based on a St. Louis study, which was not included in tonight's city report.

[FIER = Final Environmental Impact Report; MND = Mitigated Negative Declaration; FOC = Factory Outlet Center].

Then, Police Chief Art Lopez talked on "Impact on Police Services, Fire Services, and Public Safety Issues". His theme was that there are "no studies" and it's "difficult to specifically link crimes to casinos" and that there are "varying opinions". Refers to Eddington's study; made analogy to increased tourism like an amusement park or ballpark. He said the Oxnard Study Team did not rely on 'Casinos, Crime and Community Costs' [document] because of its limitation to a single-discipline report (written by an economist) and its lack of 20-year correlation data. He used the "academically published" 'Eight Community Study'. The police chief said that "casinos do not appear to have a dramatic effect on crime rate."

Then, Karen Burnam, Assistant City Manager, talks on Social Impacts, which she said are "not directly attributable to tribal gaming" and talked about new jobs and the growth of the gaming industry. Talked about the city of San Pablo's examples of their mitigation measures: They provide all community based bingo game operations, they developed the San Pablo Foundation which received a minimum of \$25,000 annually, donations are made to the local chapter of Gamblers Anonymous; they sponsor community events such as a golf tournament. Says, "...increased gambling by residents".... "decreased reliance on welfare" [due to jobs].

Sites visited, which have or are anticipated to have tribal gaming: San Pablo, Ca; Palm Springs, CA; North Bend Coos Bay, OR; Lakeside, CA; El Cajon, CA; Alpine, CA; Chumash (Santa Ynez), CA.

Then, Steve Kinney of the EDC (Economic Development Corp.) using work done by a consultant talks on Economic Impacts, and he says the issues are:

(1) Are the projected revenues of the gaming facility realistically achievable? The city consultant concluded that \$141,000,000 was possible.

(2) Could the casino serve as catalyst for expansion of tourism development? He figures on 2-1/2 million visitors during a year's time, the vast majority of which would be "day visitors". He mentioned that "the other phases aren't part of this project."

(3) What are the benefits and costs to the local economy? He said there would be 665 jobs at an average salary of \$32,000 per year** making a \$12 million annual payroll.

* In The Star's page A-1 5/3/2001 article, quote: "For their report, Oxnard city officials visited numerous areas with casinos - Palm Springs, San Pablo, Santa Ynez, Alpine, El Cajon, Lakeside, Biloxi, Miss; and Coos Bay, Ore.

** The Ventura County's median income is \$71,800 a year, per the Assistant City Manager's presentation. The average salary of \$32,000 per year is less than half of the county income average.

He said there would be an annual payment to the city for mitigation of approximately \$14 million. He said that improvements to roads would be borne by the developer. And he said there was an opportunity cost of *not* developing this project.

Then, the Mayor called for questions and comments after this staff presentation.

Councilman Maulhardt asks about "a quick question for Mr. Winnegar..." <Mayor gavel for order> "in a normal process on any project.... Walk real quickly through that... For clarification, what is the normal course of events starting from the pre-review process which is, in essence, what this is."

Winnegar (Planning), answers..... "The actual application that's been filed is for a development agreement amendment. The city's procedure adopted by the city council requires a pre-application review which is in effect is what this meeting is – um, this evening. Uh -. Based on that input the council generally directs the city manager to assemble a team to negotiate the various aspects of that development agreement. Concurrently with that negotiation process the staff will begin environmental review of the proposed application. The costs of that environmental review is funded by the applicant. And we will prepare the appropriate environmental document relative to the type of project that's being proposed. At some point in time, the analysis would be concluded on the environmental document, staff would conclude negotiations with the project proponent relative to the development agreement, those matters would be scheduled for hearings before the Planning commission and city council."

Mayor Lopez asks about the mitigation, for example San Pablo, what is the monetary value?

Karen Burnham, Assistant City Manager, answers. Says she doesn't know if she can come up with a dollar value. Says, "\$3.5 million annually is given to San Pablo; the mitigation is over and above that."

Then, there is a 15-minute presentation by John Cahill, Paragon Planning Consultant. Cahill has 3 speakers; the first is Lorie Jaimez.

Starting off is Lorie Jaimez of Greenville Rancheria; talks about the Maidu history and being a landless tribe. Says, "thank you for your consideration of this pending application."

John Cahill, a development planning consultant for Paragon LLC, speaks as the agent for the applicant. He says the "impacts are not -- drugs, prostitution and organized crime." Refers to an "Environmental Document 2000" of the Chumash and that "no where in the hearings in Sacramento * were mentioned concerns with drugs, prostitution, organized crime." He said the impacts are -- joint services agreements with police and fire; adopt building and zoning regulations; pay annual mitigation fees and development fees. He applauds Oxnard city staff on their "excellent report."

Next speaks Diana Bennett, President of Paragon Gaming. She is licensed in 46 states; says she's "honored to be here and is privileged to work with the Maidu in their cause of economic self sufficiency." "Paragon whole-heartedly support the findings of the staff report." "comprehensive job done by the staff"... "Regardless of the outcome of this project. it points out the fact that it is impossible to differentiate between the impacts of casino effect or tourism effect on crime in the community - much like a shopping center or an amusement park."

She has three experts to present on "gaming impacts" -- an author, a former FBI agent, and someone with 20 years experience in the industry (Nevada Control Board). She says she "takes extreme exception to comments on what she does as a business professional". She says "people should get the facts" and that a "substantial fact .. there is no direct correlation between casino and crime."

She wants her three experts to be the next speakers, in order, for presentation continuity.

The crowd objects.

The conclusion of the staff presentation portion.

Mayor Lopez says, "this is a public hearing" and asks the city clerk about the affidavit of publication. An affidavit of publication is read by the city clerk.

Mayor Lopez calls for order.

Councilman Maulhardt speaks: "...supports effort... I'd like clarification -- there is a pre-review process and we have an application and, that we're reviewing apparently, also - in the past we've let the applicant put their full proposal on the table -- and I was wondering if that's still our policy. I'd like to finish up with them..."

* Ref: The Star, page A-1, 4/17/2001, "Critics of gambling to complain to panel"

Mayor Lopez: "Let me... I would like to speak on... That is, this – the hearing that we're having tonight is the first time that this issue has been on the agenda of the council. It was not advertised as a pre-hearing. It was advertised as a report to the city council by our staff. About 2 days ago I received a request from Paragon for 15 minutes to speak. Tonight they're asking for more time. So, I'm open to whatever the public... whatever the council wants...but as far as I'm concerned I think we should go ahead with the public hearing, allow everybody 3 minutes and just follow what we always do.... They have cards here.. My view is we should allow them 3 minutes like everyone else."

Councilman Zaragoza asks how many speaker cards are there. [" 50 to 60 speaker cards, and more"]

The Mayor calls on Ventura County Board of Supervisor John Flynn to speak first, because Flynn has a medical problem and has to leave. Councilman Holden objects to the Mayor, but Supv. Flynn is the first speaker.

Councilman Holden: " We just went through this diatribe how we're going to treat everybody equally and with all due respect to Mr. Flynn, I just find it very difficult that what we're doing here..."

1. Supv. Flynn (waiting at the mic); wears a "No Casino" sticker: "Are you finished?"

Councilman Holden: " I would honor your request as well as I would honor request of the applicant – I'm just saying its just that when we start to give special treatment it becomes a little awkward –"

Supv. Flynn: [in his speech] "...think of our forebearers and what they went through to give us the quality of life we have today... Dismiss this tonight...Don't put it on a ballot; an unfair campaign. It will be funded by thousands, millions by Paragon. Let's not sully our community. Think of our children and grandchildren... There's nothing, absolutely nothing, that will ever mitigate a father or mother losing that paycheck at the casino and breaking up a home."

Mayor Lopez gavels for order and starts calling speaker cards. The first couple of names on speaker cards don't come to the mic.

2. Alinda Rivas. Says, "Once again I come before you in support of the casino."

3. Margie Perez (wasn't there); Sandy Bruce who owns a house in Las Vegas spoke for her. She says, "I know there are members of the city council who have already voiced a negative opinion about the casino, now that the [city's] study is out, hopes you carefully consider all the benefits to the city."... Says, "There is no evidence that directly links casinos to any negative impact on public safety."... "I strongly urge you to positively consider the casino project."

There is council discussion about calling names. Maulhardt asks how many people are outside; Holden says to call 5 names to give time for them to get in.

4. Man in black jacket, a "63-and-1/2-years resident", he says, "let the people of Oxnard decide". He represents 7,000 members and Paragon came to them. Says they have a project labor agreement is signed to employ Oxnard laborers.

5. Woman, wearing a white pullover. Says she is the Executive Secretary Treasurer of the Tri-Counties Central Labor Council; represents 8,000 union members and they have a project labor agreement; they have voted to support the casino project. The project will support 80,000 man hours, she said.

<Maulhardt leaves his seat>

6. Greg Totten, Chief Assistant D.A., appearing on behalf of Mike Bradbury, D.A. He objects to the project. The D.A. issued a detailed report opposing the casino. Refers to a study surveying every county in the U.S., using same techniques as used by FBI - done by a professor in Illinois; it says there is increased crime and social problems. Quotes statistics of nearly 8% increase in property crime and 10% increase in violent crime index. For the city of Oxnard and County of Ventura this will mean for every 100,000 residents there will be 772 more burglaries, 357 more auto thefts, 68 robberies, 112 aggravated assaults. "This casino is going to bring harm to this community."

<The Mayor has to call for order to allow Greg Totten to finish his speech. It turns out that he was overlooked as part of the original presentation, so he's getting more than 3 minutes.>

7. Wayne Catelano, Camarillo - he represents 1,000 carpenters; he has a project labor agreement and asks "let the people decide."

8. Darrin Scott; Operations Manager, Swinerton Builders, says, "We would be the general contractor for the project." They have signed a labor agreement.

9. Melissa Rivera says, "There has been a lot of discussion - many in our community did not have a clear understanding of what a sovereign nation was and how a landless tribe could potentially locate in Oxnard." Says, "to give the community people who will be affected be allowed to vote on it", and "have more time to review potential benefits".

10. Man in blue jacket: applauds the church people who came out, and knows they're against this casino, and wants them to come out on other issues; says he's been in organized labor for 30 years; he has 1200 [Labor] members; his moral issue is jobs... "allow the process to continue and allow the people of Oxnard to decide." He has a project labor agreement. Says, "Support this and allow this to proceed."

<Discussion about whether people can hear or not.>

11. Woman in blue jacket, blue and white design on collar. She says "I am here to urge you to vote yes on the casino project".. "what else will you have, an empty lot?"

<Confirmation that people can hear out in the lobby.>

12. Woman in red blouse and black jacket. She's in favor of the casino - "it would create jobs" . Says she personally does not drink, smoke, or gamble but says, "who are we to moralize?" and that "Oxnard needs something to attract tourists." Says that "an aesthetically beautiful casino would attract tourists to Oxnard" <crowd laughter; she reacts. Holden calls for order > She says Oxnard Blvd is ugly and billboard advertising adult videos is offensive and contradictory to family values. <She runs out of time speaking.>

13. Mike Morgan, Camarillo City Councilman. City of Camarillo filed a letter opposing the casino and opposing introducing it into Ventura County. "... requests by citizens and our own individual consciences."... "a casino would degrade the quality of life." Says Oxnard would set a precedent for casinos outside of reservations.

14. Marvin Petal, man in blue shirt; says the Oxnard city staff "produced a commendable report" and quotes some statistics about how casinos enhance quality of life.

<Pinkard leaves his chair.>

15. Shannon _____. Man in light gray suit (one of the Paragon professionals)... "things he was going to say have been said by your staff... getting to the bottom line: in an economy, one person's cost is another person's revenues. Research is done by people who have an ax to grind, on both sides. You're in good hands from your staff... you have problem gamblers already"... says, "casinos do not cause gambling problems."

<Pinkard is back; Zaragoza and Holden left> <Audience calls out about "quorum">

16. Ron Asher. Man in dark gray suit, dark tie (one of the Paragon professionals). Says he "used to have some of the same prejudices about casinos", but he traveled around; worked on a study in Detroit. He calculated crime rate factoring in time of response.

17. Dennis ____ of Las Vegas, former Gaming Regulator (one of the Paragon professionals); dark gray suit. Talked about a "misleading statement in the DA's report" regarding lawsuits about marked cards. Talked about gambling being the "most highly regulated industry in the world."

18. Kenton Raine. Man in white shirt, a law enforcement professional; opposes the casino. Says, "It's bad public policy", "crime will increase" and "gaming is addictive".

19. Russell Tracey, blue suit, white shirt, blue and white striped tie. Says he "neither supports nor opposes the casino, but -- Potential for \$20 million deserves serious consideration"; says he's willing to keep his mind open and he's ready for the planning commission and the city staff, who have no ax to grind... [to go ahead]. He quotes from the DA's article in the newspaper with the 'Fool's Gold' phrase and he says "I don't think I'm a fool."

20. Man in dark gray pullover with a "No Casino" sticker. "Maidus own land already"; says, "They already own card rooms and casinos: Barney's Card Room, Feather Falls Casino", "Gold Country Casino", "Gold Feather Casino", and the Maidu's website. "It's a perversion of Prop 1-A." "Protect our city - end this now."

< Crowd cheers; gavels for order >

21. Randy Johnson, man in blue pullover and dark navy jacket. Talks about a "grand opportunity". Says, "because of how the deal is structured you have the opportunity to dictate what the terms will be - it could be very beneficial to everyone concerned, including the nonprofit organizations that currently do support gambling in one form or another." "You have the opportunity as a council to use your talents to structure a deal that would be a model for the state, and for the nation, and I urge you not to put a stop to the organization and structure right now."

<Holden leaves.>

22. Man in dark shirt, Chairman of Indian tribe. Refers to an 1851 treaty of relocation and relinquishing this land. He says there is no problem with them coming in, outside of their territory. "Anybody is welcome." "Paragon to stand strong with these people and to spend the money to give them economic stability -- is an honor. It's an honor to have them in your town, too. It's rare to see somebody back Indians economically."

<Holden is back>

23. Mary Gonzales; "is part Chumash and not all Chumash are welcoming this." Wears "No Casino" sticker.

24. Alezar Hernandez, man in gray suit; wears "No Casino" sticker. Says there are "lots of holes in these reports"... "You can pay for any kind of report you want made." Says, "Go back to their land up north and take their gaming with them."

25. Steve Buratti, maroon pullover, wears "No Casino" sticker. Says he is in favor of self-reliance and developing Indian casinos on their reservation lands.... Says, "Has heard a 'victims mentality' whining and sniveling, coming to Oxnard to feed at the public trough." Says, that as a teacher he sees kids on a daily basis, "and by bringing in something like this you would be perpetuating the problems we already have and magnifying them even more."

26. Robert Boston, gray pullover, navy jacket, white collar. Business agent for Plumbers and Steam Fitters Local. He wants all the members to have the opportunity to vote on this referendum rather than have this handful of people make this decision.

27. Richard Whitney, Bricklayers organization. Says, "Supports the idea of taking it to a vote." He likes open forums where everybody can speak their mind.

28. Alan Wingo, black shirt. Chair of Wilson Neighborhood. Speaks on behalf of the Wilson Neighborhood Council, where there was a 52-to-3 vote to oppose the casino: He said, "Also, the La Colonia Neighborhood had a 100% turnout of opposition to the casino." Says, "the people in Wilson neighborhood are sick and tired of a seemingly endless line of proposals by council members who have forgotten they represent the people instead of the special interest dollars who funded their campaigns." ... "anyone voting for this project will be committing political suicide."

<Crowd cheers; Maulhardt wants order; wants "more politeness">

29. Jeff Taggart, Chair of East Village Neighborhood Council; represents nearly 4,000 people. Says, "the three of you - you're out of your league..." "Vote now, vote no, send a letter to the Governor, because if you do not a recall election will be started immediately."

<Applause>

30. Jim ___. Man in black pullover shirt. He wants the city council to approve it or put it to the people to decide. Says he's "heard it all before". In Santa Fe Springs, Twenty Nine Palms.. "the overall benefits of the casinos in the area... They're beneficial, create lots of jobs, they police their own."

<Mayor Lopez is gone; Mayor Pro Tem Zaragoza presiding.>

31. Woman in dark red dress, wears "No Casino" sticker. She is Chumash, Six Generations Womens Speak. She speaks for former executive director of the Chumash Interpretive Center, Paul Valenzuela Virella, who is on his deathbed and sends his message: "the area cannot handle the traffic, smog or the criminal activity it will cause".... "words cannot express the problems that will come with this evil venture". She says, "If you're so desperate for money - open Chumash Casino No.2."

32. Beverly Salazar Folkes, woman in dark dress, white headband, wears "No Casino" sticker; Chumash. Says "we're here to stop the Maidu's from stealing our land". She turns to the side and says "I just want to say one thing to the Maidu: Shame on you."

<Crowd noise; gavel.>

33. Regina Washtiqoliqol; black dress; wears "No Casino" sticker; Chumash. She says the local government has done no better than the federal government. She urges do not support the casino. "It circumvents the spirit of Proposition 1-A"... she has "not seen one report on the effects on inter-tribal relations."

34. Marsha Maulhardt, in blue dress, wears "No Casino" sticker. (a relative of Councilman Maulhardt). She calls for Ventura County to be the only county in California that does not have a casino.

35. Ray Ewen, man in gray suit; wears "No Casino" sticker. President of CBC Federal Credit Union, owns the land adjacent to the proposed casino site. His company is about to start construction on their new building. Says, "There was nothing in the community plan about a casino". Says, "the mission of the credit union is to promote thrift and improve financial well-being of our members. We already experience some member bankruptcy due to gambling debt and we do not want to see this problem increase." Says, "The image of Oxnard will change forever if the casino is approved. The casino would be advertised and promoted greater than any other element of the city - when people hear 'Oxnard' they would think 'casino'."

36. Randy Folkes, Chumash; wears "No Casino" sticker. Opposed to the casino. Says, "even today we still try to uphold our way of life."... "it's very apparent that the union has been bought off."

37. Woman in red jacket, wears "No Casino" sticker. She wants the wholesomeness of Oxnard and families to be proud of where they live. She also talked about increased traffic problems, where there's the new homes and the new high school. Says to work hard and don't gamble.

38. Man in light blue shirt, Chumash. Says, he "wants it to be public record that the Santa Ynez band of Chumash Indians oppose this project." The compacts negotiated are meant to be gaming on tribal lands; not the intent to open casinos anywhere throughout the state of California. Says he was never spoken to by either Greenville or Paragon; his phone calls were not returned. Says, "I believe the report given by city staff is inaccurate. It doesn't mirror the reality as being presented."

39. Larry Stedim, general counsel for Santa Ynez Chumash Tribe. He talked about legal points; says local comments are part of the process.

40. Kevin Reddy (gray suit). A professional in a public position; prefaced his remarks that he's speaking as an Oxnard resident. He is experienced in Public Administration, and says "this project is an incredibly bad idea". "Land use authority has no authority over sovereign nation." Gave an example of Santa Ynez casino expansion to multi-story building in the Santa Ynez airport runway clear zone. Made a point about "limited waiver of sovereign immunity". They give up only enough sovereignty to contract. Cannot bind a future Board with your decision; future tribe(s) can't be bound either. Says, "Don't give up your rights as a city council to control your city" ... "What are they mitigating?"

41. Robin Welch, white shirt; wear "No Casino" sticker. Says "we do not want a casino here."

<Maulhardt and Pinkard are away from their seats.>

42. Charlie Tubbs, gray plaid shirt, wears "No Casino" sticker. He operates a tutoring center in Kamala Schools area; speaks on the effect on the children. A casino won't help them. "We heard a lot about money. The love of money is the root of all evil... a lot of people have evil in their hearts and they've spoken in favor of evil here tonight."

43. Jane Tolmach, tan and brown striped dress, wears "No Casino" sticker. [Former Oxnard Mayor.] Speaks of increased crime and social problems; financial, environmental, quality of life impacts on the whole county. Says the new high school wasn't mentioned in the city's report. Regarding the city's report: it "relies on visits to communities who've had casinos for a short time"... "talking with city officials is useless as they would have been a part of bringing in that gambling, or they would not be there."...."Ease of access increases the problem"..... Says, "if you put this issue on the ballot, put a recall on the ballot at the same time and save us the money, instead of saving money for the gambling interests"

44. Jeff Brown, white shirt. Calvary Chapel, church representative; talks about growth of Oxnard. Says the DA's report clearly shows increased crime would happen. "We do not want gambling in our city."... "You don't want us organizing for the fall."

<Crowd cheering.> <Gavel>

45. Don ___, light blue shirt, wears "No Casino" sticker. President of the Retired Teachers Association. He held up a list of people on his block who had signed up on a sheet as being against the casino.

46. Ted ___ of Ventura; wears "No Casino" sticker. Says he had a problem when he was a young man, found God, and doesn't have that problem today. He says, "The children need hope." He quotes "sin is pleasurable for a season. That season is short."

47. Jenny ___ gray dress, wears "No Casino" sticker. She thanks Mayor Lopez and Councilman Zaragoza for seeing the casino for what it really is and for their steadfast opposition. She points out how after all the calls, faxes, letters to the editor, and people here how can the council not know how opposed this city is to the casino. Says that the DA's report says crime will increase and the city report says 'they don't know for sure', so go with the DA's report. Says, "If you allow this casino to go forward you'll be making the worst decision in the history of this city and one you can never take back." Says that recall vote petitions are already circulating. "Vote no tonight."

<Applause>

48. Nellie Hicks, woman in white blouse, red sweater vest, wears "No Casino" sticker. She is "opposed to gambling, especially in our county"; opposed to the casino. Says that her daughter, in Orange County, would say "Oh Mother, I'm proud of you to oppose this casino."

49. Don Shiner, man in white shirt, black leather jacket, Chumash. He said he "returned from prison" and that "the Crypts and Bloods got very strong in the Nevada system". Says it increases crime; it brings in the criminal element - "that's your tourists."

50. Rebecca Ralph, dark blue blouse with light blue jacket. Says it's a "negative impact of an Indian casino felt throughout the County of Ventura"... "Say No to the Nevada gambling industry right now."

51. Robert Woode, blue shirt, wears "No Casino" sticker. Says, "We do not want this casino, Crime will rise." Talks about accountability and specifically names the three councilmen who have failed to come out opposed to the casino. "Mr. Holden: we are prepared to begin recall effort."... "Mr. Maulhardt: you've said weigh the pro's and con's... you don't have to weigh an elephant to know its too heavy to put on our backs... We question your leadership..."... "Mr. Pinkard: a passive voice or no voice is as loud as a sonic boom.. it's a loud stamp of approval for this casino."... "Addressing the

three of them specifically because Mayor Lopez and Councilman Zaragoza have already spoken clearly opposed to the casino."

<Applause>

52. Dorothy Maron, red dress with black stripes; wears "No Casino" sticker. [Former Oxnard City Councilwoman.] Speaks of "the cost of selling our souls"... "other projects were turned down also dripping with money"... "I Condemn the notion that we sacrifice our principles upon an altar of greed"... "Parasite casino run by Paragon Gaming"

<A break is called. Camera is left running; there is a musical background for about 10 to 15 minutes.>

City Manager Sotelo (dark suit) and Councilman Maulhardt (white shirt) stand chatting in view of the camera. Rabbi Sherwood stands at the mic then hands in papers; Sotelo brings it up. Background music is turned off.

Mayor Lopez gavels for order... "we're going to resume the meeting... we haven't even gone through half of those who have submitted cards."

Holden interrupts: "Excuse me Mayor... With the council's indulgence - I know the hour is going to be extremely late... I want to make some comments... I'd like to move this forward to the point I think the majority of people here are hoping to get... I'd like to make some comments; I may take a couple of minutes... Ultimately bring to a conclusion something... a lot quicker than if we go through the normal process..." "I want to make it very clear that this process that we've gone through -- and that we have taken criticism for, getting to tonight -- I feel very strongly about - and I will continue to be committed to - and that is the process that if anyone comes to council with a project that they feel has a benefit to the city of Oxnard, that its our responsibility as council to listen to that - and to entertain that proposal. And as we've heard tonight there have been many individuals who have felt - and who still feel - that this project would be something valuable to the city of Oxnard. See, without this propo- ...without the proposal, without the process we just undertook -- you all wouldn't be here this evening and we all wouldn't have the opportunity to hear your comments, but I can tell you that based on going through the process - it has done what is has been designed to do and that is to allow city council the opportunity to hear what the residents feel about this project. Short of an initiative or a referendum where there is a vote, there is no other process that allows that. I feel very strongly that if we had circumvented the process prior to this evening that we would have been doing a dis-service to the prop-.. to the... not only to the process but what we were elected to do. So, having said that - we have many, many speakers left to

... speak... and I, uh- have a sense of where the flavor of the comments are going to be... And I would like to basically just say -- to put on for discussion that , uh - perhaps we could continue with public comments but it would be of benefit to let the audience know who has speaker cards in place... where we feel at this point about this project -- What I'm going to recommend, having heard just what I've heard so far, that this is not a project that I think should go forward."

<Crowd cheering, whoops, clapping - in city chambers, in the outer lobby, and outdoors in the parking lot. It goes on for several minutes.>

Holden: "Mayor.. quickly - just briefly... Let me finish --and, uh, And, I want the other councilmembers to have an opportunity speak. But I want to make one comment - and that comment is that -- the speakers who came here this evening... 99% did what they should have done and that is they came with valuable information that we could take and make our decision - but I've got to tell you - You know, threats of recalls... threats of -- it doesn't do any good. I gotta tell you -- the value of the speakers and the value of the information that we got is what's generating this discussion. But the other stuff - you know - its just not worth it. It doesn't do anything but belittle your cause or belittle your purpose and I really want to acknowledge the people that came with information, and facts, and gave them to council and we had that to use. So, having said that, I'm going to defer to the rest of the council."

Zaragoza says, "If that's a motion then I want to second it..."

Holden: "Wait a minute." Maulhardt moves his hands, saying something, but can't hear it.

<Discussion that this is not a motion.>

Citizen at the mic: John R. Hatcher, III, President of Ventura County NAACP, wears a "No Casino" sticker, says "I'd like to call for the question."

<Discussion>

Zaragoza: Mr Mayor - what we witnessed this evening the opposition of the casino here in Oxnard - is exactly the type of calls I've been getting in my office. There's been probably, uh - we talked about 10 to 1 ratio against it -- I think it was more like a 20 to 1

in my office and faxes and phone calls. And one of the important issues stated here this evening -- is the children of Oxnard. The children of Oxnard are extremely important--"

<Crowd cheers>

"I was born here and raised here, and my dad was born here - my kids, my grandkids are here... and I want a safe city for them. I think we're making a wise decision here this evening to go ahead and put an end to this proposal."

Maulhardt: "Um...Mayor? I guess, uh - well, we're opening it for discussion and I think its good and we still have many cards there, so, the speakers are welcome to speak to the issue...Um, and I -- the Staff has done an excellent job with the report: I know there's been some criticism that its biased but I don't think so... its a very good report, its been very interesting, and it is very accurate as to what it is. But the reason why I, uh, requested it to be studied --as I will request any study whether- and, we've had issues that I've opposed, but we still study them. So I appreciate the fact that we're having this meeting. I think its good, I think the information has been good - um, it is part of the process to listen to all of the public comment. and to hear the passion in the voice and I know there's been some comments made that its running 10 to 1 or 20 to 1 or whatever... I can also tell you-- There's a lot of people out there who do support the casino.. They're out there... but I think the passion that I'm hearing here today is overwhelming. the neighborhood obviously is a big concern, and the traffic issues there... And that it just may not be possible... but at this stage it is not possible to proceed with this casino. I think it has been a good lesson, I think we have learned something and I appreciate Paragon and Maidu Indians for putting the application forward.. But we don't have an application to vote on tonight so I think there is a little bit of misunderstanding on what we can vote on.. But as with all pre-reviews, the message the applicant hears, as I'm hearing it too-- This thing doesn't have any legs to move on. If the voters want to vote on it..."

<Crowd yells 'No', 'No! '>

"They have the initiative process just like anybody else does... but I think it will not fly at city council or any other place. At this point, I would not be supporting the application or the process that we're going through at this time." <crowd cheers, Maulhardt waves it off> "We're up here every Tuesday night, so you're welcome to come applaud every other Tuesday night... I understand you're getting your passions on it - It's a tough decision and I know there's been some comment and some very negative comments, but we can get into those later... But there isn't any secret agenda - its really truly what is best for the city of Oxnard and at this point I just think the best thing is to just move on."

Pinkard: "Just like to make a comment Mr. Mayor. I do also resent the fact that some of the council persons have been criticized for going through the process. We put a process in place to make it even for everyone and an opportunity for everyone to present and that's what we did but some of us was criticized for that - and, I too, agree with what the other councilpersons said this evening and I think this is something that we need to move on with and take care of business and allow the process to take care of itself."

Mayor Lopez: " I hate to be the fly in the ointment...but I think the whole city has been put through a very very difficult period here. . We've had almost 2 months when we have had 20 staff members doing a study that... When you realize, that tonight is the first time that this item has been on the agenda. When you talk about 'process' I think the process was really very very poor. I think to go through the measure of having 20 staff people devote a lot of their time to a study such as this -- It should be preceded by council discussion and by having everyone in the city know what was going on, rather than respond to a letter in the Public Comments period, and then not even saying the topic was -- Until I brought it up, the fact that it was gambling that we were talking about, it would have gone forward without the public even knowing what we were talking about."

<Crowd applause>

Maulhardt interrupts "Mayor, I--"; Mayor Lopez continues, "Let me finish...anybody can go to the city clerk's office and listen to the discussion on the evening of March 12th and they will know-- there was really nothing on the agenda, there was no vote, there was nothing to direct staff to conduct this study. It has been a very very difficult process for me personally - I was put through 2 months of reading everything I possibly could on Indian gaming -- and I think it was very very unfair, it was very very -- a very difficult thing for all the residents of the city to be put through -- to have to mobilize to have to come here tonight to see that the result that is about to happen - happened. I think its really not a proper thing to do."

Maulhardt: "Mr Mayor, I'm sorry but I take exception to that - I think this is what city councils are about - is to review reports. When somebody puts a application in that's has as serious proposal as this which -- and I mean 'serious' in the sense that there is a mixed opinion as to whether it is good, bad, or indifferent to the city -- I think it is our duty to review it..The fact is that there was was a report, a review at the harbor, so everybody knew it's what the Maidu Indians were proposing was a casino at the harbor, and it was switched to the city. The Supervisors reviewed it before we looked at it.. So I take exception that anybody does not realize that that was gaming. Uh, in the past there has been items on this agenda and I've expressed the same thing that there're item on the agenda with a resolution with an ordinance that I never see or hear about until the Thursday before when we get the agenda, so this is not unusual - this is part of the process and, uh, while I don't argue with you - that maybe it has been - uh - tough for the

last 2 months, and maybe its tough for the city, I also don't believe that the city is that fragile or this community is that weak that they can not listen to controversial issues and make decisions as we have seen tonight."

Holden: "Mayor, you know - I take extreme exception...especially on top of the fact that you also feel that our voters aren't sophisticated enough to make their own decisions in these types of issues. I - I- It was very clear that evening when that person came here and requested us to look at this what they were talking about. Now, yes, is it a politically smart thing to do - to avoid controversial issues? Absolutely. But, for the consequences that it -- that the potential positive consequences and the negative consequences that were involved with this proposal - which many communities have embraced by the way - It was basically requested that we have a report on what they were proposing. Now in something as sophisticated as this type of project, it required a significant report in order to get us the information. Now, our jobs are not to be up here and be the spokespersons or the decision makers based on our emotions and feelings. I feel very strongly that we make decisions based on what the public feels and the only way you make decisions based on what the public feels is to put it out in the public - and that's what we did - we said 'Look it, we're looking at bringing a casino I here - these are the upsides, these are the downsides' and you all made it very clear that you did your homework and you came and said that's not what we want. But I refuse to insulate the public from these type of issues and make the decision ahead of time such that we have now taken the process-- this thing called Democracy-- I mean, you know - they have the right to make the proposal and we have the obligation to hear from our residents - and we'll continue to do that. Mayor - I think in the future if 3 or 4 council members request a study be brought back on a proposal that a speaker spent 5 minutes talking about and you don't understand what that is - I think its important to clarify it at that meeting - because those are extremely important issues, if the majority of the council's requesting a staff report on a subject matter I think its important that you know what that subject matter is."

Mayor Lopez: "I think its very important according to the Brown Act that we have an item on the agenda before we take an action on it. I think that's very clear..."

<Camera stays on Holden, who rolls eyes toward the ceiling, as Zaragoza speaks.>

Zaragoza: "Mr Mayor - you know - apparently I was confused too - uh, when apparently - when the Maidu Indians came over and they presented the report and they wanted us to study it - all of a sudden - here, as you mention, we had thousands of manhours spent on this proposal and also by the time we get to this hearing it now a pre-review process - My understanding at the time, it was just a study of whether it's a pro and a con - and all of a sudden you know, it's a pre-review process. We were looking at renderings of what's going to happened in 1st Phase and 2nd Phase and so forth - and I somehow - I feel like we've missed a -- one step there in the process - and that's one of my concerns. It's not

that we're insulating our public from items that we don't like but I think that the public should know exactly what the process is and right here... Here they are - all the folks - the same people that called me, and apparently they called you too, and other council members and they have spoken, and I think that the process is working -"

Maulhardt: "I think that the process is working too and maybe this is an item for a retreat and we've got many more discussions here - but I'd guess I'd have to make my one remark -- that is - that maybe the staff should stop doing any power study right now because there's only 1 person has asked for any power study? I mean, that's what we're coming down to - and that's why I say that maybe we ought to go to -"

Holden: "I would like - yeah, I think that- and in all fairness Mr Zaragoza, it was one meeting when you in city council comments requested that an ordinance be brought back for a city holiday. Now staff took that request and went back and spent hundreds of hours studying that proposal and brought back an ordinance without any discussion, so you, you - but we all have some- My point is, I think what's happening here is depending on what side of the fence you're one, when you're asking for the staff report - it's either good staff hours or its bad staff hours."

Zaragoza: "Well it depends - if you have a lot of heat like you have tonight and you change your position and that's exactly what happened."

Mayor Lopez: "I would like to move that the city council state that it does not support Indian gaming in Oxnard because we believe in local control. Our first inhabitants, the Chumash people, have a casino in the area within their tribal lands and expressed their opposition tonight here at the Public Hearing. And since we are an urban area, establishing a sovereign state within our corporate limits would be incompatible with our planning process and create jurisdictional problems, and it would create a conflict with the General Plan for the city of Oxnard, And, furthermore that we send a letter to Secretary of the Interior and to Governor Gray Davis informing them of our decision."

Zaragoza: "I'll second that."

<Crowd claps>

Holden asks the city attorney can we propose a motion when we still have speaker cards.

Gillig talks about how they recessed the public testimony for council comments and the process during Public Hearings is to allow all those who want to speak, to speak.

Mayor holds motion in abeyance and Public speakers continue.

53. Man in tan plaid shirt, wears "No Casino" sticker. Holds up a binder of papers, talks about an April 26th conference in Ventura on gaming, which gave statistics. Mentioned name: Thomas A. Tucker, Executive Director of the California Council of Problems on Gaming (Palm Springs). Says, ".. to say gambling does not cause addiction is the same as saying alcohol does not cause alcoholism."

<More names are called.>

54. Leslie Tipton, blue dress, wears "No Casino" sticker. Talks about how "our church met with you over the course of 10 years and couldn't get built and its shameful how quickly the proposal process goes forward when its something to degrade... there is a home here for adult bookstores, strip joints -- these things won't go away." Says they should "deny every such request right away."

55. Barry Tipton, opposes the casino, says to pack Oxnard College with students and lure high tech companies.

56. Woman in light blue dress with white stripes, wears "No Casino" sticker.

< Mic turned off; can't hear much of anything >

57. Dineane Sperske, black pullover, yellow jacket, wears "No Casino" sticker. Says, reads from the petition, "I am opposed to big-time gambling and the casino proposed for the City of Oxnard and any such facility in Ventura County."... "Someone gathering petition signatures had a death in the family but she brought her petitions here tonight.." and begin reading the names.... <get interrupted and stop>

58. Man in gray suit jacket, from Ministerial Association of 50 churches; opposed to the casino.

59. Man in dark blue pullover; wears "No Casino" sticker. Opposed to the casino; says, "Oxnard will be safer."

60. Alice Winterholm, woman in blue dress, white bead necklace, wears "No Casino" sticker. Talked about her grandfather in England who gambled and brought it over here; her father suffered very much, and she never knew much about her grandfather.

61. Dan Harvey, blue shirt, wears "No Casino" sticker. Chair of Lemonwood Neighborhood. Opposed to the casino.

62. Woman in dark navy dress, wears "No Casino" sticker. Opposed to the casino.

<Holden leaves>

63. Young man in plaid shirt says "Hi Mom."

<Holden is back>

64. Woman in green dress and black jacket; wears "No Casino" sticker. Opposed to casino.

[My tape ran out while I was still at the council meeting; when I got home I started a 2nd tape, but I'd missed recording some speakers in the meantime. I know that Charles Boyd of BAPAC was one of the speakers I'd missed recording. BAPAC organization sent out a letter opposing the casino.]

65?

66?

67?

68?

69?

..... [I don't know how many speakers there were, until I got the next tape started. Say the next speaker number is "70"]

<Mayor read names from speaker cards, but people left after Holden 'decided things' after the break, and aren't there to speak>

70. Woman in black dress, tan jacket, short hair. Opposed to casino.

<Call that the mic is not working.>

<Mic gets fixed>

Woman says "in the city of Oxnard, the children are our purpose, and I'm hoping and praying that you got that message tonight."... "You came to a decision tonight but it really bothers me.. it still bothers me that it took us being frustrated with you to make that decision"... says, "Oxnard was a place for families. It is no longer. But its coming back--" ... "Get your mind off the money... off the dough, and back on families."

71. Captain in Salvation Army (wears uniform). Talked about homelessness; referred to a survey done by the University of Illinois. Says, "I don't need any more work in this city so thank you very much for saying no."

72. John R. Hatcher, III, maroon shirt, dark navy jacket, wears "No Casino" sticker. President of Ventura County NAACP. Asks "can a citizen call for the question?"

Mayor says only a council member can call for the questions but double-checks with the city attorney.

Gillig says the Mayor has no authority to over ride Public Hearing.

Holden says "it was withdrawn."

Hatcher said he didn't hear that and other people didn't hear that.

Mayor Lopez says "we'll do it again."

73. Man in gray sweatshirt; quoted scripture. Opposed to casino.

74. Judy Albietz, tribal attorney: "Honorable Mayor, City Council: It is my privilege to represent the Greenville Rancheria of Maidu Indians of California. I am the tribal attorney. An earlier speaker stated that the Maidu Rancheria owns 4 other casinos. I just want to set the record straight; that is not true. The Greenville Rancheria is only one of several federally recognized tribes who are of Maidu ancestry. The tribal council of Greenville Rancheria is proud to be here today and they have asked me to formally

withdraw the application to amend the development agreement for the Factory Outlet Center. We do not plan to pursue a project in Oxnard." <Crowd Cheers, applause, whoops, clapping> <Gavel> "Thank you for your consideration and we truly thank the staff for your thorough analysis. The analysis they gave to this proposal. Thank you."

Mayor Lopez announces that is the end of the submitted speaker cards.

Mayor says he has to announce that anyone who has not yet spoken and would like to, to speak now.

75. Richard Skerlock. Says he "helped 4 of you get elected"... He's "angry at the libelous, unfounded, most awful comments made about 3 of you, who I consider to be friends"... said he asked people outside "Did they really believe you were on the take? Did they really believe you were evil people? And they said if you dared to vote for this, that you were." He said the Maidus "just didn't know how to approach the city of Oxnard".

76. Martin Jones, black jacket. Chair of College Park Neighborhood. Said, "Support the motion, without amendment, it's the proper motion to make."

77. Mary ____, woman in black dress; wears a "No Casino" sticker. Thanks "the three" for their vote. Then adds that Zaragoza and the Mayor are "the greatest."

The Public Hearing portion is closed.

Mayor reads the motion again:

"I move that the city council state that it does not support Indian gaming in Oxnard because we believe in local control. Our first inhabitants, the Chumash people, have a casino in the area within their tribal lands and expressed their opposition to additional tribal gaming from out of the area at our public hearing. And since we are an urban area, establishing a sovereign state within our corporate limits would be incompatible with our planning process and create jurisdictional problems, and it would create a conflict with the General Plan for the city of Oxnard. And, that we send a letter to Secretary of the Interior and Governor Davis informing them of our decision."

Seconded by Zaragoza. City Attorney Gillig says "the motion is fine." Oxnard City Council voted 5-to-0 to approve the motion. Meeting adjourned.



Photographs by Charles Boyd

End Notes

The Daily Independent Online, Ridgecrest, California newspaper, www.ridgecrestca.com, reported [on or before May 23, 2001] that casino developer Paragon Gaming "has determined that a resort and casino in this area" [off Highway 395, north of Inyokern] "would be feasible". The tribe name, as yet, is not revealed.



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opinion

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Letters to the editor, west county

Bad judgment

It was great that the Oxnard City Council voted unanimously against the gambling casino at the outlet center.

However, I resent that we, the people in Oxnard, were put through two months of struggle for no reason. Councilman Tom Holden said he thought it was right to go through the "process" when they receive an important proposal. However, they responded -- when no proposal was presented, with an enormous study and travel by 20 top staff members of every department for two months -- to a simple letter presented to the council on March 13.

There was no vote of the City Council to do anything. There was a request by Councilman Dean Maulhardt for a report on the letter. Mayor Manuel Lopez asked whether he was asking for a report on the gambling. Holden and Councilman Bedford Pinkard both expressed interest in hearing about the letter. This item was not on the agenda and so no action could be taken on the letter.

It was very improper for the staff to organize a massive research on the basis of a nonagenda item. There was never a vote to authorize the research. I do not think the staff would have done this elaborate \$40,000 study with trips all over the country without discussions with councilmen outside City Council meetings, in violation of the Brown Act. There was no proposal filed until April 20, long after most of the travel and study had been performed.

The outrageous action was to try to claim that this was a preapplication on May 8 to give the applicants hours of presentation on the proposal before hearing from the public, when the report and public hearing were the only things on the agenda.

The tricky thing about this is that there can be no action on a preapplication.

The routine practice under the former city manager was to have councilmen deal directly with staff, which is contrary to the city council-city manager form of government under the Brown Act, which requires all action by the city at legally noticed meetings.

It was only eight years ago when most of these same councilmen heard loud and clear from the community that Oxnarders do not want a gambling city. This was even a worse proposal because it involved having a sovereign nation within the city. It makes you wonder whether their memory is that bad, or their judgment is.

July 6, 2001

-- Jane M. Tolmach, Oxnard

Appendix

The appendices give source material for reference and additional information.

1. List of "Tribal Gaming and Entertainment Center in Oxnard Staff Research Team"
2. Agenda of the Oxnard City Council Meeting of May 8, 2001
3. Oxnard Neighborhoods Map
4. Minutes of the Oxnard City Council Meeting of March 13, 2001
5. Transcription from tapes of the Oxnard City Council Meeting of March 13, 2001
6. March 12, 2001 Letter to Oxnard City Council from the Greenville Rancheria, and cover memo of March 14, 2001 by Steve Kinney, Economic Development Corporation
7. The April 20, 2001 Filing of "Land use Permit Application"
8. Casino Promotion
9. Some pages from the City of Oxnard's Report on Tribal Gaming
10. Ventura County District Attorney's Report
11. Petition Form
12. Copy of email's from the national organization, NCALG
13. National Coalition Against Gambling Expansion (NCAGE) and National Coalition Against Legalized Gambling (NCALG) - Interview with Alexis Johnson, from website

Appendix 1

List of "Tribal Gaming and Entertainment Center in Oxnard Staff Research Team"

The Star, page A-1, 5/3/2001, article by Raul Hernandez, Staff writer, headlined 'No way to predict increase in crime', quote: "For their report, Oxnard city officials visited numerous areas with casinos - Palm Springs, San Pablo, Santa Ynez, El Cajon, Lakeside, Biloxi, Miss; and Coos Bay, Ore."

Jane Tolmach asked the Oxnard city manager for a list of those who traveled for the city's casino report and was given the "Tribal Gaming And Entertainment Center in Oxnard - Staff Research Team" one page list.

TRIBAL GAMING AND ENTERTAINMENT CENTER IN OXNARD
Staff Research Team

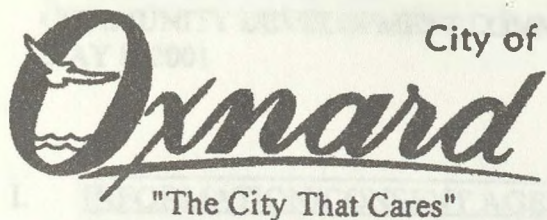
Ed Sotelo	City Manager
Karen Burnham	Assistant City Manager
Dennis Scala	Management Analyst III
Jeanette Villanueva-Walker	Public Information Officer
Dale Belcher	City Treasurer
Stan Kleinman	Finance and Mgmt. Svcs. Director
Curtis Cannon	Community Development Director
Brian Pendleton	Redevelopment Projects Manager
Art Lopez	Police Chief
Chuck Hookstra	Police Commander
Jason Benitez	Police Sergeant
David Keith	Consultant - Police Dept.
Gary Gillig	City Attorney
Alan Holmberg	Assistant City Attorney
Bow Bowman	Public Works Director
Matthew Winegar	Development Services Director
Marilyn Miller	Planning & Env. Services Manager
Rob Roshanian	Development Services Manager
Joe Genovese	Traffic Engineer
Sal Gonzalez	Housing Director
Steve Kinney	EDC President

May 2, 2001

G:\REDEV\COMMITTEES\TRIBAL GAMING.WPD

Appendix 2

**Agenda of the
Oxnard City Council Meeting
Of
May 8, 2001**



The Entire Agenda Packet Is Available
for Review in the Library and the City
Clerk's Office.

AGENDA

OXNARD CITY COUNCIL
OXNARD COMMUNITY DEVELOPMENT COMMISSION
OXNARD HOUSING AUTHORITY
Regular Meetings
City Council Chambers, 305 West Third Street, Oxnard
May 8, 2001

7:00 P.M.

A. ROLL CALL/POSTING OF AGENDA

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

At this time, a person may address the legislative body only on matters appearing on the closed session agenda. The presiding officer shall limit public comments to three minutes.

C. CLOSED SESSION

D. OPENING CEREMONIES

Pledge of allegiance to the flag of the United States.

E. CEREMONIAL CALENDAR

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (30 Minutes)

At this time, the legislative body will consider public comments for a maximum of thirty minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. A person not able to address the legislative body at this time because the thirty minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take any action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing. The presiding officer shall limit public comments to three minutes.

G. REVIEW OF INFORMATION/CONSENT AGENDA

The members of the legislative body will consider whether to remove Information/Consent Agenda items for discussion later during the meeting.

H. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

At this time, a person may address the legislative body only on matters appearing on the information consent agenda. The presiding officer shall limit public comments to three minutes.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

City of Oxnard internet address: <http://www.ci.oxnard.ca.us>.

I. INFORMATION/CONSENT AGENDA

City Manager's Office

1. (001) SUBJECT: Cancellation of the Regular Meetings Scheduled for May 15, 2001.
CC/CDC/HA RECOMMENDATION: Cancel their regular meetings scheduled for May 15, 2001.
Contact Person: Edmund F. Sotelo Phone: 385-7430

Police Department

2. (003) SUBJECT: Ordinance No. 2572, Establishing Nuisance Standards for Certain Establishments Selling Alcoholic Beverages and also Establishing Procedure to Collect Abatement and Related Administrative Costs by Nuisance Abatement Special Assessment.
CC RECOMMENDATION: Second reading and adoption.
Contact Person: Bryan MacDonald Phone: 385-7940

Public Works Department

3. (009) SUBJECT: License Agreement with Dallas Cowboys Football Club, Ltd. for Use of the River Ridge Fields Training Facilities.
CC RECOMMENDATION: Approve and authorize the Mayor to execute a license agreement with the Dallas Cowboys Football Club, Ltd., Texas limited partnership (A-5948), for exclusive use of the River Ridge Fields training facilities from August 6, 2001 through August 26, 2001.
Contact Person: Michael Henderson Phone: 385-7950

J. INFORMATION/CONSENT PUBLIC HEARINGS

K. PUBLIC HEARINGS

City Manager's Office

1. (011) SUBJECT: Tribal Gaming and Entertainment Center in Oxnard.
CC RECOMMENDATION: Consider a report on the impacts of a Tribal Gaming and Entertainment Center in Oxnard as set forth in a letter dated March 12, 2001, submitted to the City Council by the Greenville Rancheria of Maidu Indians of California in cooperation with Paragon Gaming, LLC, proposing such development at the current Oxnard Factory Outlet Center, located along Highway 101 near Rice Avenue.
Contact Person: Edmund F. Sotelo Phone: 385-7430

L. REPORT OF CITY MANAGER/SECRETARY

The City Manager/Secretary shall report on items of interest to the legislative body occurring since the last meeting. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. Such items may only be referred to the City Manager/Secretary for administrative action or scheduled on a subsequent agenda for discussion.

M. CITY COUNCIL/HOUSING AUTHORITY/COMMUNITY DEVELOPMENT
COMMISSION BUSINESS/COMMITTEE REPORTS

1. SUBJECT: Fourth of July Fireworks Celebration - Councilmember Maulhardt.

N. PUBLIC COMMENTS ON REPORTS

At this time, a person may address the legislative body only on matters appearing on the reports listed below. The presiding officer shall permit a person to address the legislative body after the staff presentation on the report and before the consideration of the report by the legislative body. The presiding officer shall limit public comments to three minutes.

O. REPORTS

P. APPOINTMENT ITEMS

Q. PUBLIC COMMENTS ON STUDY SESSION

At this time, a person may address the legislative body only on matters appearing on the study session agenda listed below. The presiding officer shall permit a person to address the legislative body after the staff presentation on the item and before the consideration of the item by the legislative body. The presiding officer shall limit public comments to three minutes.

R. STUDY SESSION

C. CLOSED SESSION

S. ADJOURNMENT

Appendix 3

Oxnard Neighborhoods Map

Proposed casino site on Gonzales, between Rose and Rice

The map is from the City of Oxnard's website:

<http://www.ci.oxnard.ca.us>

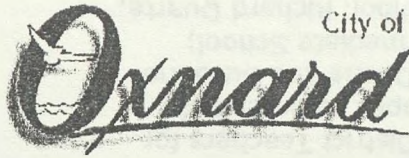
(Editor's Note: editor drew in the "" symbol on the map to indicate the proposed casino location)*

PLANNING AND ENVIRONMENTAL SERVICES

Appendix 4

Minutes of the Oxnard City Council Meeting Of March 13, 2001 (from the City's website)

The casino project was brought up under "Public Comments On Items Not on the Agenda", and under Item M, "City Council Business", the Minutes say that "the city council concurred to have staff prepare reports for City Council consideration on" [5 matters are listed]... with "gaming club project" listed as the fifth item.



MINUTES

OXNARD CITY COUNCIL Regular Meeting March 13, 2001

A. ROLL CALL/POSTING OF AGENDA

At 5:33 p.m., the regular meeting of the Oxnard City Council convened in the Council Chambers jointly with the Community Development Commission. Councilmembers Manuel M. Lopez, John C. Zaragoza, Bedford Pinkard, Thomas E. Holden, and Dean Maulhardt were present. The City Clerk stated that the agenda was posted on Thursday in the Library and City Clerk's Office. Mayor Lopez presided and called the meeting to order. Staff members present were: Daniel Martinez, City Clerk; Edmund F. Sotelo, City Manager; Karen Burnham, Assistant City Manager; and Gary L. Gillig, City Attorney.

B. PUBLIC COMMENTS ON CLOSED SESSION ITEMS

C. CLOSED SESSION

At 5:36 p.m., the City Council recessed to a closed session pursuant to Government Code Section 54956.9(a), to confer with its attorneys. The title and case number of the litigation discussed is McIntyre v. Oxnard, Ventura County

Superior Court Case No. CIV 196399.

The City Council also recessed to a closed session, pursuant to Government Code section 54957, to evaluate the performance of the City Manager.

At 6:05 p.m. the City Council recessed to allow the Community Development Commission to conduct a closed session. At 6:35 p.m. Mayor Lopez was absent, and the City Council reconvened and recessed to a closed session, pursuant to Government Code section 54956.8 to give instructions to its negotiator, Curtis Cannon, regarding the price and terms of payment for the potential sale by the Community Development Commission of property bounded by A Street, B Street, Fourth Street and Fifth Street to Victor Georgino, dba Georgino Development, LLC.

At 7:00 p.m., the City Council reconvened pursuant to Government Code Section 54957.1 to make a public report of any actions taken in Closed Session. The announcement was that there were no reportable actions taken in Closed Session. Mayor Lopez was present.

D. OPENING CEREMONIES

At 7:17 p.m., the regular meeting of the Oxnard City Council reconvened in the Council Chambers, concurrently with the Community Development Commission and Housing Authority. The meeting opened with the pledge of allegiance to the flag of the United States led by members of the Hueneme High School Mariachi Band, followed by a moment of silence in memory of Roy Furr. Additional staff members present were: Ernie Whitaker, Housing Rehabilitation Program Manager; Curtis Cannon, Community Development Director; Maureen Hooper, Management Analyst; Stan Kleinman, Finance and Management Services Director; and Jill Beaty, Assistant City Clerk.

E. CEREMONIAL CALENDAR

SUBJECT: Presentation of a Commendation to Oxnard School District Teachers for Achieving National Board Certification. DISCUSSION: Mayor Lopez commended recipients Sharon Daly, Emily Ritchen School; Cynthia Garcia-Doane and Suzanne Kahler, Rose Avenue School; Dorothy Maria Jones, Frank Intermediate School; Linda Prewitt, Fremont School; and Andrea Pulido, Ramona School. Richard Duarte, Oxnard School District Superintendent, thanked the City Council for recognizing the

teachers.

F. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Mr. Elias Banales, 2144 Hancock Place, spoke to encourage City employees to attend Ceasar Chavez holiday celebrations.

Mr. Steve Fleischer, 228 South F Street, stated the Oxnard Airport should be closed.

Ms. Lorie Jaimes, Greenville Rancheria, requested Council consideration in the creation of a gaming-based economic project.

Ms. Bernadette M. Ostrowski, 505 E. Olive Street, commented on Oxnard's (negative) image as perceived by people who live in other cities.

Mr. Ted Schultz, 717 Helsam Avenue, spoke about parenting classes geared toward preventing youth violence.

G. REVIEW OF INFORMATION/CONSENT AGENDA

The City Manager requested removal of I-5 from the agenda.

H. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

Ms. Pat Brown, Chairperson, 5 Points Neighborhood Council, expressed dissatisfaction with approval of I-3 because of lack of schools.

I. INFORMATION/CONSENT AGENDA Community Development Commission

City Attorney's Office

(001) **SUBJECT: Ordinance No. 2566**, Amending Ordinance No. 2499, Concerning Deferral of Payment of Development Fees for Certain Projects. **RECOMMENDATION:**

Second reading and adoption.

City Clerk's Office

2. (003) SUBJECT: Minutes of the Regular Meeting of City Council for February 13, 2001. RECOMMENDATION: Approve.

(011) SUBJECT: **Ordinance No. 2567**, Approving Zone Change No. PZ 00-5-18 From Limited Manufacturing (ML) to R-2-PD and C-2-PD for Property Located on the Northwest Corner of Channel Islands Boulevard and Rose Avenue.
RECOMMENDATION: Second reading and adoption.*

Police Department

4. (015) SUBJECT: Application for COPS MORE Grant. RECOMMENDATION: Adopt **Resolution No. 11,906** authorizing submittal of a grant application to the Department of Justice Community Oriented Policing (COPS) Office under the MORE Program for \$985,000 in technology funds to be applied toward the acquisition of a mobile data system.

Public Works Department

(019) SUBJECT: Performing Arts and Convention Center Parking Lot Improvement Project. RECOMMENDATION: Remove from the agenda.

INFORMATION/CONSENT AGENDA ACTION: Councilmember Holden moved approval as recommended. Mayor Pro Tem Zaragoza seconded, and the motion was adopted by the following vote: Ayes: Councilmembers Holden, Lopez, Pinkard, Maulhardt and Zaragoza. *Councilmember Maulhardt abstained from voting on I-3.

J. INFORMATION/CONSENT PUBLIC HEARINGS

K. PUBLIC HEARINGS

At 7:45 p.m. Councilmember Maulhardt left the meeting due to a possible conflict

of interest.

Housing Department

SUBJECT: Issuance of Multi-Family Revenue Bonds--Holiday Manor Apartments.
RECOMMENDATION: Adopt **Resolution No. 11,907** approving issuance by the California Statewide Communities Development Authority (CSCDA) of multi-family revenue bonds to assist in the acquisition and rehabilitation by Steadfast Properties of Newport Beach of the Holiday Manor Apartments located at 1924 Camino del Sol. ACTION: Mayor Lopez declared the public hearing opened. DISCUSSION: The Assistant City Clerk reported on the posting of the affidavit and that no written communications were received. The Housing Rehabilitation Program Manager and Community Development Director described the project and tax increment issues, including proposed current and projected rents for Section 8 and non-Section 8 tenants.

Ms. Bernadette Ostrowski expressed concern that the public may not receive sufficient notice of proposed projects.

Mr. Gregory Ramirez, Steadfast Properties, endorsed the project.

Ms. Eileen McCarthy, California Rural Legal Assistance, expressed concern with tenant displacement, overpayment by existing tenants, and the time commitment regarding post-rehab rents.

Mr. Saul Medina, 311 Featherstone, Co-Chairperson, Rose Park Neighborhood Council, suggested a meeting be held with affected families and Steadfast Properties.

Mr. Nardoni, Steadfast Properties, stated there would be no displacement of tenants during renovation and discussed the on-site learning center for the families.

Ms. Vicki Gonzalez, 114 South Lupita Avenue, questioned the extent of the renovations.

ACTION: Councilmember Holden moved to close the public hearing. Councilman Pinkard seconded, and the motion was unanimously adopted. Councilmember Holden moved to approve the recommended action. Councilman Pinkard seconded, and the motion was adopted by the following vote: Ayes: Councilmembers Lopez, Pinkard, Zaragoza and Holden. Absent: Councilmember Maulhardt.

L. REPORT OF CITY MANAGER

The City Manager 1) described the success of the first annual ultra-low flush toilet program; 2) reported that Barbara Wolf, Recycling Specialist, received the Soroptomist International of Oxnard Women of Distinction award for her contributions to the local environment; and 3) announced a Harry Potter party on March 31st at the main library.

M. CITY COUNCIL BUSINESS/COMMITTEE REPORTS

The City Council concurred to have staff prepare reports for City Council consideration on the following matters: 1) Affordable housing in-lieu fees program; 2) Zoning for child care facilities; 3) Ventura County proposal for open space district; 4) Construction of skate board facilities; and 5) gaming club project.

N. PUBLIC COMMENTS ON REPORTS - COMMUNITY DEVELOPMENT COMMISSION/HOUSING AUTHORITY

At 8:30 p.m. the concurrent meetings with the Community Development Commission and Housing Authority concluded.

O. REPORTS

At 8:30 p.m. Mayor Lopez was absent due to a possible conflict of interest.

Community Development Commission 1. (021) SUBJECT: Establishment of the Oxnard Downtown Management District (ODMD). RECOMMENDATION: Adopt **Resolution of Intention No. 11,908** to form the ODMD and to levy and collect assessments therein and to hold a public hearing thereon on May 1, 2001. DISCUSSION: The Management Analyst reviewed the history of the development of a master plan and Implementation program for the revitalization of the downtown area. The resulting economic development guidelines and downtown business operational plan stressed the need for a property-based business improvement district. Mr. Edward Henning, Edward Henning & Associates, touched on the

Property and Business Improvement District (PBID) law and ballot procedure.

Expressing support for formation of the District were Mr. Michael Viola, 1144 Commercial Avenue, and Joe Kennedy, President, Oxnard Downtown Business Association. Mr. Kennedy read a statement in support by Mr. Al Barkley, property owner in the downtown area.

The Community Development Director stated fees would be based on the square footage of the lot, building area, and linear street frontage. The City will sign an agreement with the PBID governing board that sets standards for the baseline services to be maintained for the life of the PBID.

The City Council expressed their desire to have a greater percentage of responses from the downtown merchants.

ACTION: Councilmember Maulhardt moved approval as recommended. Councilmember Holden seconded, and the motion was adopted by the following vote: Ayes: Councilmembers Maulhardt, Pinkard, Zaragoza and Holden. Absent: Mayor Lopez.

At 10:00 Mayor Lopez was present.

Finance Department

(037) SUBJECT: Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 1999-2000. RECOMMENDATION: Accept the City of Oxnard CAFR for FY 1999-2000. DISCUSSION: The Finance and Management Services Director reported on the highlights of the CAFR and the audit firm's review and clean opinion of the CAFR. ACTION: Mayor Pro Tem Zaragoza moved approval as recommended. Councilman Pinkard seconded, and the motion was adopted by the following vote: Ayes: Councilmembers Pinkard, Zaragoza, Holden, Lopez, and Maulhardt.

P. APPOINTMENT ITEMS

Q. PUBLIC COMMENTS ON STUDY SESSION

R. STUDY SESSION

S. ADJOURNMENT

At 10:15 p.m. the City Council concurred to adjourn the meeting.

DISCLAIMER: OFFICIAL copies of the RECORDED MINUTES are maintained by the Office of the Oxnard City Clerk . Please call the City Clerk's Office at 385-7803 for information relating to copies of the "Official" minutes.

[HOME](#)

Appendix 5

Transcription from Tape1 and Tape2 of the Oxnard City Council Meeting Of March 13, 2001

(Editor's typing from audio tapes provided by the City of Oxnard)

Oxnard City Council Meeting of March 13, 2001

Transcribed from copy of Cassette Tape1 and Tape2 provided by the City

Under "Public Comments Not On The Agenda";
speakers have up to 3 minutes to make comments.

<2 speakers prior>

[Mayor Lopez calls name: Lorie Jaimes]

She speaks: "Good evening - um - My name is Lorie Jaimes and I'm the Chairman of the Greenville Rancheria...."

[adjusts microphone]... "ok... Um....our Tribe hopes that all the members of the Council have received our letter. We're hoping that you'll give serious consideration to the possibility of working with us in the creation of a gaming based economic project that would benefit both our people at the Oxnard Factory Outlet. If you are willing to consider such a proposal our tribe is committed to working with the city to ensure mitigation of the project's impact and to ensure that there's a significant benefit to the Oxnard community from this highly regulated business. Thank you for your time and consideration.

< 2 speakers following>

The end of speakers under Public Comments. Then, went into the "Information and Consent Agenda". < 1 speaker> Then the "7:30 P.M. Public Hearing", Multi-family revenue bonds for the Holiday Manor (TEFRA hearing).

[discussion of a developer's project] Near the end of Tape1, a man is speaking: "...they will also be providing for the tenants of those units a learning center for the families of the children, after school programs for education for those children that live there and field trips for those children, and this is something that Oxnard takes pride in - we've always been able to take an affirmative stance when it comes to representing and doing what's best for the kids in this city. It's one thing that I'm proud of, one thing I know--"

<end of Tape 1>

<Started playing Tape 2 -- talking had already been going on before the beginning of Tape2>

Maulhardt: "...as received it.. Um - I assume that we're going to look into this letter and what they are proposing and, uh, we will get a report back, uh - meet with them, or - uh - to evaluate what they were offering or what they are talking about - or - uh - I'm sure there's all kinds of issues that I think some are in the paper already about it but this is a new -- a new change in it, and per the letter we received last night so I think that the city manager, Mr. Sotelo, I would hope that you can meet with them and have review that proposal and see -- uh -- give us a report back on evaluating it."

Mayor Lopez: " You know, I --" <interrupted>

Holden: "...our procedures....we need to have a consensus to have that -- to have a report brought back to us --"

[couldn't make out some of the talking; missed something]

Mayor Lopez: "I want to make a comment regarding that the letter that I received that this lady came to speak about tonight, and - the subject had to do with the Paragon Gaming. And I just want to make it very clear that I have always opposed gambling in the City of Oxnard -- Several years ago when there was a proposal before the city I took a very strong position against it. I voted against the matter of the lottery to fund schools and I just personally do not believe in gambling and I just want everybody to be very clear on that because I feel very strongly about that."

Holden: "Mayor, just a comment -- however, what we're asking for-- it's our responsibility on an item that has some significant consequences in the end, Um - I - I basically don't feel that, uh, it's required - or appropriate at this time to give personal opinions about it -- I mean, I'm not - I think what we're trying to do is to get into a position where when we ask to have items brought back we have a discussion at that time and look at those items, and I would hope we could continue to do that."

Zaragoza: "I want to find out... are we're asking to put that item on the agenda - is that, uh, for the following week? Is that it?"

Pinkard: "I think we're asking the staff to come back with a report ... we come back with a report to see if its feasible to even discuss it or talk about it - because I'd hate to say 'No' to something.. that we have very little information on."

Lopez: "Let me just try to clarify -- I've received first the letter from this lady. I also received a letter from the ---one of the homeowners associations and they want my personal opinion of how I feel about gambling, so I - that's what I want to clarify -- that I just don't believe in it."

"So the discussion is -- Should we discuss--?" *[Who is speaking is not clear]*

Lopez: " I don't --"

"I got that letter too - I don't want to get into a voting situation here, but I'm very concerned about..." *[Who is speaking is not clear]*

Holden: "Perhaps we should bring back an ordinance to eliminate bingo - or, I mean -- "

Maulhardt: " I don't think we are actually discussing here---"

Holden: "We're not discussing--"

Maulhardt: "There's a letter out - It's like an application for a project and ... and I think that's all we're clarifying - There's an application out there, in essence, and I think I'm asking Ed Sotelo, the city manager, to review it and to - look at the forms..."

Lopez: "My only comment was responding to the lady's comment."

"Ok"

"Ok. Are there any other items? .. OK, now we're on 'Report', Item O."

Appendix 6

**The March 12, 2001 Maidu Letter
To Oxnard City Council from the
Greenville Rancheria and
Cover memo by
Steve Kinney, Economic Development Corp.**



March 14, 2001

TO: EDC Directors

FR: Steve Kinney *SLK*

RE: Indian Gaming Project

Board of Directors

*Michael A. Plisky, Chairman
Oxnard Harbor District Commissioner*

*Carol Taylor, Vice-Chair
Accurate Engineering*

*Steven C. Walton, Treasurer
Church & Dwight Properties*

*Dr. Steven F. Arvizu
President, Grand College*

*Peter T. Favaro
City National Bank*

*Dr. Manuel Lopez
Mayor of Oxnard*

*Dean Masuhara
Oxnard City Councilmember*

*Michael Montoya
Southern California Edison*

*Terry Myers
Bouquet Multimedia*

*Steven L. Kinney
President*

Attached is a letter which was delivered to the Oxnard City Council members on Monday evening of this week, by the Greenville Rancheria of the Maidu Indian tribe, which is headquartered in Plumas County. It outlines a proposal to work, in conjunction with Paragon Gaming Inc. of Las Vegas, to create a major destination entertainment venue in Oxnard, which would include a casino, hotel, and related retail and restaurant uses. Although not stated in the letter, the tribe has secured site control of the Oxnard Factory Outlet Center and adjacent vacant property, which would be the location of this project.

This project will require the approvals of the Oxnard City Council, the U.S. Secretary of the Interior, and the Governor of California, if it is to open as a gaming facility, so it will not happen quickly or easily. But it represents a potentially significant economic development opportunity for the community, such that it merits serious study, first to identify the potentially negative impacts of this type of project and then to see if those impacts can be avoided or mitigated satisfactorily. I will be working with the City Manager and City staff in this effort.

Please feel free to call me if you have any specific questions about the proposal. I will have the issue on our April Board agenda for a full discussion.

Attachment

Perkins House
at Heritage Square
121 South A Street
Oxnard, California 93050
(805) 477-1332
(805) 365-7444
FAX (805) 365-7452
http://www.oxnardedc.com



Greenville Rancheria
P.O. Box 279 • 410 Main Street
Greenville, CA 95947
Phone (530) 284-7990
Fax (530) 284-6612

March 12, 2001

Mayor and Council Members
City of Oxnard
305 West Third Street
Oxnard, CA 93030

Dear Mayor and Council Members:

On behalf of the Greenville Rancheria of Maidu Indians of California ("Tribe"), a federally recognized Indian tribe, I would like to ask the Council to consider joining with us to take advantage of a unique opportunity that we believe could both make our Tribe's dream of economic independence a reality and bring very significant economic benefits to the City of Oxnard. First, allow me to begin by telling you the story of our Tribe.

Our Tribe has had a long and remarkable history. It is generally agreed that the Maidu first settled in the area that is now Plumas and Tehama Counties in Northern California sometime after 1000 A.D. The aboriginal territory of the Greenville Rancheria corresponds to modern-day Shasta, Lassen, Tehama and Plumas Counties.

It is estimated that 4,000 Maidu lived in Plumas County alone. However, with the discovery of gold in 1849, our culture and well-being underwent profound change. The Gold Rush had a severe impact on our natural environment; mining activities silted streams, destroyed fisheries and plant resources, and destroyed animal habitat further limiting our hunting resources.

Throughout the last 150 years, our ability to survive as a people has been greatly challenged. Many Maidu were massacred, others were lost to disease and starvation. By 1962, only 350 Indian people remained in Plumas County.

Most devastating of all, in 1960 the United States Government terminated federal recognition of a host of California Tribes, including ours, pursuant to the California Rancheria Act passed by Congress in 1958. By this act, we were stripped of our rights and identity, and we ceased to benefit from any of the services which otherwise are provided by the federal government to Indian tribes and their members. Most devastatingly, the illegal termination removed the

federal trust status which previously protected our land from alienation. As a result, our tribal land base was entirely lost.

Over the past 40 years, almost all of the original Rancheria inhabitants were forced to relocate to other areas in order to find work. Those of us who remained were resolute in the effort to preserve our identity, our culture and our history. We marshaled the limited resources we had, and sued the federal government for illegally terminating our Tribe and for removing from protected trust status the small fraction of what was left of our once vast ancestral lands. Thankfully, we prevailed in United States District Court, and the Tribe's sovereignty was restored in 1983 to federal recognition status. However, our Tribe still remains landless.

We have come to accept the fact that what was taken from us forty years ago can never be fully restored. However, we are committed to providing economic opportunities for our people. As you probably are aware, gaming-based activities have proved to be a valuable source of economic development for Indian tribes.

Oxnard might wish to partner with us to create a gaming-based economic project that would benefit both our people. We would like to have the opportunity to propose development of a Class III facility, organized pursuant to federal law and the laws of the State of California, at an appropriate site within the City.

We are aware that other sites have been considered for a gaming based business and that concerns have been raised about those sites. For example, we understand that the Channel Islands location generated concerns related to the overall location in the Harbor, the immediate adjacency of residential neighborhoods, and the potential impacts of traffic.

In deference to these concerns, our Tribe wanted to only consider sites which we believe address most, if not all, of the concerns raised, and which might be acceptable to City Government and the community. The sites we are considering have already been approved for a level of development intensity and traffic generation permissive of an Indian casino. The sites we are considering enjoy excellent freeway access, and are buffered from residential development by significant build-out of commercial and industrial uses. Furthermore, the Tribe is committed to working with the City to insure mitigation of the project's impacts, and to ensure that there is a significant benefit that will accrue to the Oxnard community from this highly regulated industry.

Mayor and Council Members
City of Oxnard
March 12, 2001
Page 3 of 3

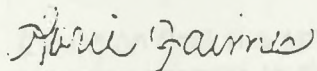
The economic benefits of the project include hundreds of new jobs for local residents, from entry level to highly skilled, and increased tourism and recreation opportunities. In addition, the Tribe is willing to negotiate a local impact fee based on gaming revenue to be paid to local governments to fully mitigate any impacts to the full extent allowed under the California State Tribal Compact. Recently, this type of agreement was entered into in Northern California.

In accordance with the California Compact, the Tribe and its consultants are eager to meet with the City to discuss the proposal in greater detail and to determine the best way to identify and resolve the issues raised by this proposed project. In addition, we would like to work proactively with local law enforcement officials to ensure that we maintain the high licensing standards for our gaming activities as required by the Tribal-State Compact.

The Tribe is prepared to submit an application to the City for this effort. We understand that the success of this effort will be contingent on the City examining all of the facts surrounding this proposal, weighing the benefits and the impacts, and being able to conclude there is mutual benefit for all parties.

We would be most happy to answer any questions, or to meet with you at your convenience to discuss this proposal in more detail. I look forward to hearing from you.

Sincerely,
GREENVILLE RANCHERIA



Lorie Jaimes
Tribal Chairperson

cc: Edmund Sotelo, City Manager
Gary Gillig, City Attorney

Greenville Rancheria Oxnard Project Fact Sheet

The Greenville Rancheria of Maidu Indians of California, a federally recognized tribe, is considering sites within the City of Oxnard for purposes of developing a gaming-based entertainment center. Each of these sites established entitlements for building and development, including parking, transportation and highway access that the Greenville Rancheria believes could immediately accommodate an 85,000 square foot casino. The project would be developed in phases.

All gaming would be conducted under a tribal-state compact between the Greenville Rancheria and the State of California, made possible by the passage of Proposition 1A in March of 2000.

In Phase I, the Tribe would develop an approximately 85,000 square foot temporary casino, with 349 slot machines, 100 table games and limited food and beverage facilities. Surface parking would be provided for 550 cars. Additional slot machines and table games would be added pursuant to the terms of the compact. The temporary casino will be housed in a "Sprung structure" for a period of approximately 12 – 15 months, until such time a permanent facility could be opened.

The Phase I and Phase II projects described would satisfy approximately 50% of potential demand in the area market. According to our gaming consultants, the area market can successfully accommodate:

- 150,000 sq. ft. casino, featuring 2,000 slot machines and 175 table games;
- A full-service 3 or 4 star 250 room hotel;
- A range of restaurant dining options;
- Lounges and showrooms;
- Resort retail stores; and
- A flex assembly facility for concerts, meetings, trade show, sporting events, etc.

Based on final site selection and entitlements, we would anticipate commencing a planning process to develop these additional facilities as soon as conditions permitted.

The gaming facility would be open for business 365 days a year, and is projected to employ 500 full-time equivalent employees (FTE), based on 349 machines and 100 table games. At stabilized operations, assuming 2,000 slot machines and 175 table games, the casino is projected to employ 1,500 FTE.

Greenville Rancheria Oxnard Project Benefits

- Gaming-based Oxnard Entertainment Center would include:
 - 150,000 sq. ft. casino, with 175 table games and 2,000 slot machines
 - A full-service, 3 or 4 star 250 room hotel;
 - A range of restaurant dining options;
 - Lounges and showrooms;
 - Resort retail stores; and
 - A Flex Assembly Facility for concerts, meetings, trade shows, sporting events, etc.
- All project impacts will be mitigated, and the local governments will receive an annual "mitigation fee." which will be negotiated based on gaming revenue.
- Casino's architecture and design will be planned by a respected team of architects. Redevelopment of the site will incorporate the highest standards of construction and finish available to the design team.
- The economic benefits of the project include hundreds of new jobs for local residents, from entry level to highly skilled; and increased tourism and recreation opportunities.
- The project will generate local jobs. During Phase I of operations, based on 349 slot machines and 100 table games, the project will employ 500 FTE. At stabilized operations, assuming 2,000 machines and 175 table games, the casino is projected to employ 1,500 FTE.
- Gaming revenues would be the basis for determining the Mitigation Fee paid annually by the Tribe to local government. The exact percentage of gaming revenues, which determines the Mitigation Fee, will be negotiated in the Mitigation Agreement.
- Indian gaming currently makes a large and growing contribution to economic activity in California. This contribution results both from the expenditures of gaming patrons within Indian casinos and from their accompanying incremental expenditures outside casinos for goods and services including transportation, lodging and meals. These direct expenditures by gaming patrons in turn lead to subsequent rounds of activity in the economy as Indian casinos and other directly affected businesses hire employees, purchase goods and services from local vendors, and undertake construction and maintenance projects. These indirect, or "multiplier" effects increase the total impact of Indian gaming in the state.

California Tribal Compact Regulates Indian Gaming in the State of California.

All gaming would be conducted under a Tribal-State compact between the Greenville Rancheria and the State of California, made possible by the passage of Proposition 1A in March of 2000.

The Tribal-State Compact provides strict guidelines for the licensing of all employees and vendors affiliated with the casino. It provides guidelines for employee/ employer hearings and how to suspend or revoke gaming licenses.

The Tribal-State Compact requires that each gaming tribe establish a Tribal Gaming Commission to oversee operations of the gaming facility. The Tribal Gaming Commission must conduct thorough background checks on proposed employees. The Tribe looks forward to working with your local law enforcement officials to assist us in enforcing these provisions.

The Tribal-State Compact provides steps for resolutions of disputes, and requires that gaming tribes have a \$5 million patron liability insurance policy.

In addition, the Tribal-State Compact requires the Tribe to adopt standards that are no less stringent than:

- The State's food and beverage code.
- Federal safe water standards.
- UBC or local code standards.
- Federal workplace and OSHA standards.
- Tribal health and safety standards.
- Federal and State laws prohibiting discrimination (but not prohibiting tribal preference).
- Tribal and State laws prohibiting the cashing of welfare/social security checks.

The Tribal-State Compact also:

- Prohibits free or reduced drink prices. If alcohol is served, the tribe must follow all applicable Alcohol Beverage Control regulations.
- Prohibits firearms, except for authorized law enforcement personnel.
- Prohibits extensions of credit.
- Requires adequate emergency medical and fire services.
- Requires participation in State or comparable Workers' Compensation program.
- Requires participation in State's unemployment insurance program.
- Requires withholding of all required state and SUI taxes (excludes tribal members).

The Tribe must adopt a labor ordinance permitting employees to organize and select a union by secret ballot.

Appendix 7

**The April 20, 2001
Filing of
"Land Use Permit Application"**

Type of Permit Requested	
<input type="checkbox"/> Annexation <input type="checkbox"/> Coastal Development Permit (CDP) <input type="checkbox"/> CBD Design Review Permit <input type="checkbox"/> Development Design Review Permit (DDR) <input type="checkbox"/> Final Parcel Map <input type="checkbox"/> Final Subdivision Map <input type="checkbox"/> General Plan Amendment <input type="checkbox"/> Lot Line Adjustment <input type="checkbox"/> Major Modification to SUP or PD <input type="checkbox"/> Minor Modification to SUP, CDP or PD	<input type="checkbox"/> Planned Development Permit (PD) <input type="checkbox"/> Pre-Application <input type="checkbox"/> Special Use Permit (SUP) <input type="checkbox"/> Specific Plan Review/Amendment <input type="checkbox"/> Tentative Parcel Map <input type="checkbox"/> Tentative Subdivision Map <input type="checkbox"/> Zone Change <input type="checkbox"/> Zone Variance <input checked="" type="checkbox"/> Other <u>DEVELOPMENT AGREEMENT</u>

Description of Proposed Project

(Include type of development, number of units, parcel size, square feet of building area, etc. If this application is for a modification, describe the requested change.)

AMENDMENT OF ORDINANCES NO. 2295, 2323
(SEE ATTACHED) *get done*

Name of Project (if any)

Project Location

Address of Property 2000
FACTORIA OUTLET DRIVE

Location (major cross streets)

GUZMAN @ FACTORY OUTLET

Current Zoning

BRP

Assessor's Parcel Number APN: 213-090-065

APN: 213-090-065

Architect/Engineer

Name/Firm GREENVILLE RANCHERIA

Address PO BOX 279, 410 MAIN ST

GREENVILLE CA 95947

Phone (530) 284-7990 (530) 284-6612

Signature John C. Le, Agent

Contact Person JOHN CAHILL

Other Persons to be Notified

(C) 805-452-2154
114 East La Guerra, #5 T(805) 962-2298
SANTA BARBARA, CA 93101 F(805) 882-9119

Property Owner

Name FR. JOE (RICH M. LORF)

Address 999 Berkshire Blvd #200

READING, PA 19610

Phone T(610) 376-9778 F(610) 376-5925

I hereby certify that I am the owner of record of the subject property described on this application and that I approve of the action requested herein.

Signature

For additional property owners, please use the back of this form and additional sheets if necessary.

Architect/Engineer

Name DAVID SARGENT, AIA

Firm CIVITAS

Address 249 South Main Rd

DE JUNA, CA 93003

Phone (916) 414-1842 (805) 644-6082

Project Manager DAVID SARGENT

OFFICE USE ONLY OFFICE USE ONLY OFFICE USE ONLY OFFICE USE ONLY

Fees	Amount	Date Received	Related Permits
Permit Fee	<u>\$2,104</u>	<u>4/20/01</u>	<u>SUP 1505</u>
Env. Fee		Permit No. <u>01-35</u>	<u>PA (ORD. NOS. 2295 & 2323)</u>
MND	<u>\$1,755</u>	Log No.	
Monitoring		Env. Det./No.	Rec'd By <u>MM/65</u>
Total		Final Action	Assigned to
Verified By		Expiration Date	

*see 12/2/00
 140,000
 140,000*

PLEASE TYPE OR PRINT LEGIBLY

APPLICATIONS ARE ACCEPTED BY APPOINTMENT ONLY

check parcel #15

ADDITIONAL PROPERTY OWNERS

Assessor's Parcel Number 213-090-065
Name FRIEDRICH ENTERPRISES, LP
Address 148 FRUIT AVE PATTERSON, CA 95363
Daytime Phone Number (F) (209) 892-2203
I hereby certify that I am the owner of record of the subject property described on this application and that I approve of the action requested by this permit application.
Signature _____

Assessor's Parcel Number _____
Name _____
Address _____
Daytime Phone Number _____
I hereby certify that I am the owner of record of the subject property described on this application and that I approve of the action requested by this permit application.
Signature _____

Assessor's Parcel Number _____
Name _____
Address _____
Daytime Phone Number _____
I hereby certify that I am the owner of record of the subject property described on this application and that I approve of the action requested by this permit application.
Signature _____

Assessor's Parcel Number _____
Name _____
Address _____
Daytime Phone Number _____
I hereby certify that I am the owner of record of the subject property described on this application and that I approve of the action requested by this permit application.
Signature _____

Assessor's Parcel Number _____
Name _____
Address _____
Daytime Phone Number _____
I hereby certify that I am the owner of record of the subject property described on this application and that I approve of the action requested by this permit application.
Signature _____

HECK
MULT

IF ADDITIONAL PERSONS OR CORPORATIONS OWN PROPERTY COVERED BY THIS APPLICATION, PLEASE ATTACH ADDITIONAL PAGES.

PROJECT INFORMATION QUESTIONNAIRE

General Information

1. Applicant (name, address, phone, fax):

GREENVILLE RANCHERIA
PO Box 279 ; 410 MAIN ST.
GREENVILLE ; CA 95947
Phone: 530-284-7990 Fax: 530-284-6612

2. Project Location (address and cross streets):

2000 OUTLET CENTER DRIVE
(GONZALES BETWEEN ROSE + RICE)

3. Project Name (if any):

4. Types of permits and/or applications being applied for at this time:

AMENDMENT TO DEVELOPMENT
AGREEMENT

5. Previous permits and/or land divisions approved for this site:

SOP SDS, TENTATIVE MAP OF TRACT NO. 1881
DEVELOPMENT AGREEMENT ORDINANCE 2295 + 232

6. Has a soils exploration, market study or other report been prepared which would aid in the evaluation of this project? If so, list here and attach:

SOILS REPORT PREVIOUSLY RECORDED

7. Is this a modification or renewal of a previously approved project? If yes, list permit number here. If renewal, how long is renewal time period?

AMENDMENT TO ORDINANCE 2295, 2323
If yes, have changes been made in the plans? YES

Project Description

1. Proposed use of site:

GAMING-BASED COMMERCIAL
DEVELOPMENT

2. Size of site (acreage and square feet):

25.62 Acres (1,116,442 sq. ft.)

b. Will the project require subdivision? No
c. What is the existing tract or parcel map number? 4881

4. From what source does the property currently receive the following public services (identify by district name and number, if applicable):

Water CITY OF OXNARD WATER DIVISION
Sewer CITY OF OXNARD WASTEWATER
Fire Protection OXNARD FIRE DEPT.
Police Protection OXNARD POLICE DEPT.
Flood Control CITY OF OXNARD (RICE ROAD DRAIN)
Refuse/Recycling WASTE MANAGEMENT
Schools KID SCHOOL AND OXNARD UNION HIGH SCHOOL DISTRICTS

Questions Pertaining to All Projects

Are any of the following effects pertaining to land use or land form applicable to the project? Please elaborate on any items checked "Yes." (Attach separate sheets to explain answers.)

YES NO

1. ☐ ☒ Is there any change in the pattern, scale, or character of the general project vicinity?
2. ☐ ☒ Will there be any change in scenic views or vistas from any existing residential areas, public land or roads?
3. ☐ ☒ Is the project within the Coastal Zone?
4. ☐ ☒ Will there be a change in existing features of any canal, stream, tideland, beach or sand dune area?
5. ☐ ☒ Will there be any alteration of existing ground contours?
6. ☐ ☒ Will there be any alteration of existing drainage patterns?
7. ☐ ☒ Is the site on filled land?
8. ☐ ☒ Has the site been used for agricultural production in the past five years?
9. ☐ ☒ Will there be a substantial change in demand for municipal services (police, fire, water, sewage, etc.)?
10. ☐ ☒ Will the project require substantial quantities of fossil fuel consumption (electricity, oil, natural, gas, etc.)?
11. ☐ ☒ Is there a relationship to a larger project or series of projects?

NOT BASED ON FACTS AS WE KNOW THEM.

Questions Pertaining to Residential Projects

1. Indicate the number of units by bedroom count and the range of sales prices or rents for each unit type.

<i>Unit/Model Type</i>	<i>No. of Units</i>	<i>No. of Bedrooms</i>	<i>Price/Rent</i>

2. Indicate the total number of off-street parking spaces: _____
Enclosed/Garage: _____ Open/Visitors: _____

3. Describe special features of the project, if any (design, site plan, recreation facilities, etc.). Attach additional sheets, if necessary: _____

Questions Pertaining to Commercial and Industrial Projects

1. Types of business activities or use to be accommodated:

CLASS III GAMING CASINO, RESTAURANT,
RETAIL, VISITOR-SERVING

2. Hours of operation: CONTINUOUS

3. Estimated number of employees per shift and number of shifts: 3 SHIFTS
Total number of employees: PHASE I - 380 FTE

PHASE II - 688 FTE

4. Number of off-street (on-site) parking spaces to be provided: _____

PHASE I - 682

PHASE II - 1211

5. Proposed occupant load (e.g., customers, employees, etc.) and type of building occupancy: _____

SEE ATTACHED

Loading facilities to be provided: EXISTING

6. Will any of the following occur if the project is constructed? Please elaborate on any items checked "Yes."

Yes No

- a. ☐ ☒ Use or disposal of potentially hazardous materials, toxic substances, flammable, or explosives
- b. ☐ ☒ Creation of dust, ash, smoke, fumes or odors □
- c. ☐ ☒ Substantial or unusual demands for fossil fuels or electricity □
- d. ☐ ☒ Substantial demand for municipal service (police, fire, water, sewage, etc.) □
- e. ☐ ☒ Creation of significant amounts of solid waste or litter □
- f. ☐ ☒ Noise generation □

7. Provide the following information on a separate sheet of paper:

- a. List all raw materials used, stored, transported or otherwise handled, including ~~hazardous~~ materials, solvents and catalysts.
- b. List all products provided, stored, manufactured, generated or otherwise handled, including waste, hazardous waste products and other byproducts.
- c. Describe the manufacturing processes, including the sizes and types of machinery used, and utilization of heat, microwaves, electrolysis, extreme pressures or liquefied gases.
- d. Describe the method of delivery, handling and disposal of raw materials, finished projects, wastes and hazardous wastes.

NONE (CLEANING MATERIALS)

Proposed Measures to Minimize Environmental Impacts (e.g., Noise, Air Pollution, Water and Energy Consumption, etc.) (Attach separate pages if necessary.)

ALL PROJECT IMPACTS WILL BE
MITIGATED PURSUANT TO THE
MITIGATION AGREEMENT.

Certification

I hereby certify that the statements furnished above, and in the attached exhibits, present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements and information presented are true and correct to the best of my knowledge.

Date

4-17-01

Signature

Company/Firm

Aorie James Chairman

Appendix 8

Casino Promotion

Greenville Rancheria Oxnard Factory Outlet Fact Sheet

The Greenville Rancheria of Maidu Indians of California, a federally recognized tribe, is considering the purchase of 25.78 acres within the Oxnard City limits, at the site commonly known as "Oxnard Factory Outlet I & II." These lands are currently owned by FruCon Corporation and the Friedrich Family.

Development of this site is governed by an existing Development Agreement, which established legal entitlements for building and development, including traffic, circulation, parking, and highway access that the Greenville Rancheria believes could immediately accommodate up to an 85,000 square foot casino.

The Greenville Rancheria is currently preparing an application to amend the existing Development Agreement so as to allow for the project. If the existing Development Plan is modified by the City Council to be permissive of a gaming facility, the Tribe will ask the Department of the Interior to take the land into Trust for the purposes of economic development. In addition, the project would include the redevelopment of additional adjacent properties such as the Phase III area of the Outlet, as they became available to the Tribe.

All gaming would be conducted under a Tribal-State Gaming Compact between the Greenville Rancheria and the State of California, made possible by the passage of Proposition 1A in March of 2000.

The project would be developed in phases. In Phase I, the Tribe would develop an approximately 21,600 square foot temporary casino, with 349 slot machines, 50 table games and a snack bar. Surface parking would be provided for 623 cars. The temporary casino will be housed in the existing Factory Outlet structures, until such time a permanent facility could be opened.

The Phase II project would include the development of a 50,000 square foot permanent casino, with a total of 349 slot machines and 100 table games. The Phase II project would also include a 250-seat restaurant, a lounge area, and showroom. Parking would be provided for 1,154 cars.

The existing Development Agreement provides development resources and mitigation measures for environmental impacts - including traffic and air quality - for both the Phase I and Phase II projects. The Tribe's ability to develop additional facilities beyond the Phase I and Phase II projects is dependent on the Tribe's securing of additional slot machines, up to the maximum 2,000 machines per tribe provided for in the Tribal-State Compact.

Currently, there is no mechanism or process in place by which the Tribe could secure additional slot machines beyond the initial 349 machines in Phase I and Phase II. While it is not in the foreseeable future, the Tribe may someday secure the right to up to 2,000 total slot machines. Accordingly, and because the Development Agreement vests development rights through 2012, the Development Agreement Amendment will identify those land uses permitted on the site if the Casino can expand. Expansion of the Casino facility and development of any permitted support commercial facilities would require additional environmental review.

Greenville Rancheria

The Greenville Rancheria of Maidu Indians of California is a federally recognized Indian tribe ("Tribe"). The aboriginal people variously referred to as the Maidu, Northern Maidu, Northeastern Maidu and Mountain Maidu occupied areas along the Sacramento River east to the Sierra Nevada mountain crest in Northeastern California. It is generally agreed that that Maidu first settled in the area that is now Plumas and Tehama Counties in Northern California sometime after 1000 A.D. The aboriginal territory of the Greenville Rancheria corresponds to modern-day Shasta, Lassen, Tehama and Plumas Counties.

It is estimated that 4,000 Maidu lived in Plumas County alone. However, with the discovery of gold in 1849, the culture and well-being of the Maidu underwent profound change. The Gold Rush had a severe impact on the natural environment; mining activities silted streams, destroyed fisheries and plant resources, and destroyed animal habitat further limiting hunting resources.

Throughout the last 150 years, the Maidu's ability to survive as a people was greatly challenged. Many Maidu were massacred, others were lost to disease and starvation. By 1962, only 350 Indian people remained in Plumas County.

Most devastating to the Greenville Rancheria was the United States Government's termination of federal recognition of a host of California tribes in the 1950's and 1960's, including the Greenville Rancheria, pursuant to the California Rancheria Act. By this Act, the Greenville Rancheria was stripped of their recognition, and ceased to benefit from any of the services which were provided by the federal government to Indian tribes and their members. The termination removed the federal trust status which previously protected the Maidu land from alienation. As a result the Tribe's land base was entirely lost.

Over the past 40 years, almost all of the original Rancheria inhabitants were forced to relocate to other areas to find work. Those who remained were resolute in the effort to preserve their identity, culture and history. They marshaled the limited resources they had and joined with other California tribes in a suit against the federal government for illegally terminating the Tribe and for removing from protected trust status the small fraction of what was left of their once vast ancestral lands. The tribes prevailed in United States District Court (*Hardwick v. United States*), and the Tribe's sovereignty was restored in 1983 to federal recognition status. However, the Greenville Rancheria remains landless.

After regaining federal recognition in 1983, the Tribe struggled to establish its fledgling government. In 1988, the Tribe formally elected its first Tribal Council since termination. Since that time, the Tribal Government has established fully functional governmental administrative and financial systems. The Tribe operates medical clinics in Red Bluff and in Greenville, offering free services to tribal members, and service for low-income residents through the area. The most recent Tribal elections were held in April 1, 2000. Members of the Tribal Council are elected to staggered four-year terms. Currently, Lorie Jaimes is Chairperson. Loren Timmons is Vice-Chairperson. Eugene Benner is Secretary/Treasurer. Joni Wilson and Marsh Tolen are elected Representatives.

Greenville Rancheria Mitigation Fee Agreement

It is the Greenville Rancheria's intent to fully mitigate potential impacts of the project through the payment of a fee to local government, and welcome the opportunity for this unique partnership with local government.

- The Mitigation Fee, which may be fixed or contingent upon the Casino's gross gaming revenues, could amount to millions of dollars per year. It is anticipated that the Mitigation agreement could cover the following types of items:
 - Reimburse local governments, school districts, special districts for any potential loss of property tax revenue resulting from the conversion of the land from private ownership to sovereign land.
 - Reimburse local governments and special district for any currently unpaid fees. For example, the Phase II of the Factory Outlet Center was to pay road fees, school district fees, and APCD fees upon build-out. As Phase II was never constructed, these fees have yet to be paid.

Once the existing obligations of the Development Agreement are met, the majority of the Mitigation Fees will be available for discretionary funding of local government programs, including such things as enhanced public services, including police and fire protection, crime prevention programs, youth and adult recreation programs, other types of community enhancement projects the community felt was appropriate

By contacting your City Council Member's now, you can express your views on the community's priorities for this new income to the City.

In addition to the Mitigation Fee paid to local government, the Tribe, as a sovereign nation, would contract with local districts for water, sewage, electrical, and public safety services.

California Tribal Compact Regulates Indian Gaming in the State of California.

All gaming would be conducted under a Tribal-State compact between the Greenville Rancheria and the State of California, made possible by the passage of Proposition 1A in March of 2000.

The Tribal-State Compact provides strict guidelines for the licensing of all employees and vendors affiliated with the casino. It provides guidelines for employee/ employer hearings and the suspension or revocation of gaming licenses.

The Tribal-State Compact requires that each gaming tribe establish a Tribal Gaming Agency to oversee operations of the gaming facility. The Tribal Gaming Agency must conduct thorough background checks on proposed employees. The Tribe looks forward to working with your local law enforcement officials to assist us in enforcing some of these provisions.

The Tribal-State Compact provides steps for resolutions of disputes, and requires that gaming tribes have a \$5 million patron liability insurance policy.

In addition, the Tribal-State Compact requires the Tribe to adopt standards that are no less stringent than:

- The State's food and beverage code.
- Federal safe water standards.
- UBC or local code standards.
- Federal workplace and OSHA standards.
- Tribal health and safety standards.
- Federal and State laws prohibiting discrimination (but not prohibiting tribal preference).
- Tribal and State laws prohibiting the cashing of welfare/social security checks.

The Tribal-State Compact also mandates that Tribal Gaming Operations:

- Comply with State law standards regarding the offering of free or reduced drink prices. If alcohol is served, the tribe must follow all applicable Alcohol Beverage Control regulations.
- Prohibit firearms, except for authorized law enforcement personnel.
- Comply with State law standards regarding extensions of credit.
- Require adequate emergency medical and fire services.
- Require participation in State or comparable Workers' Compensation program.
- Require participation in State's unemployment insurance program.
- Require withholding of all required State and SUI taxes (excludes tribal members).

The Tribe shall not permit persons under the age of 18 years to be present in any room in which Class III Gaming Activities are being conducted. If the Tribe permits the consumption of alcoholic beverages in the Gaming Facility, the Tribe shall prohibit persons under the age of 21 years from being present in any area in which Class III gaming activities are being conducted and in which alcoholic beverages may be consumed.

The Tribe must adopt a labor ordinance permitting union access to employees of Tribal Gaming Operations.

Casino Customers? Who are they?

Typical casino customers are employed and have a higher income and more education than average Americans. They also are married and civic-minded. 60.1% are married and 88.9 percent are registered voters, according to a 2000 survey by Peter D. Hart Research Associates, Inc. and the Luntz Research Companies, conducted for the American Gaming Association.

They are also responsible customers. The vast majority of casino customers view casino gambling as a highly social activity and are responsible with their money by setting a budget before visiting a casino.

Some more information from the study:

- Americans continue to view casinos as a highly social form of entertainment, with 94% of casino customers gambling with others.
- Setting a budget was the norm for 82% of casino visitors in 1999, up from 80 percent in 1998.
- Nearly 89 percent of casino customers primarily go to casinos for the fun and entertainment.
- Median household income of casino customers - \$45,667 (national median \$40,816). Median age of US casino customers – 47.
- 28% of US casino customers have some college; 16% have bachelors degrees; 8% have post bachelor degrees.
- More than 80% of Americans believe that casino gaming is acceptable for themselves or others. When asked: "What are your own personal views of casino gambling?"
 - Perfectly acceptable – 53.9%
 - Acceptable for others – 26.4%
 - Not acceptable – 16.8%
 - Don't know – 2.9%

(Source: American Gaming Association)

What about crime? Will it increase?

There is no factual evidence that the crime rate will increase. Numerous studies show just the opposite.

For example:

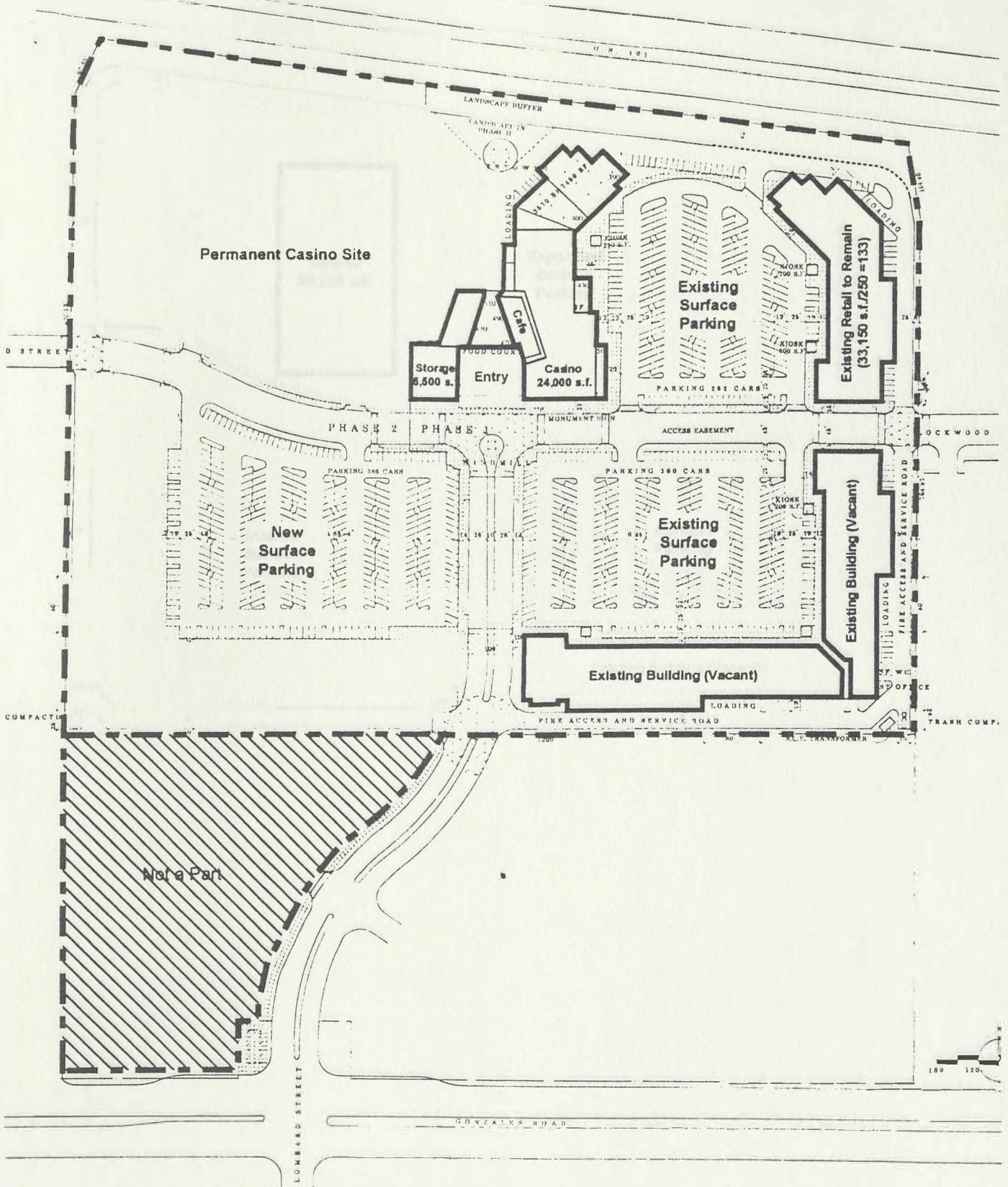
According to "American Indian Gaming Policy and Its Socio-Economic Effects," by the Economics Resource Group, July 31, 1998:

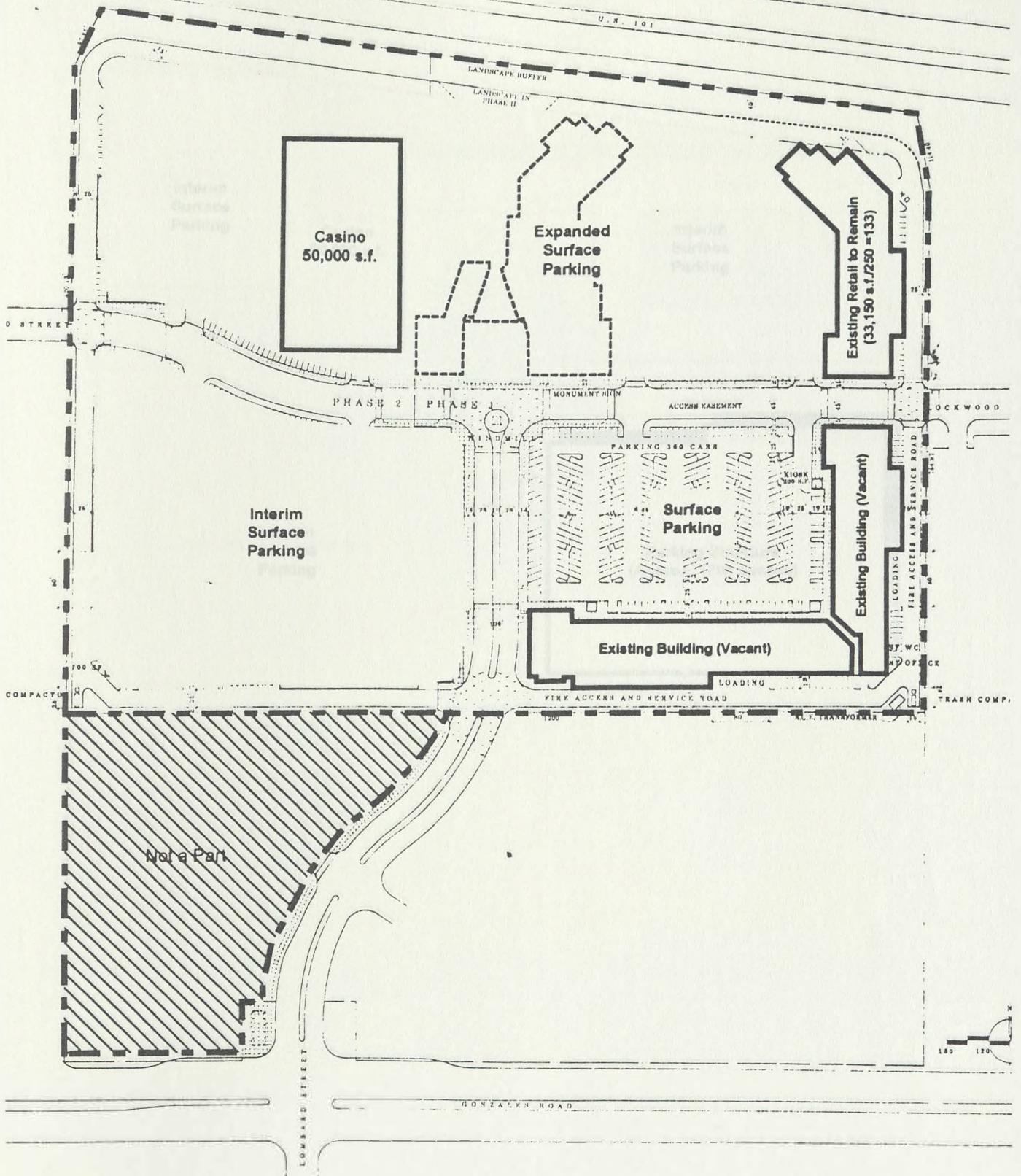
- "Interviews with law enforcement officials generally indicate that they feel that the increased employment generated by gaming enterprises reduced the incidence of crime." – (p. 73)
- "Where substantial tribal investment in security and/or police presence was being funded by gaming revenues, gaming contributed to lower, not higher, off-reservation police burdens." (p. 73)

According to "Indian Gaming and its Impact on Law Enforcement in Wisconsin," by API Consulting Services, 1996:

- "Almost uniformly, law enforcement officials stated that Indian gaming establishments had not directly contributed to any significant way to the incidences or rates of crime in their jurisdictions. Indeed, most believed that employment opportunities created by Indian gaming establishments reduced the incidence of crime. In their perception, employed persons were less likely to commit criminal acts." (p 9).

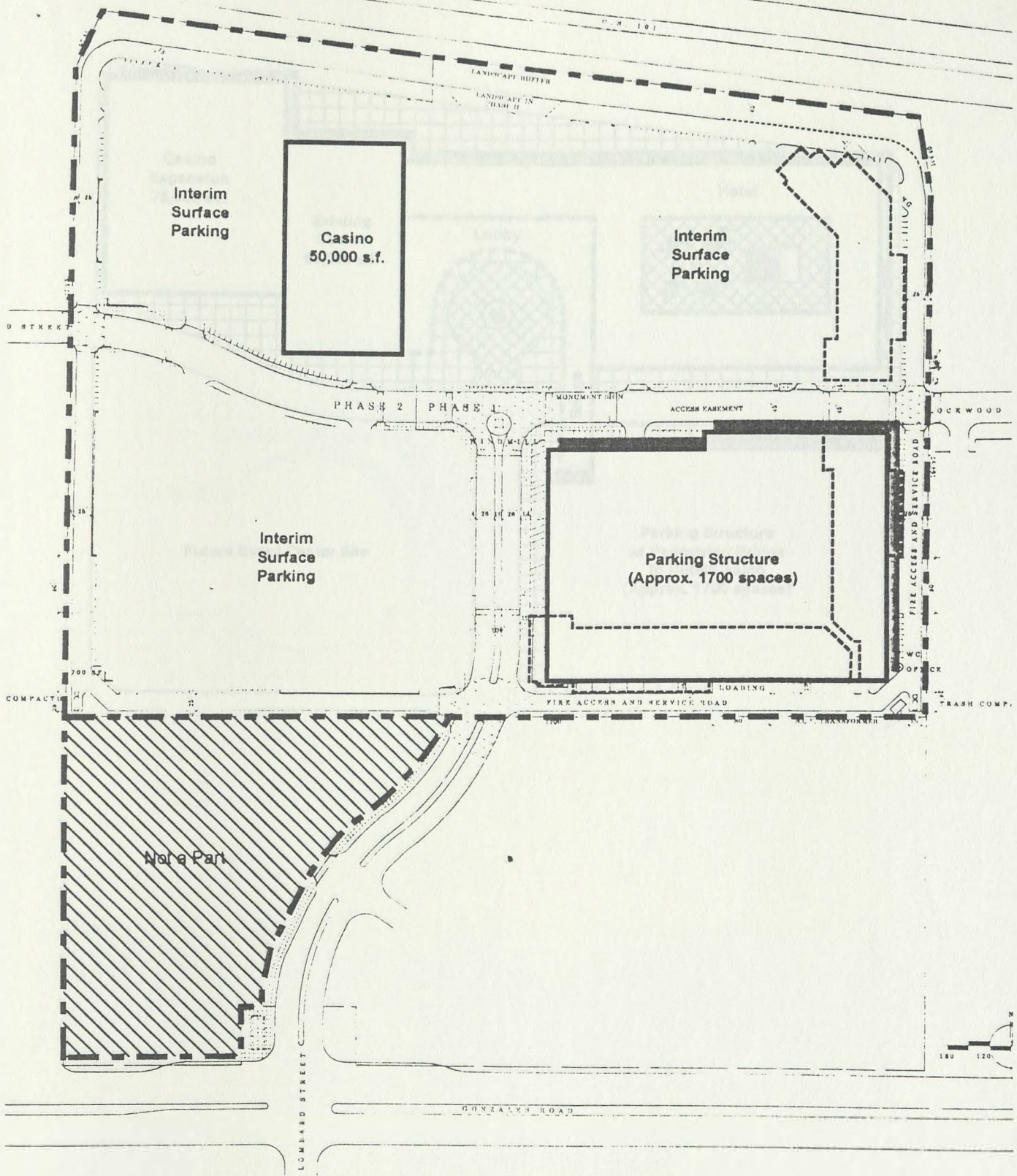
Indian gaming is a highly regulated industry. The Tribal-State compact requires strict adherence to the terms of the Compact and provides for mechanisms for revocation of gaming status. See California Tribal Compact fact sheet.

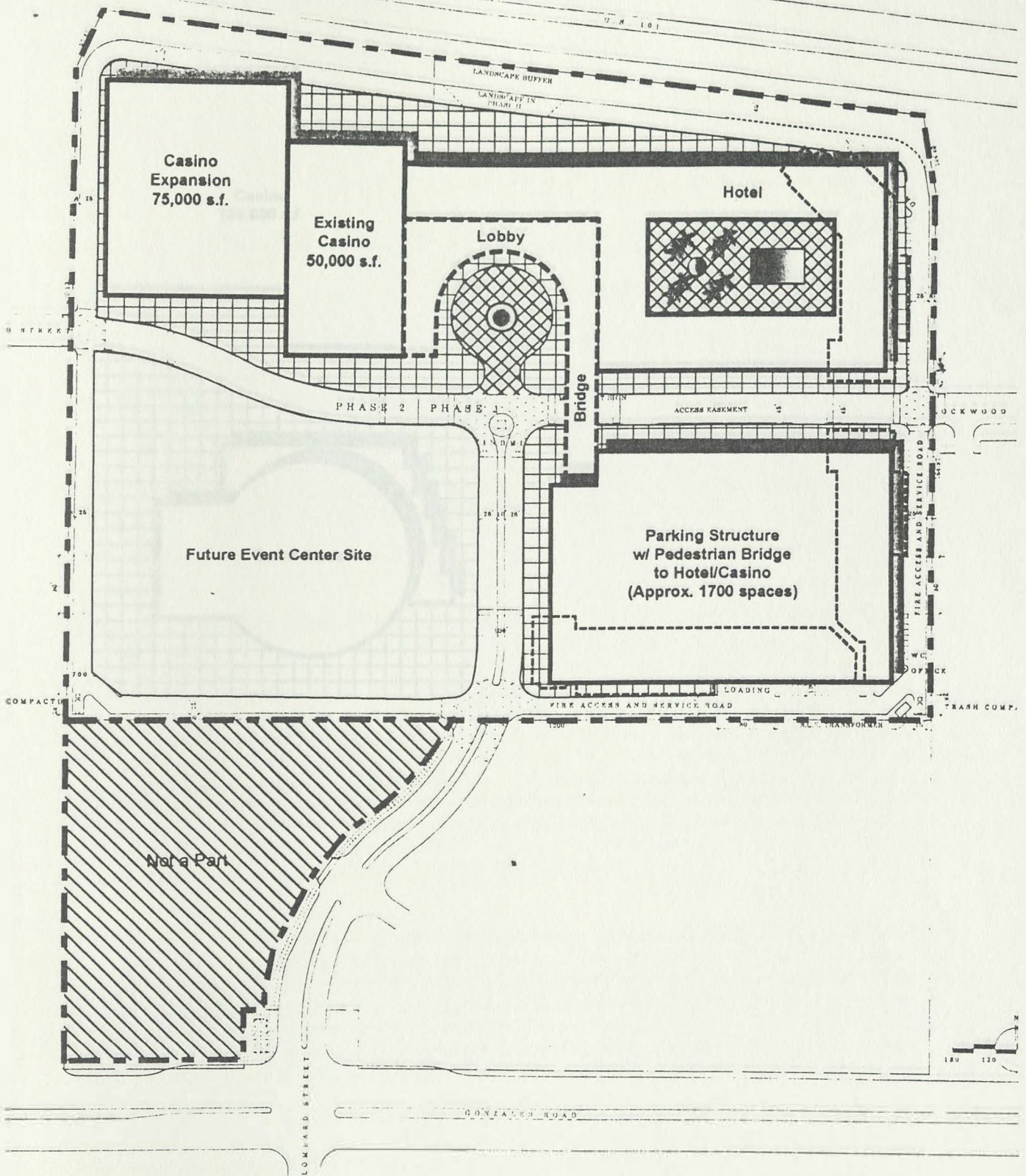




Greenville Rancheria of Maidu Indians
 Oxnard Economic Development
 Phase 2 - Permanent Casino
 1" : 200' 17 April 2001

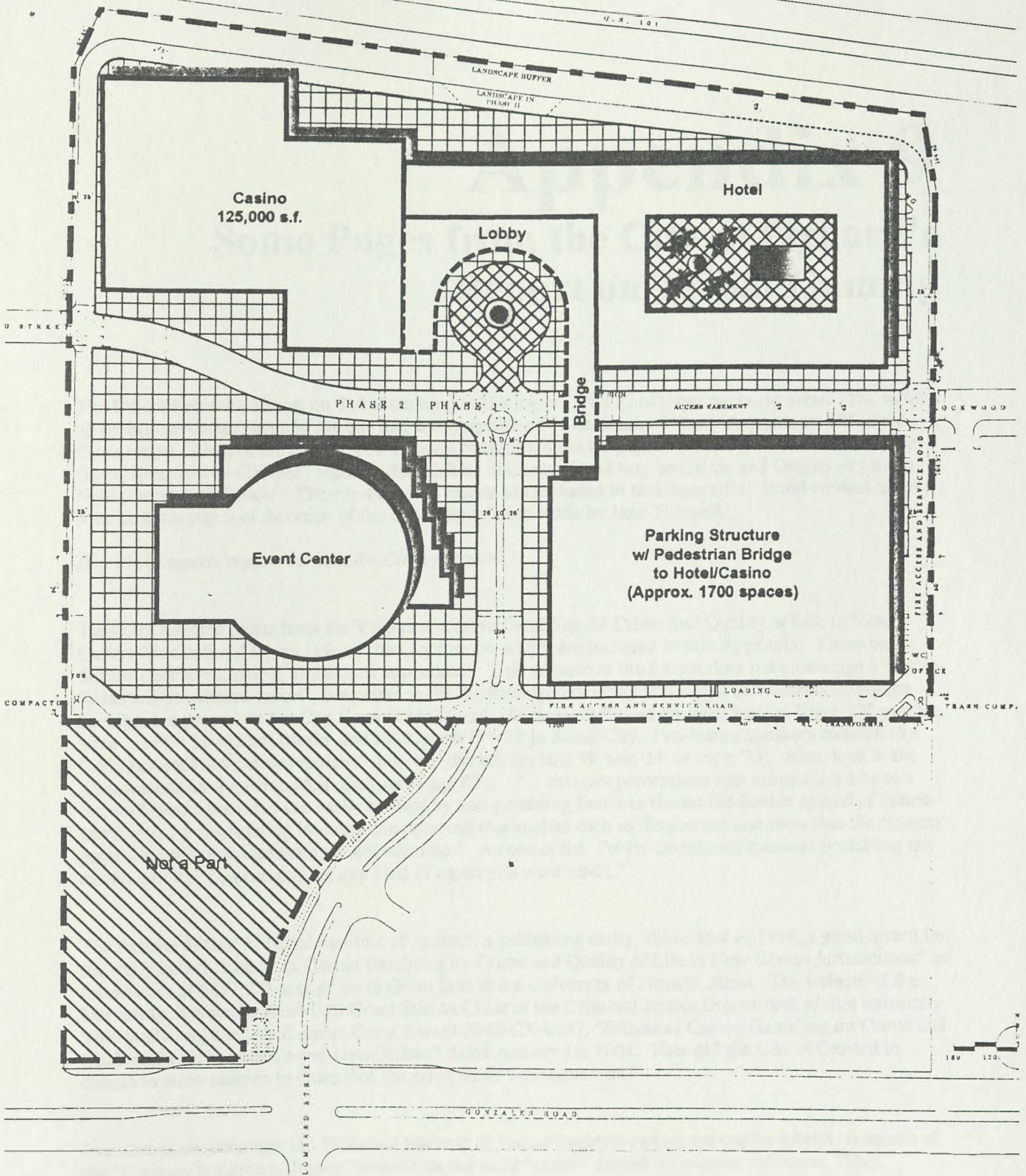






Greenville Rancheria of Maidu Indians
 Oxnard Economic Development
 Phase 4 - Hotel/Casino Expansion
 1" = 200' 17 April 2001





Greenville Rancheria of Maidu Indians
Oxnard Economic Development
Phase 5 - Event Center
1" = 200' 17 April 2001



Appendix 9

Some Pages from the City of Oxnard's Report on Tribal Gaming

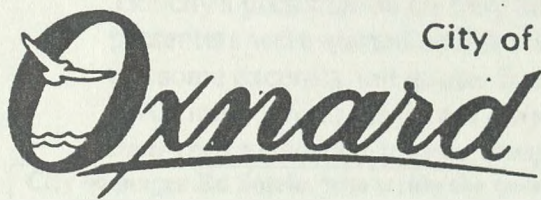
The City of Oxnard's Report on Tribal Gaming is 258 pages , with 37 of those pages, or about 15%, written up by various departments in the city and 221 pages being "Attachment 9" and "Attachment 10" in the City's report. Most of the City's report consists of copies of the 61-page NGISC report and the 159-page Grant Award 98-IJ-CX-0037 report, titled 'Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdiction'. The city-prepared reports are included in this Appendix. Hand-written notes seen on these pages of this copy of the City's report were made by Jane Tolmach.

(For the complete report, contact the City of Oxnard.)

There are selected pages from the 'Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions' which is from the City's report which are included in this Appendix. These pages display poor form, typo's, and a draft appearance. This critique of the format does not encourage a "better-formatted-pro-casino-report", but points to the thrown-together effect that arrive at the bulky 258-page document to present to the City Council of Oxnard. Aside from format critique, look at "Page 27" sample sizes N = 11 in East Peoria, and the highest N = 23 in Sioux City. Pro-casino speakers referred to a "65% favorable-to-casinos statistic", but they did not say that 'N' was '11' or even '23'. Also, look at the 'Conclusions on the Perception of Crime, Page 82': "...citizen's perceptions that crime increases as a result of casino presence can easily be used by anti-gambling forces to thwart the further spread of casino gambling....pro-gambling interests can point out that studies such as the present one show that the citizens' perception of crime increases are not accurate." As one of the Public Comments speakers protesting the casino put it: "You can pay for any kind of report you want made."

The website of the "National Institute of Justice", a publishing entity, shows that in 1998, a grant award for the study called "Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions" in the amount of \$252,331 was given to Grant Stitt at the University of Nevada, Reno. The website of the University of Nevada, Reno lists Grant Stitt as Chair of the Criminal Justice Department of that university. This Study was conducted under Grant Award 98-IJ-CX-0037, "Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions" dated January 16, 2001. How did the City of Oxnard to choose to study casinos in cities that the grant study was written on?

I wanted to see what else the "National Institute of Justice" website had on the casino subject. A search of the "National Institute of Justice" website on the word "casino" turned up another reference: "The Internationalization of Criminal Justice" by Richard H. Ward has a section on money laundering. A selection is quoted... "Illicit profits can also be converted into other financial instruments, exchanged for higher denomination bills, or used to buy goods. Non-traditional financial institutions like casinos, check cashing and postal services, currency exchanges, and precious metals brokers are often used for that purpose [U.S. Department of the Treasury 1992]." References: [<http://www.ojp.usdoj.gov/nij>] and [<http://www.admincomp.unr.edu/>]



City of

Meeting Date: 5 / 8 / 01

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s).	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s).	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Other <u>Study Session/</u> Public Hearing

Prepared By: Edmund F. Sotelo, City Manager

Agenda Item No. K-1

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] /A Other (Specify)

DATE: May 8, 2001

TO: City Council

FROM: Edmund F. Sotelo, City Manager [Signature]

SUBJECT: Tribal Gaming and Entertainment Center in Oxnard

RECOMMENDATION

That the City Council consider a report on the impacts of a Tribal Gaming and Entertainment Center in Oxnard as set forth in a letter dated March 12, 2001, submitted to the City Council by the Greenville Rancheria of Maidu Indians of California in cooperation with Paragon Gaming, LLC, proposing such development at the current Oxnard Factory Outlet Center, located along Highway 101 near Rice Avenue.

DISCUSSION

An examination of the impacts of potential development of a Tribal Gaming and Entertainment Center in Oxnard involves the evaluation of several key areas. These include tribal gaming law; development and zoning issues; impacts upon traffic and public safety services; potential social impacts; and the effect on Oxnard's economy.

Attachment 1 #1 - Greenville Rancheria of Maidu Indians of California

179 #2 - Project Concept Description

58 #3 - Tribal Gaming Law

20 #4 - Development and Zoning

28 #5 - Traffic Impacts

274 #6 - Public Safety Resources

122 #7 - Social Impacts

308 #8 - Economic Impacts 3

61 #9 - The National Gambling Impact Study Commission Executive Summary

159 #10 - Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions

#11 - Letter to the City Council from the Greenville Rancheria

Note: Attachments 1 through 10 have been provided to City Council. Copies are available for review at the Circulation Desk in the Library and at the City Clerk's Office.

0011

The city's presentation on May 8th followed its report format. Some of the city's presenters were quoted and/or written about in the local press on the casino issue. Below are some excerpts and quotes from articles in The Star, and one reference from the L.A. Times. *Note: These are only some press references; readers are encouraged to do their own research for more complete newspaper articles.*

City Manager Ed Sotelo, who wrote the cover memo opened the presentation.

5/8/01 The Star, 'Oxnard casino proposal expected to draw crowd' by Raul Hernandez, page A-1: ".... Questions still linger regarding last week's charge by Lopez, Supv. John Flynn, and Rabbi John Sherwood that the staff report was biased because it was funded by Paragon. Initially, Oxnard spokeswoman Jeanette Villanueva Walker and Menke emphatically denied it. Menke said he paid the city's development fee, which had nothing to do with funding the staff report. Monday, Sotelo explained that Paragon deposited \$40,000 into a municipal account to reimburse the city for its costs to compile the gaming report, including travel expenses to visit casinos."

Public Information Officer Jeanette Villanueva Walker spoke on 'Attachment 1', giving background on the Maidu.

5/2/01 L.A. Times, 'Sheriff Blasts Indian Casino Proposed for Oxnard' by Daryl Kelley [<http://www.latimes.com>]: "We did take a look at many different areas, including public safety in cities with similar situations," spokeswoman Jeanette Villanueva-Walker said."

5/3/01 The Star, 'No way to predict increase in crime' by Raul Hernandez, page A-1: "Jeanette Villanueva Walker, city spokeswoman, said the report is based on facts and sources who weren't gambling proponents or opponents." "I really believe it is a fair and well-balanced report", she said. "I know the type of integrity that went into finding these facts."

5/4/01 The Star, 'Dueling reports on casino add to disagreements' by Raul Hernandez, page A-1: "Menke and Oxnard spokeswoman Jeanette Villanueva Walker emphatically deny the gambling interests paid for the study. "That's absolutely not true," Villanueva Walker said. "

Development Services Director Matt Winegar led on 'Attachment 2' -Concept; 'Attachment 4' - Zoning; and 'Attachment 5' - Traffic.

City Attorney Gary Gillig gave a legal overview from 'Attachment 3'.

4/19/01 The Star, 'Chamber open to idea of casino in Oxnard' by Raul Hernandez, page A-1: "City Attorney Gary Gillig said the council will be asked to consider the report and give direction to staff on whether to further explore the casino proposal or declare it a bad idea."

5/3/01 The Star, 'No way to predict increase in crime' by Raul Hernandez, page A-1: "City Attorney Gary Gillig said the council will be asked to consider the report and give direction to staff on whether to further explore the casino proposal or declare it a bad idea."

5/4/01 The Star, 'Dueling reports on casino add to disagreements' by Raul Hernandez, page A-1: "Gillig said the council will be asked to consider the report and give direction to staff on whether to further explore the casino proposal or declare it a bad idea."

5/8/01 The Star, 'Oxnard casino proposal expected to draw crowd' by Raul Hernandez, page A-1: "City Attorney Gary Gillig said today's meeting is simply a study session to consider the city staff report on Indian gaming, weigh the pros and cons of a proposed casino, and listen to public comments. Council members will be asked to provide direction to staff members on the report, including asking them to do more work on it or simply to reject the entire idea. But Gillig said the Maidu still have a proposed development agreement they submitted in April after the council voted 3-2 to have the staff prepare an Indian gaming report. "It could easily be six months before it comes back to council," Gillig said. "

Police Chief Art Lopez spoke on 'Attachment 6' - public safety.

4/5/01 The Star, 'Ministerial Association votes no on casino' by Raul Hernandez, page A-1: "Oxnard Police chief Art Lopez briefly showed up at the association's meeting to "set the record straight" on his position on the issue. "I am not a proponent of gambling," he told the group. "Emphasis, I am not." Lopez said his comment in a newspaper indicating that he supports Indian gaming was a "misstatement." "

5/9/01 The Star, 'Move comes before Oxnard council's 5-0 vote' by Raul Hernandez and John Scheibe, page A-1: "Foes say casinos typically bring more crime to local communities. But Oxnard Chief of Police Art Lopez told the council there is no good data to back up this argument."

Assistant City Manager Karen Burnam spoke on 'Attachment 7' - social impacts.

5/9/01 The Star, 'Move comes before Oxnard council's 5-0 vote' by Raul Hernandez and John Scheibe, page A-1: "Assistant City Manager Karen Burnham told the council the Nevada-style casino would be a mixed blessing for Oxnard."

Economic Development Corp's Steve Kinney spoke on 'Attachment 8' - economic impacts.

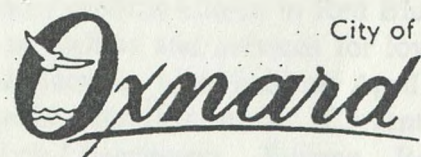
Oxnard City Council members were quoted and/or written about in the local press on the casino issue. Below are some excerpts and quotes from articles in The Star, and one reference from the L.A. Times. *Note: These are only some press references; readers are encouraged to do their own research for more complete newspaper articles.*

	Mayor Lopez	Councilman Zaragoza	Councilman Pinkard	Councilman Maulhardt	Councilman Holden
3/19/01 The Star, Editorial, "Casino plans are unworthy gamble", page B-6:					
	"Oxnard Mayor Manuel Lopez and Supv. John Flynn were quick to assail the idea"				"I feel very strongly that it is our responsibility to at least hear the report and get the necessary information to make a responsible decision" said Oxnard City Councilman Tom Holden.
3/23/01 The Star, "Two groups join forces in casino bid" by Charles Levin [insidevc.com]:					
	"Oxnard Mayor Manuel Lopez has already opposed the Maidu's proposal and Rev. Anthony Guillen of All Saints Episcopal Church said a casino would tarnish the city's image"				
4/5/01 The Star, "Oxnard Ministerial Association votes no on casino" by Raul Hernandez, page A-1:					
	"The ministers noted that Oxnard Mayor Manuel Lopez and Councilman John Zaragoza are opposed to the casino."		"My feelings are that if any of those negative things that have already been said about it (casino gambling) does come back in the report, then, of course, I will have to not support it in any way form or fashion," [Councilman] Pinkard said in an interview. "I don't want to bring anything negative to the city that will cause those types of things."		
4/8/01 The Star, 'Guest Editorials under 'Commentary', page B-10:					
	"A simple issue" by Mayor Manuel Lopez. " On June 20, 1993 the City Council after hearing loudly and clearly from residents, the ministerial association and the district attorney, again concluded that gambling detracted from our quality of life."... " The issue is gambling and what it does to a city. It is not whether enough money can be generated to fix the wrongs that gambling causes. Money cannot fix broken homes and destroyed lives."			"Proposal is worth investigating" by Councilman Dean Maulhardt. "The action that the majority of the City Council has taken, and nothing more, is a request of our city manager and his staff to review the proposal and bring back to the council all relevant information." ... "But just imagine the possibilities of what we could do: a face lift for our Performing Arts Center, increased library hours, more street repairs and cleaning, parks renovated, recreation amenities enhanced, purchase the old high school, just to name a few."	
4/17/01 The Star, "Critics of gambling complain to panel" by Timm Herdt, page A-1:					
	"There has been a genuine outcry from a majority of our residents who are mortified by continuing attempts by our-of-city interests to bring organized gambling to us."				
4/19/01 The Star, "Chamber open to idea of casino in Oxnard" by Raul Hernandez, page A-1:					
	"Casino proponent Scott Menke and opponent Mayor Manuel Lopez were each given 10 minutes to argue their cases before the board Wednesday, King said."				

	Mayor Lopez	Councilman Zaragoza	Councilman Pinkard	Councilman Maulhardt	Councilman Holden
4/24/01	The Star, "Details emerge on plans for gaming hall" by Leslie Parrilla, page B-1"				
	"City of Camarillo is expected to formally oppose the project" ..."I'm overjoyed," [Mayor] Lopez said about Camarillo's action. "I think the ...casino would affect the whole county. If the government sees that there's opposition from neighboring cities, I think the impact would be very, very great."				
4/25/01	The Star, "Lopez wants city to stop studying proposal for casino" by Raul Hernandez, page B-1:				
	"The city should not be mesmerized by the money being dangled as a carrot," Lopez said. "It will prove to be a mirage." "Lopez said the study should have never occurred because the issue wasn't posted on the agenda and there wasn't a public hearing. The mayor said the study is a waste of staff time and resources."				
5/2/01	LA Times, "Sheriff Blasts Indian Casino Proposed for Oxnard" by Daryl Kelley [www.latimes.com]:				
	"Two of five Oxnard council members - John Zaragoza and Mayor Manuel Lopez - strongly objected to the city even considering the casino proposal. But Councilmen Bedford Pinkard, Dean Maulhardt and Tom Holden backed a study."		"Pinkard said he visits Palm Springs regularly and always makes a stop at the Cabazon casino about 20 miles east of town. " "I have an open mind," he said. "And my mind will stay open until someone brings me a complete report. The bottom line is that we should listen to the people, and if that means putting something on the ballot, so be it."		"I am not going to weigh this proposal in the press," Holden said.
5/3/01	The Star, "No way to predict increase in crime" by Raul Hernandez, page A-1:				
	Mayor Manuel Lopez said Wednesday he couldn't comment on the city report because he hadn't read it. But he said Bradbury's crime fears are credible.. "There is a definite connection in an increase in crime and casino operations," he said.				
5/4/01	The Star, "'Duelling reports on casino add to disagreements" by Raul Hernandez, page A-1:				
	[regarding the city report]' "It would be more independent if we paid for it," said Lopez, who also opposes a casino.' ... " Lopez said he hasn't found anything in the city report, so far, to change his 'no' vote." "I will certainly keep looking," he said.			"Councilmen Dean Maulhardt and Tom Holden said Thursday that they're still undecided on the issue." ' Maulhardt said, "A casino has to have overwhelming support in order for this to go forward. We'll see Tuesday if the support level is there."	"I am going to take all this information along with the staff report and make a decision Tuesday," Holden said. "I don't want to try this proposal in the press." ... "For me, the negative impacts would have to be mitigated," he said. "It appears it's difficult to say, with the current studies, that anyone can say that this is possible."
5/6/01	The Star, Editorial, "City Council must not fail this test", page B-9:				
	"Two council members - Mayor Manuel Lopez and John Zaragoza - have unequivocally stated their opposition."			"...three council members, Dean Maulhardt, Tom Holden and Bedford Pinkard and the Greater Oxnard Chamber of Commerce, all of who have stated - to some degree - that they are not willing [to] nix the casino proposal without cause to do just that."	

	Mayor Lopez	Councilman Zaragoza	Councilman Pinkard	Councilman Maulhardt	Councilman Holden
5/8/01	The Star, "Oxnard casino proposal expected to draw crowd" by Raul Hernandez, page A-1:				
	' "The political implications are very great. That's why people here are taking such an interest in it," Lopez, a casino opponent, said Monday. "It isn't a subject that we should be taking lightly." '		' "I still have an open mind," he said Monday. "I really haven't decided one way or another." ... "I know there are probably 10 to 12 bingo games every week in Oxnard," Pinkard said. Also, he said, a fraternal club has a card game in Oxnard, and there is another card game on Colonia Road. "I don't see the doors being knocked down," Pinkard said. He noted that there is off-track horse betting in Ventura and gamblers also can satisfy their addiction by playing the California Lottery. Pinkard said morality can't be legislated. '		
5/9/01	The Star, "" Move comes before Oxnard council's 5-0 vote" by Raul Hernandez and John Scheibe, page A-1:				
				' "I don't think this thing has any legs to move forward," he [Maulhardt] said just before the vote. "If the voters want to vote on it that is up to you," he told the audience. The crowd yelled "No". '	
5/10/01	The Star, "Indians continue search for casino site" by Raul Hernandez, page A-1:				
	' Mayor Manuel Lopez then extended an olive branch to Paragon and the Maidu. "Everything that was said tonight was not said in anger," he told Paragon and the tribal members. "We considered your proposal, but we are responding to what we felt the community wanted." '		' "Pinkard said he doesn't gamble, and wonders what the difference is between pulling one-armed bandits and playing bongo and the California Lottery." ... "How much gambling is wrong?" Pinkard said. "All of these things are wrong." '	' "What changed my mind was the strength of the opposition and their passion," Maulhardt said in an interview. "From the very beginning I said we are not going to put this thing down anybody's throat. There had to be overwhelming support, and I did not hear that tonight." '	' Holden said one concern he had was that the CBC Federal Credit Union planned to build a facility near the Oxnard Factory Outlet site. This is the land where the proposed casino would have been constructed. "We've got homeowners, businesses and many different entities around that piece of property," he said. "That really flies in the face of all the land use and planning." '

THE IMPACTS OF A TRIBAL GAMING AND
ENTERTAINMENT CENTER IN OXNARD



The Greenville Rancheria of Maidu Indians

The Greenville Rancheria of Maidu Indians of California is a federally recognized Indian tribe. The aboriginal people referred to as the Maidu, Northern Maidu, Northeastern Maidu and Mountain Maidu occupied areas along the Sacramento River east to the Sierra Nevada mountain crest in Northeastern California. It is generally agreed that that Maidu first settled in the area that is now Plumas and Tehama Counties in Northern California sometime after 1000 A.D. The aboriginal territory of the Greenville Rancheria corresponds to modern-day Shasta, Lassen, Tehama and Plumas Counties.

It is estimated that 4,000 Maidu lived in Plumas County alone. However, with the discovery of gold in 1849, the culture and well being of the Maidu underwent profound change. The Gold Rush had a severe impact on the natural environment; mining activities silted streams, destroyed fisheries and plant resources. It also destroyed animal habitat further limiting hunting resources.

Throughout the last 150 years, the Maidu's ability to survive as a people was greatly challenged. Many Maidu were massacred; others were lost to disease and starvation. By 1962, only 350 Indian people remained in Plumas County.

Most devastating to the Greenville Rancheria was the United States Government's termination of federal recognition of a host of California tribes in the 1950's and 1960's, including the Greenville Rancheria, pursuant to the California Rancheria Act. By this Act, the Greenville Rancheria was stripped of their recognition, and ceased to benefit from any of the services that were provided by the federal government to Indian tribes and their members. The termination removed the federal trust status which previously protected the Maidu land from alienation. As a result the tribe's land base was entirely lost.

Over the past 40 years, almost all of the original rancheria inhabitants were forced to relocate to other areas to find work. Those who remained were resolute in the effort to preserve their identity, culture and history. They marshaled the limited resources they had and joined with other California tribes in a suit against the federal government for illegally terminating the tribe and for removing from protected trust status the small fraction of what was left of their once vast ancestral lands. The tribes prevailed in United States District Court (*Hardwick v. United States*), and the Tribe's sovereignty was restored in 1983 to federal recognition status. However, the Greenville Rancheria remains landless.

After regaining federal recognition in 1983, the tribe struggled to establish its fledgling government. In 1988, the tribe formally elected its first Tribal Council since termination. Since that time, the Tribal Government has established fully functional governmental administrative and financial systems. The tribe operates medical clinics in Red Bluff and in Greenville, offering free services to tribal members, as well as and services for low-income residents throughout the area. The most recent tribal elections were held on April 1, 2000. Members of the Tribal Council are elected to staggered four-year terms. Currently, Lorie Jaimes is Chairperson, Loren Timmons is Vice-Chairperson, Eugene Benner is Secretary/Treasurer, and Joni Wilson and Marsh Tolen are elected representatives.

Project Concept Description

The conceptual proposal includes development of a casino and related commercial facilities operated by the Greenville Rancheria of Maidu Indians of California, a federally recognized Indian tribe. The project would be built in two phases. Phase 1 would include a casino of approximately 21,600 sq. ft. using the central portion of the existing factory outlet. A new exterior facade would be created to redefine the appearance of the existing buildings. Phase 1 would include 349 slot machines, 50 table games, a 15-seat snack bar and parking for 682 cars within the existing parking lot. The existing retail buildings to the east and south would be used to house any remaining long-term lessees of the existing retail use.

Phase 2, intended to commence with one year of opening Phase 1, would add to the smaller casino area for a total of 50,500 sq. ft. It would include 349 slot machines, 100 table games, a 250-seat restaurant, 20,290 sq. ft. of office, storage and assembly area, and parking for 1,211 cars. The casino would operate year round and would be anticipated to employ 688 full-time or equivalent employees over three shifts per day.

Tribal Gaming Law

I. Tribal Sovereignty - Gaming Exception

- A. Native-American tribes are sovereign nations.
- B. Federal and State laws govern acquisition and use of tribal lands for gaming.
- C. Department of Interior and Bureau of Indian Affairs control authorization of gaming on tribal lands acquired after October 17, 1988.
- D. Federal law requires notice and consultation with local officials.
- E. California Proposition 1A adopted by voters March 7, 2000 - Tribal State Gaming Compact (Compact).
- F. Mitigation Agreement establishes local controls.

II. Federal Law

A. Indian Gaming Regulatory Act 1988 (IGRA)

- 1. Tribal gaming only on tribal lands.
- 2. Secretary of Interior (Secretary) authorized to take land into trust for tribes.

B. Section 20 of IGRA/Code of Federal Regulations

- 1. Gaming generally prohibited on tribal lands acquired after October 17, 1988.
- 2. Secretary may only authorize acquisition of land for tribal gaming purposes if:
 - a. Secretary notifies and reviews comments of State and local officials; and
 - b. Determines that the land acquisition for tribal gaming is in best interests of tribe; and

The land acquisition for tribal gaming is not unreasonably detrimental to surrounding community.

III. Proposition 1A

- A. IGRA allows only gaming types authorized by State law.
- B. Voters authorized certain Las Vegas style gaming on tribal lands in California in March 2000 (slot machines and banking card games, no craps or roulette).
- C. Tribe required to sign Compact (over 40 tribes). Local officials may object to or express concerns with Compact.
- D. Compact regulates:
 - 1. Number of slot machines
 - 2. Age limits
 - 3. Insurance requirements
 - 4. Alcoholic beverages
- E. Tribes retain considerable autonomy and sovereign status (Chumash in Santa Ynez).

IV. Mitigation Agreement

- A. Enables tribe to demonstrate to Secretary lack of detrimental impact on community.
- B. Contents depend on negotiations and may address:
 - 1. Waiver of sovereign immunity
 - 2. State and local environmental requirements - traffic, noise, lights, air quality
 - 3. Gaming and other activities subject to local laws
 - 4. Oxnard Police Department and Ventura County courts to have jurisdiction
 - 5. Sharing of revenues to mitigate adverse impacts;

Tribal Gaming - Summary

For most purposes, Indian tribes are sovereign nations. State and local laws do not apply on tribal lands. Both federal and state laws, however, control gaming on tribal lands. Under federal law, a tribe can acquire land for gaming purposes only if the Secretary of the Interior finds that the activity will not be unreasonably detrimental to the local area. Under California's Proposition 1A, a tribe must sign a compact with the State to engage in gaming activities. Practically speaking, meeting federal and State requirements means that a tribe must come to an agreement with city government to carry on gaming activity in that city.

The following report contains a more detailed explanation of federal and state law, as well as the type of agreement, which might be negotiated with a tribe.

Federal Law - The Indian Gaming Regulatory Act

The Indian Gaming Regulatory Act of 1988 ("IGRA"), 25 U.S.C. § 2700, et seq. governs gaming by tribes in the United States. IGRA requires that all tribal gaming be conducted only on tribal land. A "landless" tribe, such as the Maidu, may acquire land, upon which to conduct tribal gaming. The land must be held in trust by the United States for the benefit of the Maidu.

The United States Secretary of the Interior (the Secretary of the Interior) has the authority to take lands into trust for the benefit of tribes pursuant to 25 U.S.C. § 465. The process and requirements for "land into trust applications" are contained in the Code of Federal Regulations. 25 C.F.R., Part 151. The Secretary of the Interior, after considering input of the tribe and appropriate state, city, and county officials, may determine that a tribal gaming establishment on newly acquired lands is in the best interest of the tribe and would not be unreasonably detrimental to the surrounding community. In such a case, the Secretary could allow a tribe to acquire land for gaming purposes.¹

Thus, federal law allows the Maidu to acquire land in Oxnard for gaming purposes, if the Secretary determines, with State and local input, that gaming will not be unreasonably detrimental to the Oxnard community.

¹By the enactment of H.R. 5528, Congress, on December 11, 2000, decreed that certain lands which recently had been acquired by the Lytton Rancheria in San Pablo, California be deemed to have been acquired prior to October 17, 1988. The Lytton Rancheria was therefore able to avoid application of the statutory provisions described above and was not required to file an application with the Secretary to take land into trust. Under Proposition 1A, however, the Lytton Rancheria is required to be a party to the Compact.

State Law - Proposition 1A

Under IGRA, only those types of gaming which are allowed in the state in which tribal land is located may be conducted on tribal land. In California, Proposition 1A, approved by the voters in March 2000, authorizes tribes to operate certain Las Vegas style gaming activities on tribal land. The establishments may have slot machines and bank card games but no craps or roulette tables.

To be entitled to operate such a gaming establishment, the Maidu must sign the Compact, containing limits on the number of slot machines. The Compact also contains certain other basic requirements concerning operations (e.g., age limits for patrons, insurance requirements, regulations on alcoholic beverages). Local government has an opportunity to object to or express concerns about the Compact terms. Under the Compact, however, tribes retain considerable autonomy as to the development of gaming establishments and the conduct of gaming operations. The tribes also retain many aspects of their sovereign status.

In order to be a party to a Compact, a tribe must own land. A currently landless tribe such as the Maidu must apply to the Secretary to take land into trust for the tribe. The tribe must satisfy the requirement that gaming on the land not be unreasonably detrimental to the surrounding community. In order to operate a gaming establishment under California law, the Maidu must first satisfy IGRA requirements, then enter into the Compact with the State.

Mitigation Agreement Between the Maidu and Oxnard

Under IGRA, gaming on tribal lands acquired after 1988 will be approved by the Secretary only if the Secretary determines, after consultation with, among others, Oxnard officials, that the gaming operations will not be unreasonably detrimental to the community. The lack of detrimental impact may be demonstrated by the Maidu by executing a mitigation agreement addressing Oxnard's concerns. The Maidu therefore have a considerable incentive to mitigate the City Council's concerns regarding development of gaming operations.

Contents of Mitigation Agreement

The Maidu are treated as a sovereign nation by federal and State law. Generally speaking, Oxnard's laws and regulations will not govern the Maidu's affairs on the tribal lands or in the conduct of tribal business, including gaming.

The Maidu, however, can waive their sovereign immunity by agreement with Oxnard and subject the tribe and its members to Oxnard's laws. The agreement must be clear and specific

concerning the aspects of sovereign immunity waived and must specify the courts for enforcement of its terms. The agreement must be adopted in accordance with the constitution of the Maidu. If these requirements are satisfied, the Maidu and Oxnard may enter into an enforceable mitigation agreement to address the concerns of the City Council about the presence of a tribal gaming establishment in the City.

Further, the Maidu could agree, in constructing a tribal gaming and entertainment center, to comply with all State environmental laws and Oxnard development standards. The Maidu could agree that its gaming operations and activities be subject to State law and Oxnard ordinances. The Maidu could consent to the jurisdiction of the Oxnard Police Department and the Ventura County courts. Finally, the Maidu could agree to share revenues from gaming with Oxnard to mitigate adverse impacts on Oxnard resulting from the gaming operations. A properly drafted agreement is enforceable in State or federal court.

Development and Zoning

Development Agreement

A development agreement governing development and use of the proposed tribal gaming property was entered into on October 1, 1992, between the City and BBK Outlet #1, Inc. The agreement allows only factory outlet uses. An amendment to the development agreement would be required to allow the tribe to proceed with acquiring the property and developing a gaming facility. The amendment could include, among other items:

- Site Design Requirements
- Zoning Requirements
- Aesthetic Concerns Through Design Guidelines
- Building Code Requirements
- Mitigation of Environmental Impacts

If the tribe acquires the property, local land use restrictions are not applicable unless they have been accepted by agreement. Such an agreement may require that the tribe adopt the City's zoning ordinances, the Uniform Building Code, and other building and safety standards. The development agreement amendment could include project site plans and elevations, which show detailed architectural treatments, finishes, landscaping, and other visual components. The agreement could also set out the process by which additions or modifications can be approved and constructed.

Environmental Impacts

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An environmental impact report (EIR) was prepared and certified for the original tentative tract map and annexation of the property. The City Council adopted Resolution 9441, a Statement of Findings of Fact and Overriding Considerations in accordance with the California Environmental Quality Act (CEQA) which recognized several impacts of the project that could not be mitigated to a level of insignificance.

With the approval of the factory outlet special use permit, the Planning Division prepared and approved a Mitigated Negative Declaration (MND) to comply with CEQA. The original EIR and Statement of Overriding Considerations, as well as the Final EIR prepared for the Northeast Industrial Area (NIAD FEIR) were used to support the findings in the MND. Mitigation measures from the NIAD FEIR were incorporated into the factory outlet MND.

The factory outlet project consisted of 284,500 sq. ft. of retail space, extension of Lombard Street, a public access easement for Lockwood Street and approval of the development agreement. The project was to be built in two phases, with phase 2 (131,800 sq. ft. of retail space) located west of the existing structures. Only phase 1 was built.

The MND for the project anticipated 11,061 average daily trips from build out of the two phases, 282 A.M. peak hour and 854 P.M. peak hour. There were a number of mitigation

measures incorporated into the MND, which were intended to mitigate traffic impacts. Although the project was not built out, all the mitigation measures were completed.

An amendment to the development agreement would be considered a project and subject to CEQA. Once the tribe acquires the property, CEQA may no longer apply to the tribal land unless an agreement between the City and the tribe states that CEQA shall apply. CEQA would, however, be applicable to any development proposed off of the tribal land on conjunction with this facility.

While estimates can be made of the potential traffic impacts from the proposed tribal gaming facility, more detailed traffic studies could be required prior to preparation of any environmental document.

Regional Traffic Impacts of Tribal Gaming

the ultimate project must be part of the EIR

Trip Generation Analysis

A 1998 traffic study in St Louis at two riverboat-type gaming facilities and recent data from Omaha was used to project the traffic that would be generated at the Oxnard tribal gaming center. Based on these findings, a 349 slot machine and 100 gaming table facility (assuming 7 gaming positions per table) would generate 598 total pm peak hour trips. Half of these trips would be entering and half exiting the site. For comparison, the pm peak hour trip generation projected for Phases I, II of the Factory Outlet Center was 854 pm peak hour trips.

*2000
150,000
8997*

Trips were distributed in the same pattern as was determined for the Factory Outlet Center traffic study. The level of service (LOS) was checked for the intersections of Gonzales Road and Lombard Street, Gonzales Road and Rose Avenue, and Gonzales Road at Rice Avenue for the cumulative condition (all previously approved or pending projects factored in). With the following improvements, these intersections will operate at LOS C or better. As the project is further defined additional traffic analysis should be conducted.

City Street System

Lockwood Street

The missing segment of Lockwood Street west of the Factory Outlet Center should be constructed as part of the tribal gaming development to adequately serve this area.

Rose Ave

Double left turn lanes for northbound and southbound traffic turning into Lockwood Street from Rose Avenue should be constructed to accommodate traffic. (Rose Crossing Development to construct)

The existing number three southbound through lane on Rose Avenue south of Gonzales Road will be extended several hundred feet. (William Lyon Project to construct)

Gonzales Rd

Add one through lane and a right turn lane for eastbound Gonzales Road at Rose Avenue and add one through lane for westbound Gonzales Road at Rose Avenue. (William Lyon and Rose Crossing development projects.) The proposed Hilton Hotel development was conditioned to install a new traffic signal at Gonzales Road and Solar Drive. The same condition was placed on a proposed office building on Solar Drive south of Gonzales Road. Any new developments that are served by Solar Drive will be conditioned to install this traffic signal.

Rice Ave

The proposed Rice Avenue interchange construction will result in three through lanes each direction over Highway 101. There are currently two through lanes and one left lane on northbound Rice Avenue at Gonzales Road. In conjunction with the interchange construction, northbound Rice Avenue at Gonzales Road should be widened to include two left turn lanes and three through lanes.

Transit

SCAT operates a bus route on Gonzales Road with stops at Outlet Center Drive. Improved service to the tribal gaming site via Outlet Center Drive and/or Lockwood Street would require supplemental funds.

Impacts Upon Public Safety Resources in the City of Oxnard

SUMMARY

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The introduction of tribal gaming into the City of Oxnard in the form of a large-scale casino such as the Greenville Rancheria of Maidu Indian proposal will have impacts upon public safety resources such as Police and Fire services. However, due to nationwide absence of available data, methodology, and research on the topic of gambling's impact upon communities (more specifically, Indian gaming), quantified changes in the crime rate cannot be precisely predicted. Research has suggested that the crimes that do increase tend to be less serious in nature. Examination of research results also indicates that there is no drawn conclusion regarding the effect that casinos (specifically) have on crime; it has been established by recent research that it is extremely difficult to differentiate a "casino effect" versus a "tourism effect." The change in crime rates may not necessarily be attributed to casino gambling alone. It is argued that the introduction of a casino to a community would have similar impacts upon public safety resources as a large shopping center, hotel complex, or amusement park, depending upon the size of the casino.

We can, however, make general observations regarding what possible impacts could be expected by examining the experiences of other jurisdictions, and hopefully acquire an idea as to what the resulting consequences and benefits could be, and how they could possibly be addressed or mitigated.

PURPOSE, SCOPE, AND SOURCES

The purpose of this report is to provide an objective preliminary impact assessment that the Greenville Rancheria of Maidu Indian proposal could reasonably be expected to have upon Oxnard's public safety resources. This report includes an examination of possible effects upon police and fire services, in addition to the local crime rate.

This report will make references to the National Gambling Impact Study Commission's (NGISC) final report. This report was the product of a 1996 Congressional request for a thorough study of the attitudes, events, and trends shaping the social and economic impacts of legal gaming in the United States.¹

This report will refer to current research that examined the effects of the introduction of gaming to studied communities. Another source of information, *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*, was a product of a National Institute of Justice-funded study. This paper, released in January of 2001, examined eight selected communities and applied a multidisciplinary approach in evaluating changes following the establishment of gambling operations within their jurisdictions.

¹ National Gambling Impact Study Commission Report, 8-1.

The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions study claims to be perhaps the most intensive community-based research ever conducted on new casino jurisdictions. The study acknowledged the lack of an empirical foundation regarding casino impacts, and developed an objective to "provide an objective and multi-dimensioned assessment of the impact of casino gambling in new casino jurisdictions."²

Finally, this report will note the Oxnard impact study team's observations that were made during a series of selected site visits. The tribal gaming cities of Palm Springs and San Pablo, California; North Bend/Coos Bay, Oregon; were determined to have significantly relevant traits and were comparable to the conditions faced by the City of Oxnard. All three sites have tribal gaming establishments that are located amidst urban centers, and all have opened within recent years. Additionally, this study sought to examine the impacts that Biloxi, Mississippi experienced following the introduction of gambling to its community.

RELIABILITY OF INFORMATION

In order to better understand gambling impact issues and their complexity, one must understand the nature of circulated information on the topic. The topic of gambling and its effects upon society has been the subject of heated debate over past years. The heart of the debate over gambling pits possible economic benefits against assumed social costs.³

The sides of the debate have ranged from: the assertion that the introduction of legalized gambling into a community will increase the number of social ills, including (but not limited to) gambling addictions, bankruptcies, divorces, crime, and suicides; and the opposing view that legalized gambling reduces crime because it eliminates incentives for illegal gambling, and contributes to the quality of life in communities by contributing revenues to the local economy.

Due to the vast disparity of opinion as well as vastly different interpretations of statistics, Congress called for the formation of the National Gambling Impact Study Commission in 1996, which embarked upon a two-year study the following year.

The principle task of the NGISC "was to examine the social and economic impacts of gambling on individuals, families, businesses, social institutions, end the economy generally."⁴ The NGISC investigated the relationship between crimes and legalized gambling through studies conducted by the National Opinion Research Center (Gambling Impact and Behavior Study, April 1999) and the National Research Council

² *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*, pg. 2

³ *National Gambling Impact Study Commission Report*, 1-7.

⁴ *Ibid*, 7-1.

(*Pathological Gambling: A Critical Review*, April 1999). Both studies concluded that a relationship may exist between gambling activity and the commission of crime, but concluded that insufficient data exists to quantify or define that relationship.⁵

The NGISC quickly noted that:

"On examination, what Americans think they know about gambling turns out to be exaggerated or taken out of context. And much of the information in circulation is inaccurate or false, although often loudly voiced by its adherents. Add to this the fact that many of the studies that do exist were contracted by partisans of one point of view or another and uncertainty becomes an understandable result."⁶

The NGISC further stated:

"In virtually every past instance, what proponents and opponents offered as research was usually advocacy and not objective data produced by impartial sources. That must be remedied."⁷

In June of 1999 the National Gambling Impact Study Commission's Final Report was released. This report is widely accepted as an impartial work that recognized that little objective research existed on the current state of gambling in the nation.⁸ The NGISC concluded that beyond pathological gambling, tracing the relationship between crime and gambling has proven difficult.⁹ The Commission also maintained that the larger the examined group was, the more ambiguous the possible conclusions.¹⁰ Another conclusion was:

"Yet what is very clear is that there is still a dearth of impartial, objective research that the public and policymakers at federal, tribal, state, and corporate levels need to shape public policies on the impacts of legal gambling."¹¹

The NGISC also noted the boundaries of its own study as well, stating that:

"Regrettably some segments of the gambling industry were not as forthcoming in responding to information requests as were others. In particular, many of the Indian tribes involved in Class III

⁵ Ibid, 7-14.

⁶ Ibid, 1-6.

⁷ Ibid, 8-2.

⁸ Ibid, 8-1.

⁹ Ibid, 7-13.

¹⁰ Ibid, 1-6.

¹¹ Ibid, 8-1.

gambling, as well as the National Indian Gaming Commission, refused to provide information to this Commission."¹²

TRENDS OF OTHER STUDIES

The recently-published *Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions* details a study of eight communities in which legalized gambling was introduced into their respective jurisdictions during the 1990's. The studied communities were:

- Biloxi, Mississippi
- Peoria, Illinois
- City of St. Louis, Missouri
- St. Joseph, Missouri
- Alton, Illinois
- East Peoria, Illinois
- St. Louis County, Missouri
- Sioux City, Iowa

The cities ranged in size from 22,385 (East Peoria) to 396,685 (City of St. Louis). All eight communities had introduced gambling to their area during the 1990's. All eight cities made The FBI's Uniform Crime Reporting ("UCR") Part I and II crime data¹³ available four years before and four years after the opening of legalized gambling establishments in their jurisdictions.

leadership would be first
The study method for this project had three components: site visits and the polling of local leadership, study of official data, and citizen outreach surveys. This report will examine the first two aspects of this study as they related to public safety.

Site visits: The research team (consisting of one economist and one or two criminologists assisted by demographers and experts on survey research) sought to interview community leaders to get their perspectives. This cross-section of leadership included mayors, city managers, police chiefs, business leaders, and heads of social service agencies. 128 civic leaders were surveyed with standardized questions.

Results:

- 59% of surveyed civic leaders were in favor of the casino in the community;
- 65% believed that the casino enhanced the quality of life in the community;
- 77% believed that the casino had a positive effect on the community's economy;
- 69% said that the casino had little, if any, effect on crime;
- Overall, 6 of 7 communities' leadership believed that the casinos have little effect on crime in the community; and

¹² Ibid, 7-3.

¹³ UCR Part I crimes list eight specified offenses: murder, non-negligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. All other offenses are Part II crimes.

- Overall, 5 of 7 communities' leadership agreed that the casino had enhanced the quality of life in the community.

Study of Official Data: UCR Part I and II crimes spanning four years before and after the establishment of localized legal gambling were disclosed by each jurisdiction. Crime rates were calculated using both the residential population of the community and the *population at risk*, which includes tourists being figured into crime rate calculations. Both values were calculated and presented, and show that "crime rates that are adjusted by the population of the community rather than the population at risk (community plus visitors) will bias crime rates upward."¹⁴

Results:

- "The evidence suggests that casinos appear to be neither as good for a community as supporters contend, nor as negative as opponents argue."¹⁵
- "The findings suggest that casinos do not effect all communities in a simple, similar, or non-variant fashion."¹⁶
- "The casinos do not appear to have any general dramatic effect on crime, especially in communities that do not have a high concentration of casinos"¹⁷
- "When comparing the before and after crime rates utilizing the population at risk, the data revealed few consistent trends in crime. In three communities (Sioux City, Peoria, and Biloxi) there were many more crimes that significantly increased than decreased. In three other jurisdictions (Alton, St. Louis City and St. Louis County) there were many more crimes that significantly decreased than increased. In one city (St. Joseph), the vast majority of crimes showed no change...The examination of the results indicate that there can be no conclusive statement regarding the effect that casinos have on crime."¹⁸
- Suicide increased significantly in two casino communities, significantly decreased in one.¹⁹
- "The data indicate that minor crimes are more likely to increase in casino communities than are the index offenses, although there is little consistency in types of crime that significantly change when all the new jurisdictions are compared."²⁰

¹⁴ Albanese, J.: *The Effect of Casino Gambling on Crime*.

¹⁵ Ibid, 3.

¹⁶ Ibid, 3.

¹⁷ *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*, pg. 3.

¹⁸ Ibid, 5.

¹⁹ Ibid, 3.

²⁰ Ibid, 3.

OXNARD STUDY TEAM SITE VISITS

Palm Springs, California

The City of Palm Springs has a resident population of approximately 43,000. The size of the visiting (tourist) population causes significant increases, at times exceeding 100,000. Estimates have placed the annual number of visitors to the City of Palm Springs at as many as three million. Police and fire calls for service total approximately 70,000 per year. The city itself is shared with the Agua Caliente band from the Cahuilla Indian Tribe in a "checkerboard" fashion, meaning that every other square mile in Palm Springs is tribal land. The Agua Caliente Indians own and operate The Spa Hotel and Casino ("The Spa"), which is situated one block from Palm Canyon Drive, a main thoroughfare. The Spa Casino operates some 1,000 slot machines and 21 gaming tables, and has approximately 2,500 daily visitors, 365 days each year. Alcohol may be purchased in The Spa's Casino, but is not provided free of charge. Currently a portion of the casino is housed in a large sprung structure. Palm Springs Police have primary law enforcement responsibilities at this tribal operation. The Agua Caliente Indians also opened a second Casino in Rancho Mirage, California in April of 2001; however due to the demographics and recent opening of this casino, it will not be incorporated in this report.²¹

Palm Springs Police Department officials indicated that the casino did have some degree of impact upon public safety resources. It was suspected that The Spa security displayed a tendency to underreport crimes; most problems and disturbances were handled in-house. It was also suspected that narcotic activity occurred in the vicinity of The Spa, as well as prostitution at The Spa Hotel. The type of prostitution was believed to be "call-girl" oriented versus "street-walker" operations. It was noted that adult-oriented advertisements appeared and circulate in the area of the hotel and casino. It was also noted that the tribe was under no mandate to comply with municipal regulations such as signage and noise ordinances, and some minor issues had arisen in the past.

The Spa's security force is slightly larger than Palm Spring Police Department's number of sworn officers. The casino security uses sophisticated surveillance equipment and cameras to track problem patrons. A digital photo book of persons that have been barred from the premises is kept; this book includes compulsive gamblers who have voluntarily requested that they be prohibited from entering The Spa Casino.²² The security program is managed by a former California peace officer and has incorporated standardized reporting procedures and instituted background screening and drug testing of casino personnel. When asked about alleged underreporting of crimes, The Spa's security

²¹ The Agua Caliente Casino, which opened its doors on April 6, 2001, houses 1,000 slot machines and approximately 40 gaming tables. It does not have a hotel. Additionally, it is located several miles outside of the urban center and would therefore have differing impacts upon the surrounding area than the downtown Spa Hotel and Casino.

²² This "voluntary exclusion" is in accordance with one of the NGISC's recommendations, as presented in their 1999 report.

company
The city can not criticize the casino
as they would be replaced as would the
councilmembers.

acknowledged that typically small disturbances and petty crimes are not reported to the police unless specifically requested.

Statistics from the City of Palm Springs comparing pre-casino to post casino crime rates were not available. It was suggested by Palm Springs Police Department officials that an increase in citywide crime, though not dramatic, has manifested itself since the introduction of the casino. However, it was also stated that a direct, quantifiable relationship between the casinos and crime could not be established. Police officials directly compared The Spa's impact on the city's public safety resources to that of a large shopping center or hotel complex.

Palm Springs Assistant City Manager Dallas Flicek stated in a March 14, 2001 article in the *Las Vegas Sun* that the "crime and social ills predicted five years ago, when the downtown Agua Caliente casino opened, never materialized."

San Pablo, California

The City of San Pablo, population 26,000, is situated on Interstate 80, 12 miles north of Oakland. It is the most racially diverse city in the Bay Area. A referendum with 68% voter approval sparked the opening of Casino San Pablo, which opened with 60 card-tables in 1995. An agreement with the casino provided for 13% a year in mitigation fees to the city. During the first three years of operation this equated to approximately \$3.5 a year. Problems with the casino's management and alleged internal corruption prompted a Sonoma County District Attorney's investigation in 1998. The investigation revealed problems with poor management oversight and internal theft. The District Attorney declined to prosecute, however the entire operation's staff was removed and replaced. The casino currently operates under the oversight of a city appointed accountant and law enforcement liaison. Casino employees are subject to one of three levels of background investigation prior to hire and must be approved by the Chief of Police or his designee.

Because of the adverse publicity in 1998 casino revenues have dropped significantly and the city now receives approximately \$1.5 million a year in mitigation fees.

The Pomas Indians, also a landless tribe, recently received the City's approval to purchase the casino and convert it to "Nevada-style gaming." It is the opinion of city officials that "house-banked operations" or "Nevada-style gaming" are far more efficient and offer less chance of either internal or external corruption. The tribe has entered into a municipal services agreement with the city allowing for oversight of the operation and potential mitigation fees of between \$5 and \$10 million per year. The Indian gaming operation is slated to open within the next two years.

5 to 10 million city of 26,000.

Since the one incident of mismanagement and internal corruption there has been no appreciable increase in crime attributed to casino operations within the City of San Pablo.

Biloxi, Mississippi

POP 53,400
grew from 46,319
7.081
Police 92-157
7.081

The Oxnard study team conducted a site visit to Biloxi, Mississippi in mid-March 2001. Biloxi's current population of approximately 53,400 grew from 46,319 in 1990. In 1990 the city occupied 25 square miles, and annexed an additional 34 square miles nine years later. The rapid growth in both physical size and population is attributed to the institution of legalized gambling which began in 1992. Today Biloxi has nine casinos, which were allowed access to Biloxi as a result of a referendum. None of Biloxi's casinos are tribal gaming operations.

Crime figures show an increase in reported crimes since the opening of Biloxi's first casino. The increase was manifested primarily by UCR Part II crimes. The city experienced an increase with reported robberies, check and credit card fraud, property crimes, domestic abuse, and alcohol-related offenses²³ - attributed largely in part to the growth in population and size.²⁴ Additionally this increase may be attributed to a proactive approach adopted by law enforcement. As a result of casino industry-stimulated growth, the Biloxi Police Department (BPD) increased its number of sworn officers from 92 to 157. BPD also believed that gaming attracts many of the traditional vices, and reorganized its vice and narcotic units into separate operations to more effectively investigate the increased number of violations.²⁵ The Biloxi Police Department also developed a Casino Crimes task Force, which works in collaboration with the FBI and other state, federal, and local agencies.

In addition to the increased number of officers, the City of Biloxi purchased an average of 15 police and fire vehicles each year, and upgraded their public safety computer system. In 1998 work began on housing their growing department in a new public safety building. Additionally, the Biloxi Fire Department added a new fire station in 1998 to accommodate growth sparked by the influx of casinos. The Biloxi Fire Department is currently comprised of 119 firemen and 26 vehicles.

One notable impact upon Biloxi took form in a dramatic increase in the number of pawnshops. Within one year of the institution of casinos, the number of pawnshops doubled. Within the next four years, this number had again doubled to more than 30. Pawnshops have traditionally been a police concern, since stolen property is detected at them on occasion.

The impacts upon Biloxi differ from the potential impacts faced by Oxnard, mainly because the Biloxi economy is populated with nine casinos. Additionally, the size and population growth (effected mainly by the advent of casinos) has created the need for such significant public safety increases.

²³ *The Effects of Casino Gambling on Crime and Quality of Life In New Casino Jurisdictions*, pg. 47 (Table 3.1).

²⁴ "When Casino Gambling Comes to Your Hometown"; *FBI Law Enforcement Bulletin*, January 2001; pg.

16.

²⁵ *Ibid*, 16.

North Bend / Coos Bay, Oregon

The Cities of North Bend and Coos Bay, Oregon are adjacent communities with approximate populations of 10,200 and 15,600 respectively. Both communities have experienced economic hardships related to local declines in the shipping and timber industries, upon which they depended. As a result, North Bend had the highest unemployment rate within Coos County. ~~In 1995~~ ¹⁹⁹⁶ the Coquille Indians, also a landless tribe, obtained approval from the City of North Bend to purchase an abandoned lumber mill, which was opened the following year as The Mill Casino ("The Mill"). The casino is located within North Bend's jurisdiction, but is virtually located on the border with Coos Bay.

The casino currently has 400 operating slot machines and eight card tables, and is open 24 hours per day. Alcohol is not allowed in the casino itself, and may be purchased and consumed in one designated area. In the year 2000 The Mill opened a hotel on its grounds. The entire operation provides approximately 400 part- and full-time jobs to the community and is currently the second largest employer within Coos County.

The Oxnard study team met with officials from North Bend as well as Coos Bay. North Bend Police Department is staffed by 19 sworn officers. The casino is located within North Bend's jurisdiction, though a Tribal Police Department consisting of four officers is responsible for law enforcement on the grounds. According to North Bend Police, the casino has been the source of less than 1% of their calls for service, and casino-related crimes have been minimal; it was stated that the relationship between the casino and crime was extremely difficult to establish. Cooperation between North Bend authorities and the casino's security staff has improved; it was described as being poor at first. Currently no problem with the underreporting of crime is suspected. North Bend Police services have not been specially allocated or established to address issues related to the casino.

Over several years the crime rate has been rising in North Bend, but this trend was in place prior to The Mill's opening. Prostitution and narcotics have been historical problems in North Bend, but no change was noted with the casino's establishment. The number of pawnshops within the City has also remained static; a large number of second-hand stores have opened. Prior to The Mill's opening it was expected that traffic patterns would have been severely impacted, however these problems never materialized after its opening.

Coos Bay officials noted that prostitution has historically manifested itself in their City, citing that the shipping industry has attracted this vice. No increase in adult-oriented advertisements became evident with The Mill's opening. There was no noticeable change in the number of pawnshops within Coos Bay, and the number of taverns has declined over recent years. The Mill sponsored a 25-cent beer night, which was promptly curtailed due to community resistance. Traffic patterns were not negatively impacted; the casino is located immediately off of US Highway 101.

Police services have not been specially allocated or established to address issues related to the casino. It was noted that an increased number of EMS calls are generated at The Mill, mostly for medical assistance to the elderly patrons (a significant portion of The Mill's clientele are elderly). A large fire on the dock at *The Mill* drew significant response from both Coos Bay and North Bend Fire resources in 1996. It was noted that a number of suicides within Coos Bay had been specifically linked to persons who had gambled away their savings at The Mill; exact figures were not available. *

Chumash Casino - Santa Ynez Valley, California

The Chumash Casino is located approximately two miles from the City of Solvang in the Santa Inez Valley, an unincorporated area of Santa Barbara County. The current casino employs approximately 470 workers. The current facility is 45,950 square feet, with expansion plans calling for an additional 21,600 square feet, bringing the expanded casino area to 67,550 square feet. There are also plans to construct a five-story parking structure that will be capable of housing approximately 1,100 vehicles. The casino currently houses approximately 900 slot machines and 20 card tables. The expanded casino is expected to house approximately 2,000 slot machines and an additional 25 to 30 card tables. The expansion is expected to require approximately 220 new workers.

The appearance of the casino from Highway 246 is not particularly attractive. The main casino is a large stucco structure in the front, with a sprung structure and a metal-sided building serving as the expanded casino. The existing parking area is mostly asphalt, with a few bare dirt parking areas visible from Highway 246. The inside area of the existing casino appears to be clean and well lit, but not particularly well maintained. The bathrooms, while clean, appeared to be in need of a major remodeling.

The new sprung structure and the metal-sided building behind the main casino, while not entirely visible from Highway 246, is also unattractive from the outside. We were unable to view the inside area of the expanded casino since it was still under construction.

Relationship with the City of Solvang, Santa Barbara County, Community Organizations

Since the casino and parking area were built on land owned by the Santa Inez Band of Chumash Indians (Tribe) it was not necessary for the Tribe to enter into any agreements with either the City of Solvang or Santa Barbara County.

Santa Barbara County

During a meeting with John Buttny, Executive Staff Assistant to Gail Marshal of the Santa Barbara County Board of Supervisors, he described the County's frustrations with the Tribe over the recent expansion of the casino. The County outlined several impacts that the new expansion would have on the surrounding community. The following impacts related to the existing Casino and the proposed expansion have been identified

by the county:

<u>Capital Cost Summary</u>	<u>Amount</u>
Affordable Housing Construction	4,593,066
Outdoor Recreation Facilities	290,752
New Administration Facilities	209,480
Fire Protection	302,000
New School Development	340,904
Air Quality	540,000
Regional Traffic	150,000
Highway Improvements	800,000
Total Capital Costs	7,226,202

After numerous discussions concerning the impacts and possible mitigation, the Tribe decided to reject the County's request and construct the expansion without providing any finding to mitigate the impacts.

City of Solvang

Since the casino is located in an unincorporated area of Santa Barbara County outside the city limits of Solvang, there was no agreement negotiated with the Tribe when the original structure was constructed. The City Manager of the City of Solvang, Steve Casey, informed us that he was generally in favor of the casino. He has some concerns over the additional traffic that the expansion is expected to generate, but does not feel that the traffic will be unmanageable.

He also stated that there was no noticeable increase in crime related to the casino. The Tribe contracts with a private security company to provide security for the casino and grounds. They generally resolve most of the incidences internally without involving the Sheriff's Office. In fact, it was reported to him that the pay phones inside the casino are programmed to have 911 calls ring to the security office inside the casino, not the Sheriff's Office. Representatives of the security company then decide if it is a matter that they can resolve internally or if outside assistance is required. There has not been any noticeable increase in violent crimes, prostitution or organized crime associated to the Casino.

Santa Inez Mission

The Santa Inez Mission is located less than 1/2 mile from the casino on Highway 246, in the unincorporated area of Santa Barbara County. We visited with two representatives of the mission who informed us that although the Mission's policy is to not take an official position on the expansion of the casino, they could offer us their personal impressions of the casino. One individual stated that she was generally in favor of the casino. She noted that the casino has provided funding to private organizations within the unincorporated area of Santa Barbara County and the City of Solvang. She also noted that the increased jobs were a benefit to the community as well. She was concerned with reports that the casino employees would park in park-and-ride areas along Highway 246, designed for individuals taking mass transit to the City of Solvang as well as to unincorporated areas, and taking the bus to the casino. She felt that the additional employees required by the expansion would reduce the number of spaces for other residents.

Solvang Tourism Bureau

A representative from the Solvang Tourism Bureau stated that she did not believe that the casino had a positive or negative impact on tourism in the City of Solvang. Although there are a large number of buses traveling through Solvang to take people to the casino, she doubted that they would migrate to the city from the casino to shop or dine. She also felt that the people traveling on the buses through Solvang may be inclined to visit the city at a later date, thereby increasing tourism to the city.

Law Enforcement Impacts

Lt. Mal Parr of the Santa Barbara County Sheriff's Office was contacted about crime impacts on the area after the opening of the casino. Lt. Parr is stationed in the Solvang area and has been there many years. He indicated that there has been virtually no increase in crime in the area since the arrival of the casino. The casino has provided an economic boon to the area and has actually lowered the welfare rolls in the area, which traditionally have been high.

The casino has an excellent security force which includes several retired law enforcement officers. There is no alcohol served at the casino and Lt. Parr felt this has helped keep crime and other problems under control. The only service increase they have experienced since the casino opened has been in calls for EMS response. Since large numbers of people visit the casino, it can be expected that calls for EMS service would increase accordingly.

The biggest problem associated with the casino has been traffic impacts. Highway 246 is ill equipped to handle the volume of traffic generated by the visitors to the casino. These problems are currently being addressed by the Chumash tribe and are expected to be mitigated in the near future.

Viejas Casino – Northeast of Alpine, California

Population of Alpine: 9,695 (1998)
Reservation established: 1875
Number of Employees: 3,500 (approximately)
Square Ft.: 210,000

Amenities Include:

- 2,000 Slot Video Poker Machines
- 20 Card Tables (Gaming Tables)
- Turf Club (Off Track Betting)
- 5 Restaurants
- Concert Hall that attract big name entertainers
- Outlet mall located across the street from the casino with 60 major stores and 5 restaurants (Serves Liquor)

Appearance

The improvements include a complete make over with significant visibility from Highway 8. A southwestern "pueblo" theme carries throughout the site with water features, pedestrian walkways, landscaping and public art. An outdoor amphitheater provides cultural dance and related performances. There is a remaining sprung structure adjacent to the casino used for bingo. All improvements appear of quality construction and materials. Private security staff was present.

Relationship with the County of San Diego

The reservation has provided minimal improvements to county infrastructure that include a widening of the main county road leading to the casino with added medians at the entrance of the casino and outlet shopping center. The Viejas tribe has embarked on significant infrastructure upgrades that include streets, water and public facilities within the tribal boundaries. There are no mitigation fees provided to the county. However, the Factory Outlet stores generated \$400,000 in sales tax for the county last year.

Sycuan Casino – East of El Cajon, California

Population of El Cajon: 94,259 (1998)
Reservation established: 1875
Number of Employees: 2,100 (approximately)
Square Ft.: 166,000

Amenities Include:

- 1,700 Vegas Style Slot Machines

- 60 Gaming Tables (Card Tables)
- 1,600 Seat Bingo Hall
- 450 Seat Off Track Betting Room
- 6 Restaurants (Serves No Liquor)

Appearance

The improvements include a remodeled casino with a modern multi-color facade and exterior landscaping with water features. The interior improvements, including gambling machines and tables, are modern and well maintained. Restaurants are well appointed. All improvements appear of quality construction and materials. The reservation is not visible from Highway 8 and requires driving on narrow paved roads to reach the reservation.

Relationship with the County of San Diego

The casino is on an existing reservation off of highway 8 in San Diego County. The Tribe has its own security staff and Fire Department. There are no mitigation fees being provided by the reservation to the County of San Diego.

Barona Casino - North East of Lakeside, California

Population of Lakeside: 34,412 (1998)
Reservation established: 1875
Number of Employees: 1,600 (approximately)
Square Ft. 115,000

Amenities Include:

- 1,709 Slot and Video Poker Machines
- 29 Gaming Tables (Card Tables)
- Golf Course (7,100 Yards)
- 4 Restaurants (Serves No Liquor)

Planned Projects Include:

- Additional 78,000 Sq Ft. of Gaming Space with additional 2,000 slot machines
- 400 Room Hotel
- 2,200 Space 5 story parking structure
- Wedding Chapel

Appearance

The building appears to be of older construction with little architectural detail. The interior improvements including gaming machines and tables are modern and well appointed. The larger site contains an 18-Hole golf course and plans for a new casino. The parking structure identified above is under construction. Numerous visible trailers and modular buildings adjacent to the casino house administration staff.

Relationship with the County of San Diego

The casino is on an existing reservation off of Highway 67 in San Diego County. The tribe has its own security staff. There are no mitigation fees being provided by the reservation to the County of San Diego.

PROJECTED IMPACTS UPON OXNARD PUBLIC SAFETY RESOURCES:

FIRE DEPARTMENT

Impacts on service levels from the proposed project will focus on: 1) adequate equipment access and 2) calls for service. The methodology for this section of the impact report drew upon comparisons to other gaming facilities and their respective fire department jurisdictions.

Palm Springs Fire Department (PSFD) made a comparison that describes the impacts on service levels of the Spa Hotel and Casino facility to be the same as that of a large shopping center. According to Fire Marshal Carl Thibeault, PSFD responded to approximately 55 calls for service at The Spa each year for the last several years. As the casino in Palm Springs is in an urban environment, parallels between this casino and the proposed Oxnard facility are more comparable than those located in rural areas.

Calls for service at the Chumash Casino in the Santa Ynez Valley have averaged 66 per year over the last four years, most of which are medical emergencies according to the Santa Barbara County Fire Department. Unlike Palm Springs or the proposed project, this casino is located in a rural area.

Fire Marshal Bob Vanderheit of the California Division of Forestry described calls for service at the Win-River Casino on the outskirts of Redding, California, as minimal. Numerical figures were not available, since software problems in their records management system prevented a more detailed analysis of call activity.

Based on the relative size of the facility, staff believes that the Palm Springs experience with respect to Fire Department Services is an accurate reflection as to what service impacts Oxnard Fire Department (OFD) may experience. As this is proposed to be a 24-hour operation, there are some differences with respect to occupancy levels and the average age of the patrons. Calls for assistance in Oxnard have historically averaged 50

170,000
50 per 1000
170
50
6200
6200

calls annually per 1000 persons. Again, with respect to the age of the expected patrons (believed to be a higher percentage of retirees than the average shopping center attracts), somewhat higher calls for medical service could occur. The 50 per 1000 number includes calls for fire-related incidents as well as emergency calls for assistance; i.e., hazardous materials incidents, traffic accidents, alarm malfunctions, medical emergencies, and the like.

Oxnard Fire must emphasize, however, that the incremental increases caused by this and various other projects over the years have had a cumulative impact on OFD's ability to deliver services uniformly throughout our jurisdiction. Recent Occupational Safety and Health Act (OSHA) legislation has also affected the manner in which the department can deliver services. In response to these and other issues pertaining to service delivery and impacts, some attention must be given to personnel costs and additional equipment as this project reaches fruition.

4/11/11

POLICE, CRIME, AND OTHER LAW ENFORCEMENT CONSIDERATIONS

Public Law 280

In 1953 Congress enacted Public Law 83-280, known simply as Public Law 280. This legislation was a transfer of legal authority from the federal government to state jurisdictions, and eventually granted six states (California, Oregon, Minnesota, Nebraska, Wisconsin, then Alaska) both criminal and civil jurisdiction over tribal lands. This means that California laws can be enforced on tribal grounds located within the same state. This would prevent criminals from successfully "seeking refuge" on the Indian sovereign land. This provision does not apply to municipal ordinances, regulation of these must be negotiated in a front-end agreement with the Indians.²⁶

Reported Crimes

In accordance with the findings of the NGISC, a quantified prediction of what effect(s) the Paragon project will have on crime in Oxnard simply cannot be established. The simple fact remains that such predictions are virtually impossible due to the myriad of variables presented by differences in each casino's operational and demographic situation, and that no methodology to account for these variables exists at this point in time.

This report has attempted to illustrate the possible effects of the introduction of casino gambling upon communities by citing examples from *The Effects of Casino Gambling on*

²⁶ Refer to Palm Springs, CA (above).

Crime and Quality of Life in New Casino Jurisdictions. As was noted in the eight-city study²⁷:

"In three communities (Sioux City, Peoria, and Biloxi) there were many more crimes that significantly increased than decreased. In three other jurisdictions (Alton, St. Louis City and St. Louis County) there were many more crimes that significantly decreased than increased. In one city (St. Joseph), the vast majority of crimes showed no change."²⁸

As mentioned earlier, the examination of the results from research indicates that there can be no conclusive statement regarding the effect that casinos have on crime.

Based upon figures provided to Oxnard Police Department by Paragon Gaming, the estimated number of daily visitors to the proposed casino following the completion of Phase V²⁹ is 17,180 persons per day, which equates to 6,270,200 visitors annually.³⁰ It has been established by the cited studies that it is extremely difficult to differentiate a "casino effect" versus a "tourism effect" upon changes in crime rates, the numbers presented may not necessarily be attributed to casino gambling alone, as mentioned in *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*:

"Generally it appears that the number of crimes increases where casino gambling is legalized. However, as Eadington points out, this may be a function of increased tourism rather than anything inherent in casino gambling itself, as the introduction of resorts and theme parks into an area has similar negative effects as do casinos on the area's crime...³¹ There is no compelling evidence that crime rates with casinos are much different than in cities with tourist attractions in general."³²

An example cites a study of crime figures one year before and after the opening of Bloomington, Minnesota's Mall of America. The introduction of the Mall was accompanied by a 33.6% and 120.8% increase of UCR Part I and II offenses respectively. This figure also did not figure the "population at risk," which includes the Mall's estimated 40 million annual visitors.

²⁷ For a more detailed breakdown regarding crime rates in these jurisdictions, refer to the tables on pages 47, 51, 54, and 56 from *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*.

²⁸ *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*, pg. 5.

²⁹ Phase V assumes 2,000 gaming machines and 175 gaming tables.

³⁰ Estimated daily visitors by phase (I-V) are as follows: (I) 5,120; (II) 7,080; (III) 8,155; (IV) 11,380; and (V) 17,180. Figures provided by Paragon Gaming LLC.

³¹ Eadington, William: *The Legalization of Casinos: Policy objectives, regulatory alternatives, and cost/benefit considerations*; Journal of Travel Research, 1996: 3-8

³² Ibid, 7.

* Suspected Underreporting of Crime by Casinos

A common theme that was noted during Oxnard Police Department's contact with other law enforcement agencies is that a number of them indicated they suspected that the casinos located within their jurisdictions were underreporting disturbances and crime at their establishments. Agencies that indicated this included San Jose Police Department, Palm Springs Police Department, Riverside County Sheriff's Department, and San Diego County Sheriff's Department. All agencies stated that this was possibly practiced by casino security in order to avoid adverse publicity and law enforcement attention.

The City of San Jose imposed a municipal ordinance that directed the casinos to report crimes. One of the casinos had been discovered to have its telephones set up so that "911" calls would be routed through their security office. Upon the implementation of this ordinance, calls for service at the two casinos rose 9% at one and 45% at another.

One means of mitigating this potential issue with the Paragon project, if it is to go forward, would be to follow the same route that San Jose took. By imposing municipal ordinances mandating their reporting of crimes to police, a more accurate number of calls for service could be pinpointed.

Traffic

Effects upon traffic flow and patterns have been a common theme in communities that experienced the establishment of large-scale casinos. Paragon estimates 3,199 daily vehicular trips during phase I; 4,425 for phase II; 5,097 for phase III; 7,113 for phase IV; and 10,738 for phase V. However, it must be noted that these numbers account for the casino only and do not include the hotel. The 1992 Environmental Impact Report ("EIR") for the Oxnard Outlet Center placed the average number of daily vehicular trips at approximately 11,000. The negative impacts experienced near other casino locations have manifested themselves in the form of traffic jams and resulting increase of minor accidents. It has been widely accepted that these impacts were resultant of poor pre-planning.

This study recognizes that the projected increase in traffic patterns can impose delays upon police and fire unit response times. With proper pre-planning, the effects of increased traffic can be mitigated. Additionally, the Rice Avenue / 101 Freeway intersection improvements will coincide with the Paragon project. The resulting improvements to the freeway overpass and its on/offramps would expectedly alleviate traffic problems.

Additionally this study recognizes that the deployment of Police traffic units can also serve as a means of preventing or lowering the rate of traffic accidents in the vicinity of the site. The deployment of additional traffic units to the developed area would drain

resources from other locations with the city³³, unless an increase in the number of traffic officers is made.

Prostitution and Vice

Prostitution has been debatably viewed as a "victimless crime" that is commonly underreported to law enforcement. Examination of other casino jurisdictions suggest that this problem had manifested itself in "call-girl" type operations versus highly visible "street-walker" type prostitutes, and has been difficult to locate and address without specifically assigned resources.

The City of Oxnard does not currently perceive prostitution as a significant problem in this jurisdiction, and does not have resources specifically dedicated to address these issues. Historically, task forces have been assembled to combat vice problems when they were detected; this suggests that the approach has been response-driven rather than proactive, and arrests have been few. Prostitution is typically associated as a crime that typically accompanies casinos, and in this case is lured even closer by the hotel proposed in the Paragon project.

The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions indicates that three of the studied communities experienced increases in prostitution-related offenses, and three experienced decreases. Given this dichotomy, in addition to numerous variables (proactive enforcement strategies³⁴, accessibility to lodging, circulation of prostitution-oriented advertisements³⁵, etc.), a predicted increase or decrease in prostitution cannot be quantified. However, the confronting issues can be mitigated through the establishment of a unit devoted strictly to vice-related crimes, not unlike what was undertaken by Biloxi Police Department. The added benefits of this unit and its proactive approach would include Oxnard Police Department's ability to apply these police resources citywide – something that this jurisdiction has not consistently done before.

Additionally, the prostitution issue could be mitigated through a front-end agreement with the Tribe. For example, regulations prohibiting the advertisement of adult-orient services on the Casino property could reasonably be negotiated; coupled with a municipal ordinance prohibiting the circulation of adult-oriented advertisements (such as ads for escort services, private dancers, etc.) within the city limits, an effective deterrent to prostitution is established.

Organized Crime

Just the same as prostitution and vice, Oxnard currently does not perceive an organized crime problem within this jurisdiction. Like prostitution, it is a widespread belief,

³³ Currently the Oxnard Police Department has seven Traffic Enforcement Officers.

³⁴ A proactive enforcement approach would statistically show a significant increase in the vice-crime rate, since few arrests have been made prior.

³⁵ Refer to Palm Springs, CA (above).

whether correct or not, that casino gambling is often partnered with organized crime. The NGISC commented:

"Fairly or not, Nevada's casinos were once closely linked in the popular mind with organized crime, a bias given substance by repeated federal and state investigations and prosecutions of casino owners and operators..."³⁶

This report acknowledges that organized crime has manifested itself within communities that have embraced gambling. For example, the City of San Jose, California allowed the introduction of its second card club facility in 1994. In April of 2000, the Santa Clara County Grand Jury charged 55 defendants with a total of 168 felony counts associated with card club activity; 12 of those indicted were card club employees, including a club's vice-president. In October of 2000, the Grand Jury released a 36-count indictment against 14 defendants for a variety of charges, including loan sharking, extortion, and grand theft. During the 1980's, card clubs in both Commerce and Bell Gardens, California were subjects of criminal investigations leading to similar indictments.³⁷

A significant consideration with respect to the card clubs is that in the previously mentioned cases, the clubs were not Indian gaming operations and were subjected to little regulation. California Indian gaming is both supervised regulated, and the incentive for organized crime is significantly reduced. As the NGISC stated in its report:

"All of the evidence presented to the Commission indicates that effective state regulation, coupled with the takeover of much of the industry by public organizations, has eliminated organized crime from the direct ownership and operation of casinos."³⁸

The City of San Jose, California instituted a Card Room Team composed of four detectives to monitor criminal activity inside the casinos. The funds to operate this unit were paid to the City of San Jose by the card clubs as part of their mitigation agreement. The City of Oxnard may wish to consider funding an enforcement unit such as this in an effort to address organized crime matters, should the project go forward. As mentioned in the previous section, a proactive approach coupled with effective government regulation may effectively keep this issue from becoming a community problem.

Pawnshops

As mentioned earlier, pawnshops have occasionally been locations that have turned up quantities of stolen property. Examples demonstrated by both Biloxi, Mississippi and Atlantic City, New Jersey have shown a dramatic increase in the number of pawnshops

³⁶ National Gambling Impact Study Commission Report, 3-1.

³⁷ Miller, Edwin L.; *Report in Opposition to Cardroom Casinos*. San Diego County District Attorney's Office, 1992.

³⁸ Ibid, 3-1.

within their jurisdictions following the introduction of casino gambling. As mentioned earlier, Biloxi experienced a 100% rise in their number of pawnshops within the first year of the arrival of localized casinos. Within the next four years, this number had again doubled to more than 30.

The impacts of the expected increase in the number of pawnshops can be mitigated, if proper pre-planning is emplaced. One consideration is the establishment of a pawnshop moratorium in the City of Oxnard, the second being the assignment of Oxnard Police resources to monitor pawnshop activity.

Alcoholic Beverage Control

Currently Paragon Gaming has not indicated to Oxnard Police Department the number of alcoholic beverage licenses that will be sought in connection with their proposed project. Additionally, it has not been indicated whether or not alcohol will be served within the casino.

Based upon research presented in *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*, five of the studied communities recorded liquor-related violations. Of these five, four noted significant increases in the number of liquor-related violations, and one showed a significant decrease. Additionally, four of the communities provided information related to DUI offenses: two experienced slight increases, one a slight decrease, and one a significant increase.³⁹

One concern that must be addressed is pre-planning with respect to the number of licenses that are sought in connection with the Paragon Project. A specific agreement regarding the type and number of alcoholic beverage establishments that are being sought can negatively affect the community if not properly mitigated. Additionally, the City of Oxnard should carefully weigh the approval of future alcoholic beverage licenses within the immediate area of the casino. The additional "overflow" alcoholic beverage serving/selling establishments could foreseeably be a source of repeated calls for service and thus a drain to police and fire services.

CONCLUSION

Several years ago efforts were made to institute legalized gambling in the form of card clubs in the City of Oxnard, and proved unsuccessful. These card clubs had little to offer our City and were rightfully dismissed. The Paragon project, however, is an endeavor whose magnitude provides opportunities never before experienced by our city. However, the opportunities are also affected by impacts upon the fabric of the community. The Paragon project involves regulated Indian gaming whose scale and size presents a unique situation to this community, and the costs versus benefits should be weighed objectively.

³⁹ For a more detailed breakdown regarding crime rates in these jurisdictions, refer to the tables on pages 47, 51, 54, and 56 from *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*.

before a decision is made to approve or reject this project. Current studies have concluded that this nation needs to know more about the impacts of gambling upon communities, but also state that though they may not be necessarily good for a community, they are not necessarily bad either. //Virtually no reliable evidence exists directly linking the casinos themselves to negative impacts upon public safety. The impacts upon communities are described as being comparable to the introduction of a large shopping center, hotel complex, or amusement park. It must be recognized that the introduction of such a project would indeed have impacts upon public safety resources, but could also provide the City with the ability to expand its existing resources and introduce new ways of addressing crime problems. Additionally, it is believed that if such a project were to come to this municipality, it is critical that impacts be mitigated in a front-end agreement with the tribe - proper pre-planning could take this city in new directions. !!

ATTACHMENTS

- Executive Summary: *National Gambling Impact Study Commission Report* (Entire Report available at: <http://www.ngisc.gov/reports/finrpt.html>)
- *The Effects of Casino Gambling on Crime and Quality of Life in New Casino Jurisdictions*, January 2001

Potential Social Impacts

Introduction

The potential social/economic impacts of tribal gaming are difficult to quantify. Therefore, decisions are often made on perceived social impacts. Research in this area is plentiful, however, factual statistical data is not. Much of the following information has been derived from the June 1999 report of the National Gambling Impact Study Commission, a two-year study commissioned by the United States Congress. The study appears to be a fair, balanced and objective analysis of the issue. Officials from communities with tribal gaming have provided additional material. *or their student as participant in wedding gambling*

Purpose/Scope

This information is an overview of elements to be considered by City Council and community residents for discussion and review. Positive impacts must be reviewed for accuracy of estimated revenue/benefits, negative impacts may require mitigation measures. Staff reviewed several national and local studies to obtain information on the potential social impacts of a casino in Oxnard. As stated earlier, City staff also made site visits and obtained further data on the potential impacts. This part of the report addresses those social impacts not treated elsewhere in the report.

Potential Social Impacts

One of the weaknesses in reviewing the potential social impacts is the inability to assess a casino in a community with Oxnard's unique demographics. Oxnard has a current population of 170,358, up from 142,216 in 1990. Approximately 66.2 percent of the City's population is Hispanic. Oxnard's median household income trails the County's median household income by about \$14,000. Currently, the County's median household income is \$71,800. A large percentage of Oxnard's households qualify as low income. About 59 percent of Oxnard's household's earn less than 80 percent of the Area Median Income.

There are many positive and negative social impacts that could occur as a result of a gaming facility in Oxnard. Just some of these may include:

- Increased evidence of gambling at a local level
- Increased visitor population to tribal gaming destination
- Increase in problem/pathological gambler population resulting in:
 - More bankruptcy filings
 - Higher divorce rates
 - Domestic violence incidents
 - Cost of social services to address associated problems
- Increased revenues to the city
- Creation of new jobs *could benefit jobs*
 - Reduced unemployment *? - homeless*
 - Employment with reasonable wage and benefits *future?*

71,800
14,000
57,800
2,040.00

- Decreased reliance on welfare and other social service programs
- Opportunity for increased self sufficiency as employed residents

replace

Mitigations in other Communities

In other areas, various tribal gaming operations have worked closely with local government and community-based organizations to mitigate concerns related to gaming. For instance in San Pablo, California, which has a history of card club operations, they have negotiated the following mitigation:

- Community-based bingo game operations are guaranteed 105-percent of projected revenue from tribal gaming.
- The San Pablo Foundation receives a minimum of \$25,000 annually designated for San Pablo residents.
- Donations are made to local chapters of Gamblers Anonymous and other social service organizations.
- The card club operations sponsor a golf tournament that benefits the local community.

big money! money

!

all we need

Conclusion

Legalized gambling has undergone rapid expansion over the past quarter century in America. Large-scale tribal gaming is barely a decade old. The cost-benefit ratio of tribal gaming in any community has many variables making measurement and predictions difficult. Clearly, if a gaming facility were to be built in Oxnard significant attention should be paid to mitigation efforts. The information provided is a microscopic view of the subject. Because of the limited tenure of tribal gaming, there has been no in depth studies to provide adequate data to fully access the negative or positive social impacts.

tribal gaming is different than any

other gambling!!!

Economic Impacts on the City of Oxnard from Proposed Tribal Gaming Facility

Issues:

1. Are the projected revenues of the tribal gaming facility realistically achievable?
2. Would this tribal gaming facility serve as a catalyst for a major expansion of Oxnard's overall tourism development?
3. What are the benefits and costs to the local economy caused by the operation of a tribal gaming facility?

Fundamental Premise

The ability to secure State licenses for slot machines, beyond the guaranteed 349 machines available to any tribe that successfully enters into a compact with the State, is so uncertain as to make any project based upon securing those licenses purely speculative. Thus, by extension, any cost-benefit analysis based upon revenues derived from any other scenario would be equally speculative. Consequently, **all analysis in this report assumes a project limited to a 60,000-sq.ft. gaming facility offering 349 slot machines and 100 table games, a project size which the proponent is capable of committing to build.**

Discussion

1. Are the projected revenues of the tribal gaming facility realistically achievable?

According to a project pro forma supplied by the proponent and analyzed by PCR-Kotin, the City's consultants, the net revenue of the tribal gaming facility described above in year two of operations would amount to approximately \$141,000,000. The elements of this total are shown below, and are compared with the national benchmark standards for revenue production of slot machines and table games as provided by PCR-Kotin.

	<u>Proponent</u>	<u>PCR-Kotin</u>
Net revenue per slot machine per year	\$132,400	\$75,000
Net revenue per table per year	\$912,500	\$650,000
Net annual revenue from 349 machines	\$46.2MM	\$26.2MM
Net annual revenue from 100 tables	\$91.2MM	\$65.0MM
Net annual from food & "other"	<u>\$3.5MM</u>	<u>\$3.5MM</u>
Total net revenue (before operating expenses)	\$140.7MM	\$94.7MM

Given the location of Oxnard within the greater Los Angeles population basin, combined with the virtual absence of similar competing facilities, PCR-Kotin gives real credence to the

otherwise quite high revenue projections of the proponent. This facility would likely operate at revenue levels significantly higher than the national norms that are the basis of the PCR-Kotin benchmarks. Therefore, PCR-Kotin recommends accepting the proponent's revenue projection of \$141 million in year two of operation.

2. Would this tribal gaming facility serve as a catalyst for a major expansion of Oxnard's overall tourism development?

Again referring to the fundamental premise of this analysis with respect to the size and scope of the project, PCR-Kotin predicts that a 60,000-sq.ft. gaming facility, with or without an accompanying hotel, would probably not have a catalytic effect on the whole of Oxnard's tourism industry. PCR-Kotin characterizes the general traffic to the facility as, "...the vast majority of casino visitors will be day-visitors.. These visitors are on a gambling outing, not a weekend vacation, and can be expected to mirror the characteristics of one-day visitors to Disneyland. As such, their expenditure impacts beyond stops for fuel and perhaps a snack will be very limited."

However, the vast majority of visitors to the casino will be just that -- visitors, as opposed to local Oxnard residents. Based on an assumed average net revenue take of \$48 per visitor (provided by the proponent and found reasonable by PCR-Kotin), an annual net gaming revenue of \$137.4 million (food excluded) would translate into 2.86 million visitors per year.

Using a baseball analogy to describe a spectrum of desirable economic impacts on the community, the "home run" would be a casino attracting visitors who would then spend one or more nights in Oxnard hotels and patronize the other tourist attractions and restaurants in the community. The "strike-out" would be a casino fueled only by local residents such that the casino revenue would derive just from local dollars that could have been spent elsewhere in the community. In this spectrum, this project would rate as an economic "base hit." in that its revenue would be drawn mostly from people from outside the area, in effect injecting new money into the local economy, while still falling short of the ideal "home run" impact.

3. What are the benefits and costs to the local economy caused by the operation of this tribal gaming facility?

Principal benefits from the proposed project would include the following:

- 665 new jobs in the community, which, if local hiring preferences were in place, could accrue primarily to Oxnard residents. Leaving aside the dealer and related jobs that depend significantly on gratuities, the remaining 235 jobs would have an average salary of more than \$32,000/yr. Total annual payroll of more than \$12,000,000 would be available to be spent in the community.
- An annual payment by the project as blanket mitigation of the impacts related to its presence in the community. This amount would be negotiated between the City Council and the proponent. The proponent has proposed an annual payment of 10% of net revenues. In that case, the City would receive approximately \$14 million

annually. The specific benefits would be determined by the types of public projects and improvements which would be made possible by this additional revenue available to the City Council every year.

As to economic costs created by the project:

- There would be additional City services required by the project. While a full department-by-department analysis has not been conducted yet, in general the costs associated with these additional services could be recovered through specific fee arrangements negotiated with the proponent. In addition, the capital cost of any infrastructure improvements required by the project would be borne solely by the proponent, as is the normal case with new development.
- There would be some displacement of residents' discretionary income, spent now in other retail stores or entertainment venues in the area, which would be spent at the gaming facility instead. This amount has not been quantified. This effect occurs to one degree or another whenever a new retail establishment opens in a community. Likewise there would be an opportunity cost of using the proposed project site for a gaming facility rather than a continued or expanded retail use, since the alternate uses could be expected to provide some tax revenue to the City, albeit at a much lower level than the potential gaming-based revenue.

Conclusion

When looking at the more limited project as described at the outset, the economic pluses and minuses are more limited as well. There is not likely to be any broad economic effect throughout the Oxnard economy, for better or for worse, caused by this tribal gaming facility. The project would certainly bring new money into the economy, the positive effect from which would be felt through the annual revenue bonus to the City and the civic improvements fueled by that new revenue. The project would bring many new patrons to the city, with both positive and negative impacts associated with that new level of activity. The project would not likely threaten any existing businesses through direct competition, nor serve as a great boost for many other businesses.

In economic terms, save for new payroll and the annual payment to the City, this project seems to be remarkably self-contained, creating neither wide benefit nor harm. The economic bottom-line for Oxnard would be the long-term beneficial effects created by the community improvements made possible by the mitigation agreement.

This report was prepared by Stan Kleinman, City of Oxnard Finance Director, and Steve Kinney, president of the Greater Oxnard Economic Development Corporation, based on research and analysis performed by the firm of PCR-Kotin, with sub-consultant assistance from James Regan and Donald Hunter.

Pages not included in this copy:
Attachment 9
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INTRODUCTION

Since the mid-1970s, America has evolved from a country in which gambling was a relatively rare activity—casinos operating only in the distant Nevada desert, a few states operating lotteries, and pari-mutuel gambling relatively small scale and sedate—into a nation in which legalized gambling, in one form or another, is permitted in 47 states and the District of Columbia. Commercial gambling has become an immense industry. Governments are now heavily involved and increasingly active in pursuit of gambling revenues, either directly through state-owned lotteries and Native American tribal gambling or through the regulation and taxation of commercial operators. Tribal governments, in particular, have become the pacesetters for the rapid growth of gambling activities. Yielding more than \$50 billion in gross revenues and still growing, and with little end in sight to the proliferation of gambling, our country stands at a crossroads. Do we allow gambling to continue to expand, or do we halt its growth until we more fully understand its effects on individuals, communities, and the nation?

There was no single, overarching national decision to turn the United States into a world leader in gambling. Rather, games of chance spread across the map as a result of a series of limited, incremental decisions made by individuals, communities, states, and businesses. Little by little, lotteries expanded, aided by increasingly sophisticated advertising campaigns. Over time, Las Vegas-style casinos multiplied, first in Atlantic City, then on riverboats and Indian reservations. Often with little notice, so-called "convenience" gambling, including such games as video poker, cropped up in corner stores, in gas stations, and on main streets in towns across America. And today the Internet—an unlimited frontier in the proliferation of gambling—beckons millions of existing and would-be gamblers from around the world.

In the next 25 years, gambling could, at its present rate of growth, become more and more like other common and legal, but somewhat restricted, business activities, such as the sale of alcohol or cigarettes. Of course, over time, the basic rules of our economic system would be expected to play a greater role in shaping the pattern of gambling, as

the quasi-monopolistic circumstances of the present are replaced by more routine competition. But with little stretch of the imagination, it is conceivable that someday gambling enterprises may be franchised and, at least in parts of the country, become as common as fast food outlets are today.

The rapid acceleration in the growth of gambling begs a host of questions. How much do we know about the social and economic impacts of gambling? Do its benefits outweigh its costs? Will bringing in gambling help struggling local economies, or will it sap the very citizens it is intended to help? To what extent, if any, does gambling create jobs? Cut welfare rolls? Raise or lower crime rates? How widespread is problem and pathological gambling? Does more gambling automatically mean more problem and/or pathological gambling? No one has definitive answers to these and other questions about gambling, least of all our policymakers, who are now caught short and, in some cases, may be flying blind as they attempt to formulate rational, informed gambling policies.

In 1996, Congress responded to the urgent need for more information about gambling's impact on people and places by mandating the National Gambling Impacts Study Commission (NGISC). Congress instructed the NGISC, within a 2-year period, to "conduct a comprehensive legal and factual study of the social and economic impacts of gambling in the United States." This Executive Summary provides an overview of the Final Report of the NGISC. It describes the size, scope, and nature of the gambling industry as well as gambling's most problematic issues. It also presents recommendations on gambling to the President, Congress, governors, tribal leaders, and a broad range of individuals within the public and private sectors.

GROWTH OF GAMBLING IN AMERICA

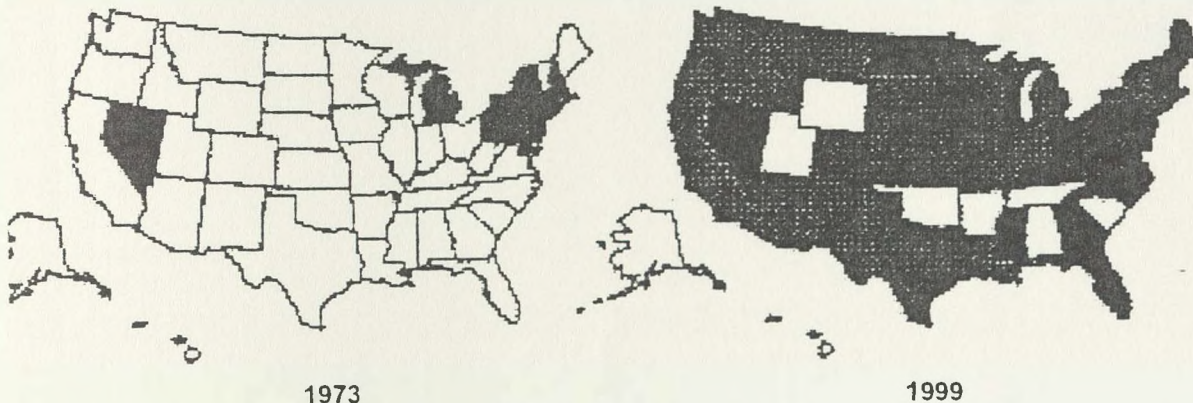
The gambling industry in the United States has grown tenfold since 1975. Today a person can make a legal wager of some sort in every state except Utah, Tennessee, and Hawaii. Thirty-seven states and the District of Columbia have lotteries, 28 states authorized casino gambling (including both commercial casinos and Class III Indian casinos), and 43 states have pari-mutuel betting. Between 1976 and 1997, revenues from legal wagering grew nearly 1,600 percent, and gambling expenditures more than doubled as a percentage of personal income

from 0.30 percent to 0.74 between 1974 and 1997. Especially striking is the increase over time in states with lottery and/or casino gambling.

In 1982, gross gambling revenues (dollars wagered minus payouts) totaled \$10.4 billion. In 1997, gross gambling revenues had increased to more than \$50 billion. The amount of money spent on gambling compared with amounts spent on other leisure activities is notable. In 1997, Americans spent \$495.9 billion on leisure goods, services, and activities; more than \$1 in \$10 (\$50.9 billion) was spent on gambling, not including monies spent by gamblers on hotels, food, transportation, and other expenses. In terms of "destination leisure"

*These numbers must be viewed with caution. For a fair and accurate understanding of the actual size and potential profitability of the entire industry or any of its segments, it is critical to note the difference between the figures for "total money wagered" known in the trade as "handle," and "gross gambling revenue." The two terms are not interchangeable. The ratio between them is on the order of 10 to 1 for the entire industry and 25 to 1 for casino gambling. It is easy to see how, taken out of context, figures for "money wagered" and for "gross gambling revenue" might be easily misinterpreted, especially by the layman.

INCREASE IN STATES WITH LOTTERY AND CASINO GAMBLING: 1973 VERSUS 1999*



*Excludes pari-mutuel gambling

SOURCES: Gross Annual Wager, *Gambling in America*, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 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Final Report
January 10, 2011

Case No. 09-001-001

Impact of Capital Gearing on Firm's and Quality of Life in New Zealand
Companies

Contact the City of Oxnard for their complete report.

*Pages not included in this copy:
Attachment 9
Pages 7 - 61*

FINAL REPORT
January 16, 2001

Grant Award 98-IJ-CX-0037

Effects of Casino Gambling on Crime and Quality of Life in New Casino
Jurisdictions

Executive Summary

Effects of Casino Gambling on Crime and Quality of Life in New Casino

Jurisdictions

Grand Award 98-IJ-CX-0037

With the dramatic increase in casino gambling in the 1990s, one of the most important domestic policy questions became, What impact do casinos have on communities? Rancorous debate often erupted among the residents in jurisdictions where casino legislation was proposed. Proponents of legalization stressed the economic benefits thought to result from the establishment of a casino. Increased job opportunities, a new (or enhanced) tourism industry, and increased tax revenues were compelling arguments, especially in economically depressed communities which had few other options available.

Opponents tended to stress the social problems believed to result from casinos and the change in the nature of the community itself, as many expected the gambling industry would become a major force in the daily life and politics of the community. Crime, divorce, bankruptcy, and a change in traditional community values were seen as problems that would inevitably accompany casino legalization.

Despite the level of acrimony generated by the casino legalization debate, an empirical foundation was missing. Voters and policy makers were often unable to separate rhetoric from reality, for research on many of the key questions was incomplete or totally lacking. Consequently, one of the goals of the current research was to provide an objective and multi-dimensioned assessment of the impact of casino gambling in new casino jurisdictions.

To accomplish this, a research team composed of an economist and two criminologists, assisted by demographers and experts in survey research, completed perhaps the most intensive community based research ever conducted on new casino jurisdictions. The research plan as completed involved eight new casino jurisdictions: Alton and Peoria/East Peoria, Illinois; Sioux City, Iowa; St. Joseph, St. Louis (city) and St. Louis County, Missouri; and Biloxi, Mississippi. The communities were chosen because each had recently initiated casino gambling and law enforcement officials were willing to make available Part I and Part II crime data for four years before and four years after the casinos began operation.

The communities ranged in population from 22,385 for East Peoria and 32,905 for Alton, Illinois, to 113,504 for Peoria and 396,685 for the city of St. Louis. All of the communities lost population from 1980 to 1990 (Bureau of the Census, 1992). Each community has a riverboat, with the exception of Biloxi, Ms., which has nine casinos located on stationary barges. These barge casinos tend to be larger than the riverboat casinos and their size and concentration in Biloxi have resulted in the casinos and the tourists they draw playing a much larger role in Biloxi than in the other communities studied. The other extreme is St. Louis, a relatively large city with a single riverboat casino, although several others are in nearby communities. In St. Louis, unlike some of the other communities included in the study, their riverboat casino has relatively little impact on tourism and on the overall economy.

Significant findings of the research indicate that most community leaders in the new casino jurisdictions believe that the casinos have been good for the communities, although 10% to 20% of the leaders saw casinos as a negative influence. The casinos do not appear to have any general or dramatic effect on crime, especially in communities that do not have a high concentration of casinos. The data indicate that minor crimes are more likely to increase in casino communities than are the index offenses, although there is little consistency in types of crimes that significantly change when all the new jurisdictions are compared. Bankruptcy does appear to be influenced, with a significant increase in rate of personal bankruptcy found in five of seven communities. In only one community did divorce significantly increase, while it significantly decreased in four of the eight casino communities. Suicide increased significantly in two casino communities, and significantly decreased in one.

The findings suggest that casinos do not affect all communities in a simple, similar, or nonvariant fashion. The evidence suggests that casinos appear to be neither as good for a community as supporters contend, nor as negative as opponents argue. More detailed descriptions of the research and findings are presented in summary form below.

Method

There were three main components of the research plan. The first component consisted of site visits to each of the eight communities selected for inclusion in the study. Research teams composed of an economist and one or two criminologists visited each community and sought to interview community leaders to get their views on why casino gambling was introduced into the community and their perspective on the impact the casino had on their community. A broad spectrum of community leaders were interviewed, from mayors to police chiefs and heads of social service agencies, to get feedback from leaders representing diverse perspectives.

A second major component of the research consisted of telephoning several hundred residents in each community to obtain their opinions regarding the impact of the casino on the community and their views on how the casino affected day to day living within the community. The survey consisted of a variety of open ended as well as fixed response questions covering, among other topics, questions concerning their gambling experiences, whether the casino changed their neighborhoods, and whether they knew individuals who were problem gamblers. A total of 2,768 individuals were interviewed for the project.

The third component consisted of gathering a variety of official data to determine how the communities changed once casinos were introduced. Comparisons were also made between the casino communities and a number of matched control communities. Bankruptcy, divorce, and suicide data comprise important data sets for this analysis. Other data collected had never before been analyzed in such an in-depth manner. For example, crime statistics were gathered not simply for Part I or Index Offenses, but also for the more minor Part II offenses, such as simple assault, prostitution, and DUI, which many criminologists believe are more likely to be associated with casinos than are the more serious crimes, such as murder and forcible rape. Also, the crime rates were

calculated using both the residential population of the community and the population at risk, which includes tourists in the crime rate population calculations.

Results

The interviews with 128 community leaders in the seven casino communities revealed that a clear majority (59%) were in favor of the casino's presence. Most (65%) believed that the casino enhanced the quality of life in the community, had a positive effect on the economy (77%), and had little, if any, effect on crime (69%). In all of the seven communities, the majority of community leaders believed that the casino contributed to the economic well-being of the residents. In six of seven communities, the leadership believe the casinos have little effect on crime. In five of the seven communities, the majority of the key individuals agreed that the quality of life was enhanced by the casino.

Degree of agreement varied by community, with the most favorable responses on several dimensions, especially economic impacts, coming from the leadership of Biloxi. It appears that one of the main determinants of attitudes towards casinos by those in leadership positions is degree of economic impact the casino has on the community. In those communities that depend heavily upon a casino for their economic well-being, the casinos have been enthusiastically embraced; in those communities where casinos are only a minor part of the economy, the leaders tend to be more moderate in their appraisal of the impact of the casino on the community.

The second major component of the study is the community survey. The analysis is based on a total 2,768 voluntary and anonymous interviews of adult residents of the seven communities. The interviews were accomplished through use of a computer assisted telephone interviewing (CATI) survey. The number of interviews for each community varied from a low of 101 in East Peoria to a high of 420 in St. Joseph. The number of interviews from each community is believed sufficient to ensure the reliability and robustness of results.

One element of the survey data examines resident perceptions of problem gambling within their communities and, more specifically, prevalence of problem gambling among friends and relatives. Combining the responses of all seven jurisdictions, the mean estimate is that 16% of new casino jurisdiction residents have a gambling problem. The range is from 11% in St. Louis County to 18% in Sioux City. The results specifically suggest that when problem gambling occurs close to home (among friends or relatives) it has a more salient effect on the individual's perception of problem gambling in the community. It should also be noted that respondent perception of problem gambling within these communities is at a much higher level than is found by more objective measures (less than 7 percent).

Crime Data

To determine the effect of casinos on crime in new casino jurisdictions, crime

data were collected from police department records in seven jurisdictions. Each initiated casino gambling in the 1990s and have had casino gambling for a minimum of four years. This time frame allows comparisons to be made before and after casinos were in operation. Crime rates were calculated for each offense in each community based both on population and population at risk, which adds average daily tourist population to the resident population. Crime data for both serious crimes and for relatively minor offenses were collected.

Comparing the before and after crime rates utilizing the population at risk (the more conservative measure to gauge a possible casino effect), the data reveal few consistent trends in crime. In three communities (Sioux City, Peoria, and Biloxi), there were many more crimes that significantly increased than decreased. In three other jurisdictions (Alton, St. Louis (city), and St. Louis County), there were many more crimes that significantly decreased than increased. In one city (St. Joseph), the vast majority of crimes showed no change. The Wilcoxon Signed Rank Test for Paired Differences was used to analyze offense categories for which data were available in five or more communities to compare crime rates before and after the introduction of casinos. Few statistically significant changes are found in pre and post casino periods. Analyzing the traditional crime rate measure based on resident population, data for burglary and larceny are found to be significant at the .10 level and suggest that there was a decline in burglary and an increase in larceny. Results for drug violations and family offenses are significant at the .05 level and are consistent with increases in these offenses. When examining crime rates normalized by the population at risk, only burglary and drug violations appear to have significantly increased.

In a second phase of the analysis of the crime data, rates of serious (Part I) and less serious (Part II) offenses in each community were compared to a control community matched on fifteen demographic, economic, and social variables. Crime rates were again calculated in two ways: based on the resident population and based on the population at risk.

Results indicate little consistency in crime trends for the communities studied. Of the 169 comparisons between the casino and control (noncasino) community crime rates, 45% revealed no significant change. A simple tally of the direction of the t values provides a rough indication of the evidence concerning a possible casino effect when there is a significant change. Using per capita population as the basis for standardization, 55% of the 51 comparisons that achieved statistical significance were positive, indicating an increase in crime. When the communities were compared using the population at risk as the basis for standardization, 52% of the 40 statistically significant comparisons were positive. In some communities, the majority of significant changes in crime rates were negative; in other communities, the majority of the significant changes were positive.

The examination of the results indicate that there can be no conclusive statement regarding the effect that casinos have on crime. The fact that the results are mixed suggests that there may be some contextual factors operating in some communities that allow for casinos to increase crime under certain, as yet unknown circumstances.

Suicide and Divorce

To analyze the impact that casino gambling has on the social fabric of a community, suicide and divorce rates in eight casino communities were compared to the rates in non-casino control communities. Five matching control communities were selected for each casino community to ensure the results were not sensitive to the selection of any one particular control jurisdiction. The control communities were selected based on their similarity to the casino communities on 15 demographic, social, and economic variables.

Calculating the difference in divorce rates before and after casinos entered communities and comparing the changes to their respective control communities indicate that the rates significantly decreased in four of the eight casino communities; in only one of the comparisons did the divorce rate in the casino community show a significant increase when compared to the control communities. These results suggest that statements proclaiming that casinos increase divorce in a community are not supported by the data.

When suicide rates are compared for casino and control communities, results reached statistical significance in only three of the eight comparisons, increasing significantly in two cases and decreasing significantly in one case. When a regression equation was run controlling for economic, demographic, and social integration factors, the findings indicate that the presence of a casino in and of itself is not associated with a statistically significant increase in per capita suicide, but that the size of the casino industry does matter. In particular, larger casino markets (measured by per capita casino revenue) are positively associated with higher suicides. It should be noted, however, that the overall fit of the equation is somewhat low ($R^2=.20$), and that once Biloxi is removed from the sample, casino size is insignificant.

Based on the findings of the present research, it is difficult to generalize about the effect of casino gambling on suicide and divorce. Casino communities tended to experience a greater decrease in divorce than in the control communities, whereas suicide showed the opposite effect. However, in examining both divorce and suicide, a few communities went against the general trend. What is apparent is that attempting to understand how casino gambling affects divorce and suicide in a community is not a simple matter and the effect of casinos on these phenomena does not lend itself to sweeping generalizations.

Bankruptcy

Bankruptcy rates in the eight new casino communities were compared to bankruptcy rates in eight non-casino control communities. The control communities were chosen based on their similarity to the casino communities matched on 15 demographic, social, and economic variables. Comparisons of bankruptcy rates were based on county-level data for personal bankruptcy, both Chapter 7 and Chapter 13, which were analyzed for 1989:Q4 through 1998:Q1.

The results indicate that casino gambling is associated with an increase in personal bankruptcy in seven of the eight communities. In five of the seven communities the increase is statistically significant. The most significant changes in

we have been making tremendous progress in writing up our findings. In order to document our accomplishments the following is a list of presentations and publication acceptances that have been done, as well as proposed papers that are planned for presentation through November, 2000.

Presentations and Publications

A. A Perceptions of the Impacts of Casino Gambling on New Casino Jurisdictions.≡ Presented at the 1998 Annual meeting of the Southern Criminal Justice Association, Biloxi, MS. Also appears in the Journal of Gambling Studies under the title, A Attitudes of Community Leaders in New Casino Jurisdictions Regarding Casino Gambling=s Effect on Crime and Quality of Life,≡ Volume 15, Number 2, Summer 1999, pps. 123-147.

B. A How Do Casinos Affect Communities?≡ Business Perspectives (a publication of the Bureau of Business and Economic Research, The University of Memphis) Vol. 11, No. 4 (Summer 1999), 23-27.

C. A The Effect of Casino Gambling on Crime in New Casino Jurisdictions,≡ presented at the Annual Meeting of the Academy of Criminal Justice Sciences (March, 1999), Orlando, Florida. This paper is forthcoming at the Journal of Crime and Justice, Spring, 2000.

D. A Casino Gambling and Bankruptcy in New U.S. Casino Jurisdictions,≡ presented at the University of Salford (England), Department of Economics Seminar Series, March 1999. This paper is forthcoming at the Journal of Socio-Economics, Vol. 29, Number 5, 2000.

E. A Suicide and Divorce as Social Costs of Casino Gambling,≡ presented at the 1999 Annual Meeting of the Pacific Sociological Association, (April, 1999), Portland, Oregon. This paper is currently under journal review.

F. A Casino Gambling Behavior and Perceptions of Problem Gambling,≡ presented at the 13th National Conference on Problem Gambling, (June, 1999), Detroit, Michigan. This paper is forthcoming in The Journal of Gambling Studies.

G. A Including Population at Risk in Casino Crime Rate Calculations: What Difference Does It Make?≡ Presented at the 1999 Annual meeting of the Southern Criminal Justice Association, Chattanooga, TN. Forthcoming in the

American Journal of Criminal Justice.

H. A Legalized Casino Gambling and Its Effects on Social Capital.≡ Presented at the 1999 Annual Meeting of the Western and Pacific Association of Criminal Justice Educators, Fall 1999, Reno, NV. This paper is currently under journal review.

I. A Community Perception of Casino Gambling=s Effect on Crime in New Gambling Jurisdictions.≡ Presented at the 1999 Annual Meeting of the American Society of Criminology, Fall 1999, Toronto, Canada. This paper is being revised for submission to an academic journal.

J. A Does the Presence of Casinos Increase Crime? - The Most Definitive Test Yet.≡ To be presented at the 2000 Annual Meeting of the Academy of Criminal Justice Sciences, New Orleans, LA. This paper is being revised for submission to an academic journal.

K. A Community Assessment of Effects of Casinos on Quality of Life?≡ To be presented at the 2000 Annual Meeting of the Western Social Science Association, April, San Diego, CA. This paper is being revised for submission to an academic journal.

L. A Casino Gambling as a Catalyst of Economic Development: Perceptions of Residents in New Casino Jurisdictions.≡ To be presented at the 11th International Conference on Gambling and Risk-Taking, June 12 - 16th, 2000, Las Vegas, NV. This paper is being revised for submission to an academic journal.

M. A Community Satisfaction with Casino Gambling: An Assessment After the Fact.≡ To be presented at the 11th International Conference on Gambling and Risk-Taking, June 12 - 16th, 2000, Las Vegas, NV. This paper is being revised for submission to an academic journal.

N. A Casino Gambling, Crime and Quality of Life - A Roundtable Discussion.≡ To be presented at the 2000 Annual Meeting of the American Criminological Association, November, 2000, San Francisco, CA. This paper is being revised for submission to an academic journal.

At this point these are all the papers that are scheduled for presentation.

Summaries of all papers currently written appear in the following chapters. A number of other papers will be generated from the data. Some will be presented in future

Chapter 2

Perceptions and Attitudes of Community Leaders

This chapter discusses findings related to the perception and attitudes of community leaders. To date, these have been published in three separate, but overlapping publications.²⁷ This important phase of the project involved interviewing community leaders representing various perspectives within the site communities where gambling had been introduced. The purpose of this initial entry into the community was to familiarize the researchers with the city's history, political climate, power structure and problems and concerns seen as being in the forefront of community-wide policy issues. Since none of the researchers were familiar with the communities selected for the study, this initial information gathering and familiarization was thought to be extremely important. As the researchers have proceeded to analyze the multitudinous data collected it has become apparent that this was indeed an important facet of the project.

Methodology

Interviews were conducted with 128 key individuals in the seven communities. Most of the interviews were conducted in person by one or more of the research team that consisted of two criminologists and one economist. Since all cities selected for the study initiated casino gambling in the 1990s and had casino gambling for a minimum of four years it was important to query the community leaders on the impacts that they perceived the casinos to have had. At the same time it was the intention of the researchers to ascertain during these interviews the extent to which the idea of introducing casinos into the communities had been a divisive one.

The individuals selected for interviews included mayors, members of the city council, leading members of the business community, convention and visitor=s bureau representatives, tourism officials, bankers, law enforcement officials and social service providers. The respondents provided insights into the positive and negative effects that casinos had on their communities. A series of core questions was asked of all 128 respondents followed by additional questions designed to elicit specific information based on the individual=s position. The core questions were the following:

1. Overall, have casinos had a positive or negative impact on the quality of life in your community?
2. Has the impact of the casinos been limited to the immediate vicinity or impacted the community more generally?
3. What specifically are some of the positive impacts you have observed?
4. What specifically are some of the negative impacts you have observed?
5. What effect have casinos had on the volume of crime/types of crime?
6. Economic impact (specifics)?
7. Are you in favor of having casinos in your community?
Strongly Favor Favor Neutral Oppose Strongly Oppose
8. What percent of the community do you believe are in favor of casinos in the community?
9. Are there any other comments or observations you would like to make about casinos?

A content analysis was conducted comparing responses both within and between communities by leadership position.

Results

Table 2.1 presents the results for all 128 individuals interviewed for four core questions: Do the casinos have a positive or negative impact on the quality of life in their communities? How do the casinos affect the economy in their communities? How do the casinos affect crime in their communities? Are they personally in favor of having casinos in their communities?

Table 2.1
Key Residents= Responses to Core Questions Concerning
Effect of Casinos on the Community

Core Questions	Response			
	Negative	Neutral	Positive	No Answer
Effect on Quality of Life	18%	16%	65%	1%
Effect on Economy	6%	15%	77%	3%
Effect on Crime**	12%	69%	8%	12%
Favor Casino in Community	15%	23%	59%	3%

N=128

*Responses may not add up to 100% due to rounding.

**Negative effect on crime is a perceived increase in crime.

The table indicates that for three of the four questions, the majority of those interviewed viewed casinos in a positive light. Almost two-thirds (65%) believed that casinos had a positive effect on the quality of life in their community, more than three-fourths (77%) believed the casino benefitted the local economy, and nearly six out of ten (59%) personally were in favor of the casino being in their community. The only question for which the majority of those interviewed did not believe casinos had a positive effect was on crime. However, the majority here (69%) believe that the casinos have no effect or only a minimal effect on crime in their community. It should also be noted that a much higher percentage for this question (12%) than for the other core questions indicated that they did not know or could not answer the question. This appears to indicate that a substantial amount of confusion exists on the relationship of

casinos to crime.

It should also be noted from Table 2.1 that although the majority of these key individuals view casinos in a neutral or positive light, a significant number believe casinos have a negative effect on the community. While relatively few (6%) believe casinos hurt the economy, between 12 and 18 percent believe casinos negatively affect quality of life in their community (18%), increase crime (12%), and are personally opposed to the casinos operating in their community (15%).

Although the data presented in Table 2.1 indicate that the majority of key individuals interviewed for this study have a relatively neutral to positive view of casinos, combining the data from the seven communities may result in masking differences in responses in the individual communities. Therefore, Tables 2.2 through 2.5 will present the data for the four core questions broken down by community.

Table 2.2 presents the assessment by the key individuals of the impact of casinos on the quality of life in their communities. Table 2.2 indicates that in five of the seven communities, the majority of key individuals interviewed believed that the casinos have a positive impact on the quality of life of the residents. In Alton, Biloxi, East Peoria, and St. Joseph, between 70 and 94 percent of the respondents believe that casinos improved the quality of life in the community. Only in Peoria (which does not presently have a casino) and Sioux City do fewer than half of those interviewed believe that casinos generally benefit the community. Approximately one-third of those interviewed in these two communities believe that the casinos are a negative influence, with about one-fourth believing the positives and negatives balance out. It should also be noted that about 20% of those interviewed in St. Joseph and in St. Louis believed the

casinos negatively affected the community.

Table 2.2
Assessment by Key Residents of Casino Gambling=s
Effect on Quality of Life, by City (N=128)

	Response		
	Negative	Neutral	Positive
Alton (n=17)	6%	6%	88%
Biloxi (n=17)	0%	6%	94%
East Peoria (n=11)	0%	9%	91%
Peoria (n=18)	29%	29%	42%
Sioux City (n=23)	35%	22%	43%
St. Joseph (n=20)	20%	10%	70%
St. Louis (n=22)	23%	23%	54%

Greater consensus was obtained when those interviewed were asked how the casino had affected the local economy (see Table 2.3). In every one of the seven

Table 2.3
Assessment by Key Residents of Casino Gambling=s
Economic Impact, by City (N=128)

	Response			
	Negative	Neutral	Positive	No Answer

Contact the City of Oxnard for their complete report.

*Pages not included in this copy:
Attachment 10
Pages 28 - 78*

existed for a nine month period after casinos were introduced, not a sufficient time for meaningful comparisons to be made. In addition, police data for all communities were not available for harassment by juveniles or others, child abuse, vandalism, victimization of the elderly or domestic abuse. It should be noted that the data presented in Table 3.14 are standardized both by the resident population as well as the population at risk, which included tourists visiting the community. The reason for including the population at risk is to get a truer picture of the actual crime rate as it relates to the number of people in the community at any one time.

Reviewing Table 3.14, it is apparent from police records that not all crimes increased during the period after casinos appeared. Examining the data for each offense reveals the inconsistencies. Robbery, for example, actually declined in Alton, St. Louis City and St. Louis County, though not in St. Louis City when only the resident population was considered; Alton was the only community where the decrease in robbery was statistically significant. For Biloxi, Peoria, and Sioux City, there were significant increases in robbery. There was a similar pattern for assault as significant decreases appeared for Alton, St. Louis City and St. Louis County, though for Alton there was actually a slight increase when only the resident population was used for standardization. Conversely, there were again statistically significant increases for assault in Biloxi, Peoria and Sioux City, but when population at risk was used for Biloxi the statistically significant increase ($t = 6.44$, $p = .05$) changes to a non-significant decrease ($t = -5.57$). Next, for DUI, of the four communities for which data were available, the only statistically significant increase occurred in Biloxi and, regardless of which population measure was used, the magnitude of the increase was over 200%. Sioux City, St. Louis City and St. Louis County reveal very small increases when resident population is considered, but for St. Louis City and County the figures become small decreases when population at risk is factored in. For public drunkenness, data were available for only three communities. Biloxi was the only city for which an increase occurred and the difference was significant only when the resident population was considered. That the increase was not significant when the population at risk was used is likely due to the substantial tourist draw that the gulf city of Biloxi and its casinos represent. Sioux City witnessed a decline in public drunkenness that was statistically significant regardless of which population measure was used. Similarly, St. Louis City exhibited a 60% decrease which was statistically significant when population at risk was used but no change when resident population

Table 3.14

Offenses Known to Police Standardized by Per Capita Population and Population At Risk¹

Actual Crime Increases/Decreases	City/Community					
	Alton	Biloxi	Peoria	Sioux City	St. Louis City	St. Louis County
Robbery Per Capita	-17.86**	57.37***	58.62***	24.07***	0.07	-1.53
Robbery Pop. At Risk	-28.39***	38.21***	51.32***	24.44**	-3.90	-9.34
Assault Per Capita	0.18	6.44*	40.35***	112.95***	-11.33***	-12.03***
Assault Pop. At Risk	-13.85***	-5.57	32.85***	111.47***	-14.50***	-18.95***
DUI Per Capita	na	281.81***	na	1.99	0.14	6.24
DUI Pop. At Risk	na	224.45***	na	1.35	-9.16	-2.71
Public Drunkenness Per Capita	na	22.91**	na	-19.63***	0.00	na
Public Drunkenness Pop. At Risk	na	8.72	na	-20.32***	-60.00***	na
Drug Violations Per Capita	214.79***	91.35***	185.46***	111.8***	50.73***	83.08***
Drug Violations Pop. At Risk	169.38***	66.93***	178.47***	115.55***	44.35***	69.03***
Prostitution Per Capita	-21.74	372.36***	35.44***	39.10**	-23.53***	-39.55***
Prostitution Pop. At Risk	-34.86*	310.96***	28.34**	24.07***	-26.79***	-44.30***

na - Data not available

Significance Levels * = $p < .05$ ** = $p < .01$ *** = $p < .001$

¹ East Peoria was eliminated from this analysis due to lack of availability of police data and St. Joseph was excluded since data were only available for the immediate nine month period after the inception of casinos.

was considered. Next, drug violations increased across all cities, regardless of which population measure was utilized for standardization. The largest increase was 214.8% for Alton when using resident population, but this declined to 169.4% using population at risk. The smallest increase was 44.3% for St. Louis City using population at risk. Finally, for prostitution, half the communities witnessed an increase and half a decrease. Statistically significant increases occurred in Biloxi, Peoria and Sioux City with Biloxi's increases exceeding 300%. Alton, St. Louis City and St. Louis County all decreased, though Alton's per capita rate did not achieve statistical significance.

Conclusions on the Perception of Crime

Responses to the questions regarding perceived changes in overall crime, juvenile delinquency, fear of crime, and levels of individual offenses since the inception of casinos all revealed perceptions of increases for each of these categories. This in itself is meaningful, for as W.I. Thomas (1928) wrote, "Situations defined as real are real in their consequences."³³ The fact that citizens believe crime has risen and that the rise is in some way due to the casino presence is important. At the same time, as the results in Table 3.14 show, perceptions of the relationship of casinos to crime do not necessarily mirror reality, at least as gauged by offenses known to police. Some crime rates have gone down and done so significantly, though citizens perceive them to have increased. Examples of this lack of congruence include robbery in Alton and assault in St. Louis City and County. Prostitution is also perceived to have increased in these three communities, though it actually decreased substantially.

Although police records indicate that some crimes decreased in prevalence, there were a number of crimes that increased, and in these cases the citizens' perceptions were accurate. The next question would be, how accurate? When overall crime is considered, official data indicate that increases were evidenced in Sioux City, Biloxi, and Peoria. Conversely, Alton, St. Louis City and St. Louis County witnessed a decline for all offenses for which data were available. This would indicate that citizens in these three communities had faulty perceptions, at least as gauged by the data available from their police departments. When specific offenses are examined, the best indicator of how discrepant perceptions can be from reality is the case of drug violations. For Alton, Peoria, and Sioux City, increases were over 100%, yet the average perception of increase did not even reach the

overall level of a small increase (4.49 for Alton, 4.55 for Peoria and 4.79 for Sioux City, where small increase would have been 5.00).

In conclusion, it is clear that citizens' perceptions do not accurately reflect changes in crime after casinos enter a community. In this regard, the residents' perceptions are consistent with findings that show that respondents tend to over-estimate gambling's impact on pathological gambling in a community and also the casino industry's connection with organized crime. It appears that these faulty perceptions result in the attribution of causal links between a casino's presence and crime that do not generally exist, at least not to the degree that is commonly assumed by the public.

These findings are consistent with residents viewing casinos as hot spots, where the routine activities lead at least some participants to engage in socially harmful behaviors. This view of casinos as generating deviant behavior is illustrated by the conclusions of the Attorney General of Maryland that, if casinos were legalized in the state, crime would rise because of the crime-related problems of compulsive gamblers, the constant exposure of casino workers to substance abuse and other social ills, the pervasive availability of alcohol to casino patrons, and the growing problem of teenage gambling addictions (Curran, 1995:E2-3).³⁴

The casino industry's attempt to portray gaming as economically beneficial to a community and not socially injurious is not reflected in the attitudes of citizens of these new casino jurisdictions. Ironically, the views of the citizens are not generally substantiated by research, including the present study, that attempts to assess the relationship of casinos to crime. Nevertheless, the common perception that casinos cause an increase in crime is a reality unto itself and is associated with an increase in fear of crime. This reality, as indicated by citizens' perceptions that crime increases as a result of casino presence, can easily be used by anti-gambling forces to thwart the further spread of casino gambling. At the same time, pro-gambling interests can point out that studies such as the present one show that the citizens' perceptions of crime increases are not accurate. The resolution of this conflict between citizen perceptions and objective research findings may hinge on the extent to which subjective reality is seen as more important than the objective one. Beyond shaping public policy, the practical significance of these misperceptions for the community is an empirical question in need of further research.

Appendix 10

Various Other Documents and Reports

Contact the City of Oxnard for their complete report.

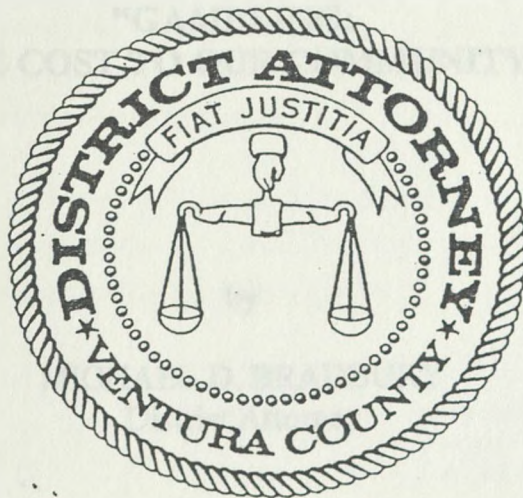
Pages not included in this copy:
Attachment 10
Pages 83 - 159

Appendix 10

Ventura County District Attorney's Report

A PUBLIC REPORT
TO THE
OXNARD CITY COUNCIL

***“GAMBLING:
THE COST TO OUR COMMUNITY”***



by

MICHAEL D. BRADBURY
District Attorney

May 2, 2001

A PUBLIC REPORT TO THE OXNARD CITY COUNCIL

**“GAMBLING:
THE COST TO OUR COMMUNITY”**

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District Attorney

May 2, 2001

"We should all remember that once we legalize any form of gambling, it is nearly impossible to go back. And we should always remember that when we subscribe to the fiction that we can get something for nothing, in truth, we nearly always get nothing for something...gambling extracts a great price.

What's wrong are the tremendous costs to our society—costs that are unseen to some, but obvious to many of us who work in government, or in the fields of family and marriage counseling, addictive behavior and bankruptcy. The costs are obvious to those of us who service loans, review credit accounts, and compete for restaurant and entertainment business.

They are obvious to those of us who serve in law enforcement and who analyze crime statistics that measure convictions for stealing, embezzling at work, writing bad checks, and committing insurance fraud."

*Marc Racicot
Governor of Montana
January 14, 1998*

INTRODUCTION

I would like to thank Oxnard Chief of Police Art Lopez, members of the City Council, and City Manager for their cooperation and assistance in our investigation which resulted in this report. In June 1993, this office issued a Public Report to the Oxnard City Council addressing the proposal for the opening of a large-scale card casino within the city limits of Oxnard. That report, after examining the history of similar gambling operations in California, and the various aspects of the expected impact upon the City of Oxnard, concluded that:

“History tells us what those problems will be; increased crime, threats of governmental corruption, and debilitating effects on the image of our community. For the public, the long-term costs of these problems far outweigh any short-term [financial] benefits of cardroom casinos.”

In 1993, the Oxnard City Council, after considering input from this office and the community, voted 5 - 0 against cardroom casinos. The wisdom of that decision has been repeatedly demonstrated by numerous reports of scandal, public corruption, and negative socioeconomic consequences in cities that have cardrooms. Just last month, the Los Angeles District Attorney's Office served search warrants at the city halls of Cudahy and Bell Gardens. Both cities are home to large cardrooms. The *Los Angeles Times* reported that the investigators were searching city offices for documents and records as part of a wide-ranging public corruption investigation.

The issue of organized gambling has again surfaced in Ventura County as the Oxnard City Council considers a proposal for the establishment of casino-style gambling on land adjacent to

the Highway 101. Strong views on both sides of this issue permeate the public dialogue. Of course, a decision to establish a gambling casino in Oxnard would impact not only the City of Oxnard but neighboring communities and the entire County of Ventura. The impact would be a lasting one. Clearly, this is one of the most important decisions that has faced local government and Ventura County residents in many years.

Oxnard officials have taken a thoughtful and responsible approach to the issue requesting not only in-depth study but fully supporting and cooperating in this office's investigation. The city is in the process of carefully analyzing the positive and negative impacts of the proposal. Their laudable purpose in reviewing the gaming proposal is to determine if a casino will enhance funding for needed public programs and improve the community's economic well being. Hopefully, this report will assist them in this important task.

Our investigation has included checking the background of the proposal's principals, becoming familiar with the experiences of numerous other communities with casinos, and a comprehensive review of recent literature and reports on the impact of gambling on the community.

The impact of large-scale casino gambling is highly complex and has been studied in depth by numerous governmental bodies and socioeconomic and criminal justice experts. In 1996, Congress authorized the creation of the National Gambling Impact Study Commission. This commission was charged with the responsibility "to conduct a comprehensive legal and factual study of the social and economic implications of gambling in the United States." It took extensive testimony and considered a wide range of reports over a two-year period, and on June 18, 1999, issued a wide ranging and comprehensive report.

Based on our inquiries and a survey of applicable studies, it is our opinion that bringing large-scale gambling to Oxnard would have an extremely detrimental impact on our entire County and ultimately do irreversible damage to the very fabric and security of our community. This damage, to people, families, economy and political institutions, far outweighs the revenue it would produce and the benefits that would flow from this revenue. It would produce significant primary and secondary law enforcement problems. Revenue flowing from casino gambling is simply "fools gold." It is an illusory benefit over the long run. I strongly urge the City Council to reject this and any future proposals to bring gambling to Oxnard.

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GAMBLING AND CRIME

Paragon Gaming, LLC, hereafter "Paragon," has proposed to introduce large-scale, full-casino gambling into Oxnard and Ventura County.

On March 2, 2000, Paragon Gaming, LLC filed for incorporation, 2034-2000LLC, in the State of Nevada. The corporation officers are listed as Bryan M. Williams - Reg. Agent, Diana Lee Bennett - President and George Scott Menke - Secretary. Diana Bennett is the daughter of Bill Bennett, a self-made billionaire who was a co-founder of Circus Circus Entertainment. Scott Menke is Bill Bennett's nephew.

Bill Bennett is 100% owner of the new Sahara Hotel and Casino in Las Vegas and is believed to have 500 million dollars in cash assets under his control. Bennett is a highly respected man in the gaming industry and has been repeatedly licensed and re-licensed by Nevada Gaming Control. Nevada Gaming Control found no criminal ties for the Paragon Corporation or the individuals listed in Paragon's proposal.

Paragon Gaming, LLC appears to be a legitimate and above-board corporation. Paragon has substantial monetary assets at their disposal and apparent political strength via expert lobbyists.

The Greenville Rancheria Maidu Indians consist of 159 members and are located in Plumas County, California. Greenville is located in a rural area approximately eighty miles east of Oroville and eighty miles west of Reno. The Maidu Indians are a landless tribe under the jurisdiction of Central

California Bureau of Indian Affairs. They have a General Council as their governing body. Lorie Jaimes of Red Bluff, California serves as chairman to the General Council. The Maidu have no known historical or cultural connection to Ventura County.

Our community has, for many years, been the safest county in the West. Wholesale casino gaming will introduce a highly destabilizing element which has the potential to dramatically impact the safety of our citizens.

The connection between crime and gambling is of particular concern to local law enforcement. We recognize that public safety issues are not the sole basis for all public policy decisions. There are of necessity a multitude of factors government decision makers must consider. However, public safety remains government's first responsibility and the impact of any proposal on a community's well being should be a major factor in that evaluation. This is true regardless of short-term or even possible long-term economic gains.

Paragon's proposal places a casino in the middle of one of our most viable assets, the Highway 101 corridor. A recent *Newsweek Magazine*, quoted in the April 26 *Star*, identified Ventura County's growing technology sector in the list of ten cities that have become important players in the information age. The "Ventura Freeway corridor saw venture capital investments jump from \$68 million in 1999 to \$848 million..." *Newsweek* defines the corridor as "a chain of towns stretching 40 miles along Highway 101 from Glendale to Ventura."

In January 1998, Governor Marc Racicot of Montana acknowledged the benefits of gambling in Montana. He noted that video gambling machines alone had contributed approximately \$11,000,000 to the state and \$21,500,000 to local governments in 1996. The revenue from the state-run lottery amounted to another \$22,000,000 that year. But he went on to state:

“We should all remember that once we legalize any form of gambling, it is nearly impossible to go back. And we should always remember that when we subscribe to the fiction that we can get something for nothing, in truth, we nearly always get nothing for something. Despite the (tax) benefits, gambling extracts a great price. What’s wrong are the tremendous costs to our society—costs that are unseen to some, but obvious to many of us who work in government, or in the fields of family and marriage counseling, addictive behavior and bankruptcy. The costs are obvious to those who service loans, review credit accounts and compete for restaurant and entertainment business. They are obvious to those of us who serve in law enforcement and who analyze crime statistics that measure convictions for stealing, embezzling at work, writing bad checks, and committing insurance fraud.” (Emphasis added)

In too many communities across America, the arrival of casinos has been followed by a burgeoning crime rate. The following facts and crime figures paint a bleak picture:

- According to the *Minneapolis Star Tribune* in 1995, in the first six years after casinos opened in Minnesota, the crime rate in counties with casinos increased more than twice as fast as in non-casino counties.
- A study published in 1991, reporting the impact of gaming in Atlantic City, notes that the total number of crimes within a thirty-mile radius of Atlantic City increased by 107% in the nine years following the arrival of casinos. This is particularly enlightening when one considers that nationwide crime statistics have been decreasing throughout the 1990s.
- In 1997, the Mississippi Coast Crime Commission reported that there was a 43% increase in crime in the four years after casinos arrived. Harrison County, where most of the Gulf Coast casinos are located, witnessed a 58% increase in total crimes between 1993 and 1996.

- A 1996 report in *U. S. News and World Report* found that crime rates in casino communities are 84% higher than the national average. Furthermore, while crime rates dropped by 2% in 1994, the thirty-one localities that introduced casinos in 1993 saw an increase in crime of 7.7% the following year.
- Researchers at the University of Nevada-Las Vegas reported in November 1996, that in the State of Wisconsin, where Indian-based casinos have now been opened, there has been an average of 5,300 additional major crimes a year due to the presence of casinos in that state. They also attributed an additional 17,100 arrests for less serious crimes each year due to the existence of casino gambling.
- In November 1997, the Eighth Circuit Court of South Dakota reported that the annual number of felony cases in Lawrence County, South Dakota had increased by 69% since the introduction of casinos to Deadwood.
- A Maryland Attorney General Report in 1995 stated that the number of police calls in Black Hawk, Colorado had increased from 25 the year before casinos to between 15,000 and 20,000 annually after their introduction. In neighboring Central City, the number of arrests increased by 275% the year after casinos arrived.
- In Cripple Creek, Colorado, serious crime increased by 287% in the first three years after casinos were introduced.
- In both 1995 and 1996, the State of Nevada ranked the highest in their statewide crime rates in the entire nation, based on an analysis of FBI Uniform Crime Statistics. Furthermore, the violent crime rate in Nevada increased by close to 40% from 1991 to 1996, a period in which the national violent crime rate dropped by approximately 10%.
- A 1995 report by the Attorney General's Office in the State of Maryland stated:

"Casinos would bring a substantial increase in crime to our state. There would be more violent crime, more juvenile crime, more drug and alcohol-related crime, more domestic violence and child abuse, and more organized crime. Casinos would bring us exactly what we do not need—a lot more of all kinds of crime."

Despite all the anecdotal evidence, the National Gambling Impact Study Commission was unable to make a conclusive link between gambling and crime. Their report stated that “the Commission attempted to investigate the relationship between crime and legalized gambling through two studies: the NRC and the NORC reports. The results from these two studies suggest that a relationship may exist between gambling activity and the commission of crime, but concluded that insufficient data exists to quantify or define that relationship.” However, a definitive study addressing this issue was published in September 2000 by the University of Illinois. Authored by economists at the University of Illinois at Urbana-Champaign and the University of Georgia, the paper studied the connection between casinos and crime using county-level data for every U.S. county between 1977 and 1996.

The University of Illinois publication noted:

“General Accounting Office (GAO) and National Gambling Impact Study Commission (NGISC) concluded that no definitive conclusions can yet be made about the casino-crime link because of the absence of quality research. Our paper addresses this void by rectifying the research limitations. First, we conducted the most exhaustive investigation to date, utilizing comprehensive county-level crime data that includes every U.S. county, thereby eliminating sampling concerns. Second, we analyzed crime effects over time by exploring the time-series nature of our data, which cover 1977 through 1996. Third, we do not focus on one or two crimes, but examine all seven FBI Index One Offenses (aggravated assault, rape, murder, robbery, larceny, burglary, and auto theft). **We conclude the casinos increase crime in their host counties and the crime spills over into neighboring counties to increase crime in border areas.**”

In the summary of their research, they made the following findings:

“Our analysis of the relationship between casinos and crime is the most exhaustive ever taken in terms of the number of regions examined, the years covered and the control variables used...We concluded that casinos increased all crimes except murder, the crime with the least obvious connection to casinos. Most offenses showed that the impact of casinos on crime increased over time and began about three years after casino introduction. This pattern is consistent with the theories that problem and pathological gamblers commit crime as they deplete their resources, that non-residents who visit casinos may both commit and be victims of crime, and the casinos lower information costs of crime and increase the potential benefits of illegal activity. These effects outweigh the potentially positive effects on crime that casinos may have through offering improved labor market opportunities...**Between 3% and 30% of the different crimes in casino counties can be attributed to casinos. This translates into social crime costs associated with casinos of \$65 per adult in 1995 and \$63 per adult in 1996.** These figures do not include other social costs related to casinos such as crime in neighboring counties, direct regulatory costs, costs related to employment and lost productivity, social service and welfare costs. Overall 8% of property crime and 10% of violent crime in counties with casinos was due to the presence of the casino...Counties that neighbor casino counties generally experience crime increases whose pattern matched the pattern in casino counties but smaller. This indicates that crime spilled over from many casino counties into neighbor counties, rather than shifting crime from one area to another.” (Emphasis added)

According to the most recent Census Bureau statistics, there are 539,140 adults in Ventura County.

The University of Illinois study would thus put the social crime costs for casino gambling at \$33,965,442.

ECONOMIC IMPACT ON OUR COMMUNITY

The introduction of a casino into Ventura County, whether in Oxnard or elsewhere, would have a direct and immediate impact on the safety and security of our citizens. Some proponents of gambling have long contended that communities should take this risk due to the potential economic

benefits. As was noted by the National Gambling Impact Study Commission (NGISC):

“Many communities, often those suffering economic hardship and social problems, consider gambling as panacea to those ills. Indeed, a number of communities plagued by high unemployment have found a form of economic renewal through gambling, particularly through the development of “destination resorts.” In addition, state, local, and tribal governments have received substantial revenues from taxes on gambling enterprises and lottery receipts. However, there are costs associated with these decisions and gambling cannot be considered a panacea for all economic problems in a community.”

The Commission went on to state:

“It is evident to this Commission that there are significant benefits and significant costs to the places, namely those communities which embrace gambling and that many of the impacts, both positive and negative, of gambling spill over into the surrounding communities, which often have no say in the matter. In addition, those with compulsive gambling problems take significant costs with them to communities throughout the nation. In an ideal environment, citizens and policy makers consider all of the relevant data and information as part of their decision making process. Unfortunately, the lack of quality research, and the controversy surrounding this industry rarely enables citizens and policy makers to truly determine the net impact of gambling in their communities, or, in some cases their backyards.”

The Commission funded various reports attempting to quantify the economic impact on communities of increased gambling activities. The Commission cited the conclusion of one such report that “while gambling appears to have net economic benefits for economically depressed communities, the available data are insufficient to determine with accuracy the overall costs and benefits of legal gambling. The NRC study stated that pervasive methodological problems in almost all existing studies prevent firm conclusions about the social and economic effects of gambling on individuals, families, businesses, and communities, generally.” The Commission noted that almost all studies have been conducted by interested parties. “These typically have gone no further than to estimate local jobs and income from the gambling industry. But since the economic effect of an activity is

its value added above what the same resources would be adding to value if employed elsewhere, these studies are deficient and may mislead readers to conclude that the introduction of gambling activities in an area will result in significant benefits without attending costs, which may in fact overwhelm the benefits.”

Having said that, it is important to look at various studies, particularly those which have quantified the impact on the surrounding population of newly introduced casino operations. A study by Professor John Kindt, at the University of Illinois Business Department, in an article published in the *Northern Illinois University Law Review*, characterized casino gambling as follows:

“Looking much like a black hole, a casino sucks money from the surrounding population, ultimately sending the local economy into a downward spiral. Once the original market becomes saturated by casino gambling, it almost always suffers an economic downturn. If that community is situated in a closed market, one without access to significant tourist revenues, saturation can occur as soon as one year after a single casino opens. Unlike other entertainment activities, casino gambling could create...a negative multiplier effect on the local economy, siphoning dollars from other businesses and into gambling operations...Contrary to the popular notion the casinos make significant revenues from tourists, casinos in closed markets feed almost exclusively on local economies...casinos in open markets, those with access to major tourism dollars from a non-gambling economy, fare better, but only at the expense of their neighbors. The Nevada economy appears to constitute a classic example of a legalized gambling economy parasitically draining another economy, primarily Southern California. Gambling by Californians pumps nearly 3.8 billion dollars into Nevada each year. The larger an economy, the longer it can be drained without being noticed by the public...Locating in or near a sizeable metropolitan area is all the more important for the casino because once an economy becomes saturated by gambling and begins to slide, casinos find it increasingly difficult to maintain profits.”

A December 14, 1998, *Los Angeles Times* article, "Gardena's Changing Fortunes, Living by Casinos, Losing by Casinos," details what can happen:

"...But Gardena stands as an example of what can happen over the long haul, a warning to other municipalities now debating whether to bet their fiscal futures on gambling. In Gardena, there are no major shopping centers, no fine restaurants. Storefronts are closed. Civic pride lives mostly in memories...The clubs exerted their political influence in ways that profoundly affected the city's futures. Most important, they discouraged development, fearing that new business leaders might usurp control and outlaw poker. **The price: Gardena lost a more diverse economy that would have better helped the city endure the demise of the clubs.**" (Emphasis added)

The NGISC Report noted that "one theme running through the testimony received before the Commission was that the economic benefits were generally most pronounced within the immediate vicinity of the gambling facilities, while the social costs tended to be diffused throughout a broader geographic region."

A study published in April 1994 by University of Illinois economist Earl L. Grinols concluded that "riverboat gambling did not create the jobs that were promised and had very little effect on reducing unemployment. Economically speaking, it appears that riverboat casinos shift jobs as opposed to creating jobs. For example, the number of independent restaurants drops when a casino opens up."

The Mississippi Gulf Coast suffered the same fate as the economies of the states in the upper Mississippi Valley who turned to riverboat gambling. On the Gulf Coast, retail sales of everything from cars to clothes is down, as well as personal savings in banks. However, not all businesses are hurt when casinos come in. Pawn shops usually prosper when gambling comes into an area. The Mobile County License Commissioner noted that the number of licensed pawn shops in the Mobile area, 50 minutes away from Mississippi Coast casinos, increased from 15 to 55 within a year.

This is also true in the big-time casino areas. Atlantic City now has thousands of slot machines, but no car washes, no movie theaters, and only one supermarket. A report by the State of New Jersey concluded that "it is clear that retail business and retail employment in Atlantic City has continued to decline despite the presence of gambling, and that rampant speculation has rendered the development of vast parts of Atlantic City difficult if not impossible." When casinos first came to Atlantic City, there were 2,100 thriving small businesses. Today the number is near 1,100, and unemployment is at 14.9%.

In summary, while casinos may bring short run economic benefits, in the long run they weaken a community's economy and wreak havoc on small businesses. Professor John Kent of the University of Illinois noted in a report to the Commission that for every dollar a state receives from gambling revenues, taxpayers must put up three dollars to cover the social costs and consequences of gambling. "Legalized gambling is inherently parasitic on any economy...It always hurts the economy, it always creates large socioeconomic problems...and that intensifies the needs for tax dollars to address the new problems that they are creating by legalizing gambling."

The NGISC report also cited a 1998 study published in the *Wharton Real Estate Review*, which concluded that "The greatest effect of the introduction of gambling is on commercial property values, with residential property values not raised at all, perhaps even lowered by casino gambling."

FRAUD ON THE PUBLIC

Casino interests have long made it a practice to tell the public whatever it takes to sell the product. For example, a \$12,000,000 campaign convinced Missouri voters in November 1994 to permit steam-driven paddle boats cruising the Mississippi and Missouri Rivers to begin offering casino gambling. Once approved, the casinos successfully petitioned the Missouri General Assembly to drop the cruising requirements, contending the river was “too dangerous.” Large casino interests then began to build their boats on man-made lagoons well off the river. When the State Supreme Court found these boats in violation of the State Constitution, the industry immediately took action, not to correct the illegality, but to begin gathering signatures in an effort to change the law at the ballot box.

With the passage of Propositions 5 and 1A, in 1998 and 2000 respectively, we have seen a similar development in California. Voters approved an expansion of legalized gambling on Indian reservations. This approval was no doubt motivated by a well-funded campaign designed to convince the public that changes in the law would merely give Indian tribes the opportunity for economic advancement.

The proposed Oxnard casino has nothing to do with “Indian Gaming.” The Maidu Indian tribe, selected by the Las Vegas interests, has no historical claim to Ventura County land. They are a Northern California tribe with no known history in Ventura County. It is doubtful that the voters of Oxnard, Ventura County, (or California) contemplated that their vote for Indian Gaming would allow Las Vegas interests to create “Indian lands” in Ventura County. This is especially true when one

realizes that during its first five years of operation the majority of the Oxnard casino profits would go to the Nevada corporation. Thereafter, the profits would go to Plumas County, home of the Maidu Indians.

Perhaps *Ventura County Star* columnist Colleen Cason said it best in her article of April 22, 2001:

“But that is the very definition of addiction. You repeat a behavior despite its negative consequences. Oh, we meant well. But you and I know good intentions pave the road to damnation. Back in March of last year you wanted to use your ballot to right the ungodly wrong done to American Indians. That’s what Proposition 1A promised. Remember that likeable young Mark Macarro on the television endorsing the initiative? There he stood in oaken glen promising that gambling on Indian lands would bring self-reliance to American Indians. You envisioned a small casino down a country lane on a reservation. Laughing American-Indian children passing it up on the way to a new schoolhouse. What you did not imagine is a casino on Highway 101 in Oxnard.”

GAMBLING’S IMPACT ON FAMILIES - ABUSE AND NEGLECT

The National Gambling Impact Study Commission also received considerable testimony regarding the impact of gambling on the fabric of the American family. They ultimately concluded that “family strife created by gambling problems also appears in the form of abuse, domestic violence or neglect.”

The Commission Report summarized testimony from the Rhode Island Attorney General that a “significant increase” in domestic assaults had occurred in the community of Westerly, Rhode Island after the opening of the Foxwoods Casino twenty minutes away. The Commission also quoted a report of the Maryland Attorney General in 1995 that a linkage had been identified between expanded gambling and increases in domestic violence in numerous locales in the State of Maryland. The Commission received additional testimony regarding the impact of riverboat gambling in the

State of Mississippi. A domestic violence counselor in Harrison County testified that a shelter in that county reported a 300% increase in the number of requests for domestic abuse intervention after arrival of the casinos. The same county has averaged 500 more divorces per year since casinos arrived. A national study conducted for the Commission cited two independent studies showing that between 25% to 50% of spouses of compulsive gamblers have been abused.

The Commission also concluded that “children of compulsive gamblers are often prone to suffer abuse, as well as neglect, as a result of parental problems or pathological gambling.”

THE PATHOLOGICAL GAMBLER

The National Gambling Impact Study Commission entered into contracts with the National Opinion Research Center (NORC) at the University of Chicago, and the National Research Council (NRC) of the National Academy of Sciences to obtain current and reliable data regarding the problem of pathological gamblers. Based on those studies, as well as other previously published reports, the Commission reached a number of conclusions regarding the impact of pathological gambling on our society.

The NRC Study “noted the existence of a number of costly financial problems related to problem or pathological gambling, including crime, loss of employment, and bankruptcy.” According to the NRC, “as access to money becomes more limited, gamblers often resort to crime in order to pay debts, appease bookies, maintain appearances, and gather more money to gamble. Another cost to pathological gamblers is loss of employment. Roughly one-fourth to one-third of gamblers in

treatment in Gamblers Anonymous report the loss of their jobs due to gambling.” The NRC Report states that “problem and pathological gamblers often engage in a variety of crimes, such as embezzlement, or simply default on their financial obligations.” In addition, the NRC study also noted the impact of such behavior on children. The report stated that “children of compulsive gamblers are more likely to engage in delinquent behaviors such as smoking, drinking, and using drugs, and have an increased risk of developing problem or pathological gambling themselves.”

In a 1997 study by the Harvard Medical School Division on Addictions, it was estimated that of the 125,000,000 American adults who gamble, approximately 7,500,000 should be considered problem or pathological gamblers. The American Psychiatric Association describes pathological gambling as “an impulse control disorder and describes ten criteria to guide diagnoses, ranging from repeated unsuccessful efforts to control, cutback, or stop gambling to committing illegal acts such as forgery, fraud, theft, or embezzlement to finance gambling.” As noted by the Commission, all (in the field) “seem to agree that pathological gamblers engage in destructive behaviors: they commit crimes, they run up large debts, they damage relationships with family and friends, and they kill themselves.”

The Commission also found that “in addition to the costs of problem and pathological gambling born by the individual and his or her family, there are broader costs to society.” Citing research by the National Opinion Research Council, the Commission found:

“...that the annual average costs of job loss, unemployment benefits, welfare benefits, poor physical and mental health, and problem or pathological gambling treatment is approximately \$1,200 per pathological gambler per year and approximately \$715 per problem gambler per year. NORC further estimated that lifetime costs (bankruptcy, arrests, imprisonment, legal fees for divorce, and so forth) at \$10,550 per pathological gambler, and \$5,130 per problem gambler. With these figures, NORC calculated that the aggregate annual costs of problem and pathological gambling caused by the factors cited above were approximately \$5 billion dollars per year, in addition to \$40 billion in estimated lifetime costs.”

It is indisputable that the problem of pathological gambling is extraordinarily serious in our society. There is no doubt that we will see an increase in such behavior here in Ventura County with the introduction of casino gambling.

The Commission also found that environmental factors play a significant role in producing pathological gamblers. Whatever the ultimate cause of problem or pathological gambling, it is reasonable to assume that its manifestation depends, to some undetermined degree, on ease of access to gambling, legal, or otherwise. Referring to the NORC study, the Commission Report states:

“NORC examined the nearby presence of gambling facilities as a contributing factor in the incidence of problem and pathological gambling in the general population. In examining combined data from its telephone and patron surveys, NORC found that the presence of a gambling facility within 50 miles roughly doubles the prevalence of problem and pathological gamblers.” In addition, “seven of the nine communities that NORC investigated reported that the number of problem and pathological gamblers increased after the introduction of nearby casino gambling.”

The NRC report, cited by the Commission, reached the same conclusion:

“NRC’s review of multiple prevalence surveys over time concluded that some of the greatest increases in the number of problem and pathological gamblers shown in these repeated surveys came over periods of expanded gambling opportunities in states studied.”

ADOLESCENT GAMBLING

We also know that adolescent gamblers are more likely than adults to become problem or pathological gamblers. The Commission found that:

“Several studies have shown that pathological gambling is associated with alcohol and drug use, truancy, low grades, problematic gambling in parents, and illegal activities to finance gambling. How does one place a dollar value—a cost—on that conduct? How do we, as a nation, quantify the value of lost opportunities to these young individuals?”

The various studies examined by the NGISC determined that, as a group, children are gambling even before they leave high school (However, a report prepared for the NGISC indicated that adolescents were notably absent from casino play, with barely 1% reporting any casino wagers).

Under the current proposal for the Oxnard casino, individuals age 18 and above will be permitted into the casino unlike Las Vegas which requires that patrons be 21 years of age. The Commission report cited a Harvard University analysis which noted that:

“...compared to adults, youth have had more exposure to gambling during an age when vulnerability is high and risk-taking behavior is a norm; consequently these young people have higher rates of disordered gambling than their more mature and less vulnerable counterparts.”

The Commission went on to state that “it may be important to note the impact of proximity to legalized gambling on adolescents. One study found that college students in New York, New Jersey, and Nevada had higher rates of gambling than did students in Texas and Oklahoma.”

GAMBLING AND THE HOMELESS

The problems of homelessness in Ventura County are relatively minor when compared to Los Angeles and Santa Barbara Counties. Introduction of casino gambling in Oxnard could change this. In March 1998, a survey conducted by the International Union of Gospel Missions (IUGM) reported that nearly one in five homeless men and women cite gambling as a cause of their situation. That survey was conducted at 42 shelters nationwide and was based on interviews of 1,100 clients at dozens of rescue missions across the United States. Commenting on that report, then Senator John Ashcroft of Missouri, now the Attorney General of the United States, called the findings

“a fireball in the night warning America against the terrible effects of gambling.” It “should be required reading for the national commission, for public officials who are lobbied by gambling interests...and for citizens who are asked to vote propositions to legalize gambling.”

After citing that report, the commission also noted that interviews with 7,000 homeless individuals in Las Vegas revealed that 20% reported a gambling problem. The Atlantic City Rescue Mission reported to the commission that 22% of its clients are homeless due to a gambling problem. A survey of homeless service providers in Chicago found that 33% considered gambling a contributing factor in the homelessness of people in their program.

FINANCIAL AND CREDIT ISSUES

There is a “wide-spread perception among community leaders that indebtedness tends to increase with legalized gambling, as does youth crime, forgery and credit card theft, domestic violence, child neglect, problem gambling, and alcohol and drug offenses.”

The NGIS reported testimony from the Director for Consumer Credit Counseling Services in Des Moines, Iowa that “in the late 1980s, 2% to 3% of the people seeking counseling services attributed their credit problems to gambling. Today, approximately 15% of counseling goes to individuals with gambling attributed to the core of their credit concerns.”

The Commission Report further noted that:

“Nineteen percent of Chapter 13 bankruptcies in the State of Iowa involve gambling-related debt. Bankruptcies in Iowa increased at rates significantly above the national average in the years following the introduction of casinos. Nine of the twelve Iowa counties with the highest bankruptcy rates in the state had gambling facilities in or directly adjacent to them.”

The same situation appears to be true in Illinois another riverboat gambling state. A sampling of Illinois bankruptcy attorneys indicated a solid 10% to 15% of their clients identified gambling as a major contributor to the bankruptcy.

TRIBAL SOVEREIGNTY

A casino in Oxnard would essentially involve the creation of an Indian territory, raising many issues regarding the applicability of state laws, and local regulations, for both Indians and non-Indians while on the reservation (the casino). In this area there are more questions than answers. But there are some basic legal principles applicable to the Indian lands that impact our analysis of this proposal.

The Commerce Clause recognizes Native American tribes as separate nations. Chief Justice Marshall once wrote that the Indian tribes are “distinct political communities, having territorial boundaries, within which their authority is exclusive...” (*Worcester v. Georgia* (1832) 31 U.S. 515, 557.) As a result, state law often does not apply on Native American lands.

The United States Supreme Court explained in *Santa Clara Pueblo v. Martinez* (1978) 436 U.S. 49, 58, “Indian tribes have long been recognized as possessing the common-law immunity from suit traditionally enjoyed by sovereign powers.” This immunity extends to tribal officials acting “in their official capacity and within their scope of authority.” (*Turner v. Martire* (2000) 82 Cal.App.4th 1042, 1046.) Thus, the California Court of Appeal has ruled that immunity protects an Indian casino from a lawsuit by a bystander injured in a fight in the casino’s parking lot. (*Trudgeon v. Fantasy*

Springs Casino (1999) 71 Cal.App.4th 632.) Similarly, tribal official cannot be sued in state court for fraud involving the casino. (*Great Western Casinos, Inc. v. Morongo Band of Mission Indians* (1999) 74 Cal.App.4th 1407.) Even where a citizen alleges that games at Indian casinos are “rigged” with marked cards, no lawsuit may be brought in a California court. (*Kelly v. First Astri Corp.* (1999) 72 Cal.App.4th 462.)

In the area of criminal law, the United States Supreme Court has held that states have only limited jurisdiction for crimes committed on Indian land. (*California v. Cabazon Band of Mission Indians* (1987) 480 U.S. 202.) The courts have held that “state” authorities (e.g., the Oxnard Police Department, Ventura County District Attorney, and California state courts) would have authority regarding only “prohibitory” offenses such as murder, but would have no jurisdiction whatsoever over “regulatory” laws. The courts have interpreted the distinction between prohibitory and regulatory laws to conclude that the Workers Compensation Appeals Board has no jurisdiction to assist an employee who is injured at the casino (*Middletown Rancheria of Pomo Indians v. W.C.A.B.* (1998) 60 Cal.App.4th 1340). The problems inherent in determining which criminal laws may be enforced are discussed in an article in the UCLA Law Review. (Comment, *Divisiveness and Delusion: Public Law 280 and the Evasive Criminal/Regulatory Distinction* (1999) 46 UCLA L. Rev. 1333.)

The Commission Report also noted that:

“Local regulations such as zoning, building, and environmental codes do not apply on Indian lands. Tribal governments do, however, sometimes adopt local building and other health and safety codes as tribal laws.”

On July 29, 1998, San Diego Supervisor Dianne Jacob, while testifying on the impact of Indian gambling on San Diego County, stated that while her county government “has had some success in establishing a government-to-government relationship with the members of the tribes in (her supervisorial) district,” local governments “incur the costs of law enforcement for gaming-related crimes whether they are property crimes that occur at a casino or more serious crimes related to individuals who have been at a casino. For example, the San Diego County Sheriff, who is responsible for law enforcement adjacent to all three of the reservations (in San Diego County) on which there is gambling, responded to almost 1,000 calls for service in 1996 alone.” The Commission Report also cited further testimony from Supervisor Jacob about two tribal land acquisitions proposed but not yet approved in her district. It was noted that “in both of these situations, the impact on residents of adjacent communities—in terms of traffic, crime, and property devaluation—would have been devastating. It is one thing to respect the sovereignty of existing tribal lands, but another to annex lands simply for the purpose of circumventing local land use and zoning regulations.”

The Commission also noted that:

“Tribal labor laws apply and state labor laws do not apply to tribal gambling employers under the federal law. State laws that would be inapplicable include workers compensation; state unemployment insurance; state minimum wage; daily or weekly overtime; state disability insurance programs; protection against discrimination for race, sex, age, religion, disability, etc.; protection of minors; no authorized deductions from paychecks; no kickbacks or wage rebates; mandatory day of rest; payment of wages at least semi-monthly; no payment in script, coupons, or IOUs; no required purchases at company stores; and payment in full to terminated workers.”

In respect to the taxing issues, the Commission Report also went on to state that:

“As governmental entities, tribal governments are not subject to federal income taxes. Instead, the Internal Revenue Service classifies tribal governments as non-taxable entities. As Indian casinos are owned and often operated by the tribes, the net revenue from these facilities go directly into the coffers of the tribal governments.”

CONCLUSION

Throughout this country, and in California, the history of legalized gambling has been one of scandal, corruption, and adverse impact on the community. As I stated in my 1993 report regarding a proposed Oxnard card club, “...although providing revenues for city governments, the costs in terms of crime, the diminution of quality of life, the attraction to an undesirable element in society, and the loss of integrity in government is unacceptably high.” The saga of prominent political officials being indicted and convicted for their involvement in gambling corruption seems endless, including most recently the former governor of Louisiana and the former owner of the San Francisco 49ers football team.

Even more importantly, the evidence is clear that the arrival of full blown gambling in Ventura County, under the guise of “Indian Gaming,” would have a substantial negative impact upon the

quality of life throughout our County. For a portion of the profits, which are in fact monies captured by the gambling interests from the families of Ventura, Los Angeles, and Santa Barbara Counties, we would be selling the soul of this county. Like the ownership of the proposed card clubs, the ownership of the gambling interests proposing this casino, as well as the Indian tribe, have no connection to our community. Their profits will be at the expense of all Ventura County residents. Fool's Gold.

Appendix 11

Petition Form

Hundreds of Oxnard residents signed Petitions opposing the proposed casino.

PETICION ~ PETITION

Definitivamente me opongo a la casa de juegos y el casino
propuesto por la Ciudad de Oxnard y en el Condado de Ventura.

I am opposed to big-time gambling and the casino proposed for the City of Oxnard and any such facility in Ventura County.

[illegible]

Appendix 12

Copy of email's from the national organization NCALG

(To be put on this mailing list contact: ncalg@ncalg.org, or see website
<http://www.ncalg.org>)

The National Coalition Against Legalized Gambling (NCALG) was founded in 1994. It is a grass-roots, volunteer, non-profit organization composed of individuals and/or organizations in all 50 states.

NCALG is especially concerned with the rapidly expanding legalized gambling's harmful and addictive effects on youth, families and governments.

**NCALG
100 Maryland Ave.
Room 311
Washington, DC 20002**

**800-664-2680
FAX (307) 587-8072
ncalg@ncalg.org**

From: <DMBerlin@aol.com>
To: <undisclosed-recipients:;>
Sent: Sunday, May 20, 2001 8:18 PM
Subject: Brief report on my "field trip" to the Mohegan Sun Casino in CT

While in New England this past week, we went on a "field trip" on Thursday to the Mohegan Sun Casino (after hunting for 2.5 hours for a tea garden and shop which was closed)!!!! My husband had offered to take me there and we were very close to it. Soooooo, we went!

Gary and I had lunch there. The quality of the food was not that great nor was it all that "cheap" (for its being at a casino.) We get MUCH better food for much less here in Lancaster County. Alcoholic drinks (according to the table chart) were \$3.50 and \$4.00 but THAT was fine with me as an abstainer!!

LOTSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSS of SLOTSSSSSSSSSSSSSSSSSS!! One called "The Enchanted Forest" certainly seemed to be aimed at a VERY young cliental.

Many older people (my age and older) and some who looked about 17 or 18 too. Wheelchairs and oxygen tanks were quite in evidence in this smoke filled HUGE, HUGE, HUGE place. (We did not go to the "smoke-free" casino on the upper level as I didn't want to take our whole day to do THIS kind of stuff!!!)

Many Asians (or Asian Americans) at the baccarat tables. SMOKE TO CHOKE A HORSE ALL OVER despite tremendous air handlers.

MANY, MANY places to sign up for "Player's Club" where you have a card which many had on a strap around their necks. They didn't take them off their necks but put the card in the slot machine really looked stupid as they were then really "attached" to the machine!

The "Players Club" members can "earn" points by having money "in play". \$80 = one point on the dollar machines and above. For 125 points (\$10,000 in play), one can "buy" a "Mr. Coffee!!! You should see the brochure with the points needed for other higher priced merchandise!!! AND THESE STUPID PEOPLE FALL FOR THIS!!

Picked up pieces of "literature". They have them in Chinese, Vietnamese and Korean that I saw.

There was ONE piece of literature on Compulsive Gambling. All the Mohegan Sun brochures were very bright and eye catching. This one was washed out looking!!!

They have a "race book". Some younger people were there.

Kids Quest was filled with a whole wall of those "fuzzy animal" rip off machines. Other video machines filled the rest of the space. Small snack bar. :-)

Faces were NOT happy. Very few smiles, LOTS of concentration on the machines and people who were "winning" put it right back into the machine!!

Glad that I went. Sorry that it is there!

NO, I did not put any money in their video bandits!!!!

Dianne

From: <DMBerlin@aol.com>
To: <undisclosed-recipients:;>
Sent: Tuesday, July 24, 2001 1:17 PM
Subject: Hope that you find this as good as I do. USE IT WHERE YOU CAN!!

CASINO GAMBLING IS A BAD BET FOR TEXAS

Gambling undermines good values, mocks work, finances crime, robs children, enslaves its addicts, subverts government, and poisons society. It does not contribute to the common good. Asserting past discrimination against our Native American friends does not justify their taking this action. Alleging that gambling would produce an economic windfall does not make it right. Texans were asked to vote for a state lottery with assurances it would provide for schools. Where are they? The lottery did not produce what it promised. Gambling ships did not produce what they promised. Horse and dog racing did not deliver on their promises. Casinos will not deliver either.

Gambling is a dishonest business. It is in no sense an industry. It produces no legitimate product. It renders no honorable service. "Gambling is a parasitic business, which is completely nonproductive in that it tends to create no new wealth but simply serves to redistribute wealth from lower income groups to higher income groups" (Congressional Research Service Report No.83-84E, Updated, April 22, 1983). When governments enter the gambling business they are not neutral regarding morals. They are promoting the worst instead of the best interest of citizens.

EFFECT OF GAMBLING ON BUSINESS

Gambling's rapid expansion in recent years is due to effective courting of local business leaders tantalized by promises of increased tourism and economic development. Repeatedly the promises have failed to materialize. Worse, local businesses suffer as dollars are drained from the economy. Additionally, they experience the social fallout typically accompanying gambling.

A survey of 900 Minnesota restaurant owners reported 38 percent saying they lost business due to gambling; only 10 percent reported an increase due to the presence of casinos (Arnold J. Hewes, 'Minnesota's Restaurants, Hotels & Resorts Are 'Losers' In Gambling Explosion, Survey Results Reveal,' News Release from the Minnesota Restaurant, Hotel and Resort Associations, January 13, 1993).

The number of independent restaurants in Atlantic City dropped from 48 the year casinos opened to 16 in 1997 (Evelyn Nieves, "Our Towns: Taste of Hope

at Restaurants Casinos Hurt," *New York Times*, March 23, 1997, section 1, p. 39.). Within four years of the casino's arrival, one-third of the city's retail businesses closed (Robert Goodman, *The Luck Business: The Devastating Consequences and Broken Promises of America's Gambling Explosion* (New York: Free Press, 1995), p.23).

The number of retail businesses in Gilpin County, Colorado, dropped from 31 before gambling to 11 within a couple of years after casinos arrived. Gilpin County is home to the majority of the state's casinos (Patricia A. Stokowski, *Riches and Regrets: Betting on Gambling in Two Colorado Mountain Towns* (Niwot, Colo: University of Colorado Press, 1996), p.159).

More than half of business owners in Illinois riverboat casino towns reported either negative impact or no effect from the presence of casinos. Only 3 percent said their businesses had been "helped a lot" by the casinos (J. Terrence Brunner, "Statement on Riverboat Gambling to the Metro Ethics Coalition Project," Better Government Association, October 1994).

A University of South Dakota study showed retail and service businesses in South Dakota suffered a net loss of approximately \$60 Million in anticipated sales the year following the introduction of gambling (Michael K. Madden, "Gaming in South Dakota: A Statistical Description and Analysis of its Socioeconomic Impacts," University of South Dakota, November 1991, p. 36).

Closer to home, more than 70 percent of businesses in Natchez, Mississippi, reported declining sales within a few months of the opening of that city's first riverboat casino (Goodman, op. cit., p. 31).

There is no reason to believe the presence of a casino in our community will do great things for local business operators.

Gambling promoters typically hold out the promise of tourism when attempting to expand. However, most gambling enterprises make their money from the pockets of the local citizenry. They merely transfer wealth from the community to casino companies, many of which are out of state.

A survey of Illinois riverboat gamblers conducted in 1995 found that 85 percent lived within 50 miles of the floating casino where they gambled (Ricardo C. Gazel, William N. Thompson and J. Terrence Brunner, *Casing Gamblers in Illinois: Who are they?* 1996, p. 7).

A survey of gamblers inside a Kansas City, Missouri, casino found that 88 percent lived within 45 minutes of the casino (Rick Alm, *Taking A Chance on the Boats*, *Kansas City Star Magazine*, June 30, 1996, p. 9).

Eighty percent of Wisconsin casino revenues come from Wisconsin residents,

according to a study released in 1995 (William Thompson, Ricardo Gazel and Dan Rickman, *The Economic Impact of Native American Gaming in Wisconsin, Wisconsin Policy Research Institute Report*, April 1995, p. 1).

Gambling sucks money out of the local economy. Local residents, not tourists, comprise the bulk of gamblers. Ladies and gentlemen the East Texas economy cannot afford such an assault.

Gambling differs from legitimate forms of entertainment in that it is heavily reliant on revenues from people with a psychological disorder, as defined by the American Psychiatric Association.

A University of Illinois economist Earl Grinols has calculated that 52 percent of casino revenues come from active problem and pathological gamblers (E.L. Grinols and J. D. Omorov, "Development or Dreamfield Delusions?: Assessing Casino Gambling's Costs and Benefits," *The Journal of Law and Commerce*, University of Pittsburgh School of Law, Fall 1996, pp. 58-60).

University of Minnesota researchers calculated that 2 percent of gamblers account for 63 percent of all the money legally wagered in Minnesota (D.J. Tice, "Big Spenders," *Saint Paul Pioneer Press* (Special Reprint Section), February 1993).

There is no honor in taking advantage of psychologically impaired citizens.

EFFECT OF GAMBLING ON FAMILIES AND THEIR COMMUNITIES

DIVORCE

Employers, business associates, friends, and taxpayers all pay a steep price for gambling. However, family members pay the most acute cost. In addition to severe material deprivations, family members often experience the trauma of divorce, child abuse, neglect, and family violence.

When gambling arrives, divorce increases. A survey of nearly 400 Gamblers Anonymous members showed nearly 28 percent were separated or divorced as a direct result of their gambling (National Gambling Impact Study Commission Final Report, June 1999, p.4ff).

The National Gambling Impact Study Commission reported receiving "abundant

testimony and evidence that compulsive gambling introduces a greatly heightened level of stress and tension into marriages and families, often culminating in divorce and other manifestations of familial disharmony" (NGISC Final Report, p.7-26).

The number of divorces in Harrison County, Mississippi, has nearly tripled since the introduction of casinos. The county, which is home to ten casinos, has averaged an additional 850 divorces per year since casinos arrived (Mississippi State Department of Health, "Vital Statistics Mississippi" for the years 1991-1998).

A nationwide survey undertaken for the National Gambling Impact Study Commission found "respondents representing 2 million adults identified a spouse's gambling as a significant factor in a prior divorce" (National Opinion Research Center, "Gambling Impact and Behavior Study: Report to the National Gambling Impact Study Commission," April 1, 1999, p.48).

We do not want the added pressures of casino gambling damaging marriages in our community.

CHILD ABUSE AND NEGLECT

The National Gambling Impact Study Commission reported: "Children of compulsive gamblers are often prone to suffer abuse, as well as neglect, as a result of parental problem or pathological gambling" (NGISC Final Report, P. 7-28).

Children have died as a direct result of adult gambling problems. In Louisiana and South Carolina, children died after being locked in hot cars for hours while their caretakers gambled (Joe Darby, "Sitter Indicted in Toddler's Death," *New Orleans Times-Picayune*, May 23, 1997, p. B1; "Police: Baby Died of Dehydration in Car While Mom Gambled in Casino," Associated Press, September 2, 1997).

An Illinois mother was sentenced to prison for suffocating her infant daughter to collect insurance money to continue gambling (Ed Bierschenk, "Gambler Receives 21 Years in Connection with Baby's Death," *Copley News Service*, October 23, 1999).

Cases of child abandonment at Foxwoods, the nation's largest casino in Ledyard, Conn., became so common authorities were forced to post signs in the casino's parking lots warning parents not to leave children unattended in cars (Stephanie Saul, "Tribe Bets on Growth," *Newsday*, August 11, 1997).

We do not need more neglected children in our community.

FAMILY VIOLENCE

National Research Studies indicate between one quarter and one half of spouses of compulsive gamblers have been abused (National Research Council, "Pathological Gambling: A Critical Review," April 1, 1999, p. 5ff).

Case studies of 10 casino communities conducted for the National Gambling Impact Study Commission revealed the majority of those communities experienced increases in domestic violence relative to the introduction of casinos (NGISC Final Report, p. 7-27).

Domestic violence shelters on Mississippi's Gulf Coast reported increases in requests for assistance ranging from 100 to 300 percent after the introduction of casinos (Maryland Attorney General J. Joseph Curran, Jr., "The House Never Loses and Maryland Cannot Win: Why Casino Gaming Is a Bad Idea," October 16, 1995, p.5; NGISC Final Report, p.7-27).

A university of Nebraska Medical Center study concluded the problem of gambling is as much a risk factor for domestic violence as alcohol abuse (John Jejkal, "U. Nebraska Doctor Contributes to National Domestic Violence Study," *Daily Nebraskan*, January 13, 2000).

Domestic violence murders in at least 11 states have been traced to gambling problems since 1996. Families are under enough pressure without gambling.

SUICIDE

Dr. David Phillips notes that Las Vegas displays the highest levels of suicide in the nation, both for residents of the city and for visitors. In Atlantic City, N.J., Philips found abnormally high suicide levels for visitors and residents appeared only after gambling casinos were opened (David P. Philips, Ward Welty, and Marisa Smith, Elevated Suicide Levels Associated with Legalized Gambling, *Suicide and Life-Threatening Behavior*, vol.27, December 1997, p. 373).

In Gulfport, Mississippi, suicides increased by 213 percent (from 24 to 75) in the first two years after casinos arrived. In neighboring Biloxi, suicide attempts jumped by 1,000 percent (from 6 to 66) in the first year alone (Attorney General J. Joseph Curran, Jr., *The House Never Loses and Maryland Cannot Win: Why Casino Gaming Is a Bad Idea*, Report on the Impact of Casino Gaming on Crime, October 16, 1995, p.7). Is this what you want for Texas communities?

BANKRUPTCY

Bankruptcy rates have reached alarmingly high levels in the United States despite a relatively robust economy. Nevada (home of Vegas) had the fourth highest bankruptcy rate in the nation in 1996. Atlantic County, New Jersey, home of Atlantic City, has the highest bankruptcy rate in the state ("The Personal Bankruptcy Crisis, 1997: Demographics, Causes, Implications & Solutions," SMR Research Corporation, 1997, p. 117).

Six of the 16 counties with the highest bankruptcy rates in the nation in 1996 were located near the 10-riverboat casinos in Tunica, Mississippi. Shelby County, Tennessee (home to Memphis), had the highest bankruptcy rate in the nation four times the national average (*Ibid.*, p.121 Note: among counties with a minimum population of 25,000).

Memphis, which is within an hour's drive of Tunica, ranks as the number six "casino feeder market" in the country, producing 6 million casino visits in 1996 ("Harrah's Survey of Casino Entertainment, 1997," Harrah's Entertainment Incorporated).

SMR Research Corporation, in its lengthy study, "The Personal Bankruptcy Crisis, 1997," concluded, "It now appears that gambling may be the single fastest-growing driver of bankruptcy." The report also determined that in those areas near major casinos, "Gambling-related bankruptcies account for a good 10% to 20% of the filings ("The Personal Bankruptcy Crisis, 1997," *op.cit.*, pp.116, 124).

CRIME

Information developed from gambling communities across the country shows that gambling fosters a significant increase in crime. The total number of crimes within a 30-mile radius of Atlantic City increased by 107 percent in the nine

years following the introduction of casinos to that community (Andrew J. Buck, Simon Hakim, and Uriel Spiegel, Casinos, Crime and Real Estate Values: Do they Relate?, *Journal of Research in Crime and Delinquency*, August 1991 p.295).

The Mississippi Gulf Coast experienced a 43 percent increase in crime in the four years after casinos arrived. Harrison County, where most of the Gulf Coast casinos are located, witnessed a 58 percent increase in total crimes between 1993 and 1996 (Robert Waterbury, 1996 Mississippi Coast Crime Statistics, Mississippi Coast Crime Commission, May 1997).

A *U.S. News & World Report* analysis found crime rates in casino communities to be 84 percent higher than the national average (Joseph P. Shapiro, America's Gambling Fever, *U. S. News & World Report*, January 15, 1996, pp. 58, 60).

The number of court cases filed in Tunica County, Mississippi, went from 689 in 1991, the year before casinos began operating there, to 11,100 in 1996 (Bartholomew Sullivan, Once-Sleepy Tunica Awakens to Gambling-Inspired Crime, [Memphis] *Commercial Appeal*, October 20, 1997, p. A5).

Half of Louisiana District Attorneys surveyed in 1995 noted gambling as a factor in rising crime rates in their jurisdictions (Greg Garland, Crime Rising with Gambling: Bad Checks, Theft Show Biggest Gain, [Baton Rouge, La.] *Advocate*, July 30, 1995 p. 1A).

In April 1997, the Associated Press reported: "A reputed crime syndicate tried to infiltrate and control an Indian casino near San Diego, the second time in 10 years that the casino was allegedly targeted, according to federal indictments. In the first incident, nine reputed Chicago organized crime figures were convicted of racketeering, extortion, and other charges (Matthew Fordahl, "Indictment Alleges Organized Crime Infiltration of Indian Casino," Associated Press, April 18, 1997).

In Louisiana, 25 individuals were convicted for taking part in a scheme designed to skim video poker profits for the Marcello, Genovese, and Gambino crime families in Louisiana and New York. Among those convicted was a former New Jersey deputy attorney general, who also had served as an executive with the Trump Taj Mahal Casino in Atlantic City, N.J. (Joe Gyan, Jr., "Book Closes on Mob Try to Infiltrate Louisiana Gambling," [Baton Rouge, La.] *Advocate*, October 13, 1996, p. 1A).

Reputed organized crime members from New Orleans and Los Angeles were convicted along with casino employees in a blackjack-cheating scheme at the President Casino in Gulfport Mississippi (Michael Peristein, "Arrests Link Mob to Casino Cars Scam," [New Orleans] *Times-Picayune*, February 21, 1996, p. B6).

The argument legalized gambling would undercut illegal operations has proven false, William Jahoda, a former Chicago-area mafia gambling director, testified before members of congress in 1995 that legalized gambling has been a boon to mob gambling operations: "[A]ny new form or expansion of existing state-controlled licensed gambling always increased our market share. Simply put, the political dupes or stooges who approved riverboat gambling houses, lotteries, off-track horse betting sites, Las Vegas nights, etc., became our unwitting and at least to my knowledge unpaid pimps and frontmen" (William Jahoda, Statement before the House Judiciary Committee Hearing on the "National Gambling Impact and Policy Commission Act," September 29, 1995).

IMPACT OF GAMBLING ON POLITICAL INSTITUTIONS

The recent wave of gambling expansion in the United States has spawned another epidemic of political corruption. Two former West Virginia Senate Presidents were sentenced to prison for taking money from gambling interests. One was charged with soliciting \$15,000 from a casino company to help pass a bill that would have allowed casinos in the state. The other was convicted of accepting an illegal \$10,000 payment from gambling interests (A.V. Gallagher, Associated Press, "Former W. Va. Senate President Sentenced to 5 Years, Fined \$10,000," December 14, 1989).

Nineteen Arizona legislators and lobbyists were caught on videotape taking money after agreeing to vote for legalized gambling (Sally Ann Stewart, "New Tarnish on Arizona's Image; Bribe Case Has State 'in Shock,' *USA Today*, February 13, 1991, p.6A).

The FBI launched a two-year investigation into the activities of more than a dozen Louisiana legislators suspected of accepting bribes from gambling interests (Jim Yardley, "Don't Bet on Gambling; Louisiana Bribery Suspected," *Atlanta Journal and Constitution*, September 5, 1995, p. 4B). One former state senator, who chaired the senate committee overseeing gambling matters, has been convicted of racketeering-related charges in the investigation (Joe Gyan, Jr., "Bankston Convicted on 2 Counts; Rayburn Acquitted," *Baton Rouge Advocate*, June 28, 1997, p. 1A). A representative who sat on a similar committee in the Louisiana House resigned after admitting to using his influence to help two organized-crime-controlled video poker companies in exchange for gifts (Joe Gyan, Jr., "Guzzardo Quits After Guilty Plea," *Baton Rouge Advocate*, May 2, 1996, p. 1A).

The vulgar fruit of casino gambling is harmful to families and communities. Do not foist this corrupt business off on our community.

IMPACT OF INDIAN CASINOS

Many of my friends and neighbors are convinced a casino on the Alabama-Coushatta reservation will usher in a golden age of prosperity. A candid look at gambling on Indian reservations gives cause for concern.

The fastest-growing element of the gambling business is casinos operated Indian tribes. Many are reluctant to criticize any aspect of these casinos because of the disadvantaged status of many Indian tribes. However, there are disturbing facts that argue for opposition to casino gambling.

According to *Forbes*, magazine, "Except for a few hundred people, many of whom boast only a trace of Indian blood, Most American Indians haven't gained a penny [from casinos]" (William G. Flanagan with James Samuelson, "The New Buffalo? Who Got the Meat?" *Forbes*, September 8, 1997, p. 148).

The *Minneapolis Star Tribune* reported that unemployment among Indians in that state remains above 50 percent, about the same as before the state's 17 Indian-owned casinos arrived (Pat Doyle, "The Casino Payoff: Tribes Struggling with Unemployment." *The Minneapolis Star Tribune*, November 2, 1997, p. 1A).

Among some tribes in South Dakota, unemployment has actually increased since the opening of casinos (Michael Ridgeway, "Gambling Ventures Haven't Been Cure-All for Century of Poverty, Indians Say,"

(Sioux Falls, S.D.) *Argus Leader*, July 12, 1997, p.1.).

In many instances, Indian tribes are simply a front for Las Vegas gambling interests looking to enter new markets. They know they can pocket up to 40 percent of Indian casino profits via "management contracts" (Tracey A. Reeves, "Gaming Companies Are Cozying Up to Tribes," *Philadelphia Inquirer*, March 16, 1997).

The rationale used to justify Indian casinos is that they enable tribes to gain economic self-sufficiency. Yet tribes that struck it rich with casinos continue to receive large federal subsidies. The Pequots, sitting on revenues of a billion dollars per year, were granted \$1.5 million in low-income housing assistance in 1996.

The Tulalip Indians in Washington State (estimated casino revenues of \$30 million) used federal low-income housing grants to build themselves \$300, 000

luxury homes (New Kallispel Casino Could Gross \$28.8 Million Yearly," *Seattle Post-Intelligencer*, September 28, 1998. p. B2).

A tribe in Minnesota refused to dip into its casino-generated \$30 million bank account to fix a school building with a leaky roof and insulation bulging out of gashes in the wall, preferring to wait several years until the federal government could make the repairs (Sean Paige, "Gambling on the Future," *Insight*, December 22, 1997, p. 8; Pat Doyle, "The Casino Payoff: Tribal Spending Priorities Spark Debate," *Minneapolis Star Tribune*, November 3, 1998).

If they succeed in building a casino on their reservation, would the Alabama-Coushattas continue to receive government subsidies for housing, health-care, and education?

Indian casinos have key advantages over commercial operations. Because tribes are called "sovereign nations," they pay no federal or state taxes. When a tribe gets into the gambling business, neighboring communities are typically left to foot the bill for increased crime, traffic congestion, and other problems accompanying casinos. Would the Alabama-Choushattas pay these costs or leave them to their neighbors?

The people of Texas need to understand that absent some showing that congress has consented, the states have no power to regulate activity conducted on an Indian reservation (*Mescalero Apache Tribe v. Jones*, 411 U.S. 145, 148 (1973). If Texas makes a compact with the tribes and casinos are constructed, there will be no regulation by the state. Nor will there be any tax benefit to the state. Ladies and gentlemen why would you do that?

According to federal courts, state labor laws do not apply to tribal gambling employers. State laws that would be inapplicable include workers' compensation; state unemployment insurance; state minimum wage; daily or weekly overtime; state disability insurance programs; protection against discrimination for race, sex, age, religion, disability, etc.; protection of minors..." The people of Polk County do not want that! Is it what our elected officials want for us?

The Chairman of the Hope Tribe testified before the National Gambling Impact Study Commission:

One need only visit an Indian casino to realize that a significant number of casino patrons are Indian people from the reservations on which the casino is located...I believe it is also safe to conclude that most Indian people do not routinely have a surplus disposable income which should be expended on games of

chance. Most of our people on most reservations and tribal communities find it difficult enough to accumulate enough income on a monthly basis to meet the most basic needs of their families... (The Honorable Wayne Taylor, Jr., Testimony before the National Gambling Impact Study Commission, Tempe, AZ, July 30, 1998).

It is clear that, just as lotteries and commercial casinos exploit the most vulnerable, Indian gambling advocates are setting a trap for many of their own tribal members. The high rate of alcohol and drug abuse on Indian reservations is well-documented. New Studies now show that gambling addiction rates are at least twice as high among Indians compared to the rest of the nation ("Pathological Gambling Among American Indians," *The WAGER*, Massachusetts Council On Compulsive Gambling and Harvard Medical School Division on Addictions, August 20, 1996; Steve Moore, "Indians Said More Prone to Gambling Addiction," (Riverside, Calif.) *Press-Enterprise*, February 28, 1994, p. A1; "Pathological Gambling Prevalence Among Indigenous Peoples," *The WAGER*, October 14, 1997, Harvard Medical School Division on Addictions).

Casino gambling is a bad bet for Texas. I close with the immortal words of a wise man: "Righteousness exalteth a nation: but sin is a reproach to any people" (Proverbs 14:34).

PRESENTED

BY

LINDELL MITCHELL
P. O. Box 411
Livingston, TX 77351

Appendix 13

**National Coalition Against Gambling
Expansion (NCAGE)
and
National Coalition Against Legalized
Gambling (NCALG)**

**Interview with Alexis Johnson,
from website http://www.ncalg.org/pages/conf_tribal.htm**

**National
Coalition
AGAINST
Legalized
Gambling****Internet Resource Center****ABOUT
NCALG****THE
FACTS****CITIZENS
TOOLS****REGIONAL
INITIATIVES****REGIONAL
DIRECTORS****CONTACT
NCALG****"AMERICANS FIGHT BACK"****Tribal Casinos - Guy Clark, Alexis Johnson**

JoDean Joy, who is the Secretary for NCALG:

JODEAN JOY:

We are glad you are all here and if you want to stand a little bit or need to leave any time during, feel free because we want you relaxed and we want you comfortable to enjoy the speeches. Today we are pleased to have Dr. Guy Clark from CRALIS, New Mexico as one of our speakers. He is an Executive Director for the New Mexico Coalition Against Gambling for the past six years. Dr. Clark has been a practicing dentist for thirty-two years and he is the father of six children. He was involved as lead plaintiff in some of the earliest tribal casino law suits.

Coming to us by speaker phone is Alexis Johnson, presently from SHOLO, Arizona. He is an attorney in the legal team that won Clark versus Canvassing Board and Clark versus Johnson, two seminal legal decisions. He has been helping state legislators and attorneys general formulate legal actions aimed at tribal casinos across the nation. He will be calling from Arizona and we will be hearing him from speaker phone. Dr. Clark?

DR. GUY CLARK:

The audiovisual guy, I don't think the mike is hooked up to the phone. That will be important when Alexis calls. I am reminded a little bit of when I went to college, there was a woman from the community that had written something of note and was asked to give a presentation at the university one afternoon.

This was before a full assembly. She was given notice of it several months ahead of time and she wasn't used to public speaking, it just scared her to death. She was just sick with the prospect of speaking in front of several thousand students. She worked and worked and she made a talk and discarded it, made a talk and discarded it, and made a talk and discarded it, and finally got to the stand, trembling, shaking, and her first words out of her mouth was, "Looking you in the face, I am sick to my stomach." You expect a little bit of a different approach from a speaker but I understand how she feels. You aren't the best looking people I've seen, but....

The way I met Alexis, and this tells you a little bit about our battle was, we have been fighting a battle against a referendum that was a very sneaky referendum. It was to introduce an amendment to our constitution because they hadn't been able to get it through the legislature to legalize a lottery or video casino gambling so they decided they'd put it to the people. And you have a couple of pages in

this bill of wording about a lottery and then it just kind of squirted out in about three words, and commercial video gambling, and so we spent a good part of the time fighting against this amendment in the campaign of '94 battling the lottery but also trying to say, "Look, look, look, this isn't just about lottery, this is about video slot machines too." And so we fought and we started off way behind in the poles and in the last couple of weeks we were pulling very even, in fact in some places in Albuquerque we were ahead, and I really had very optimistic feelings. I felt down deep that we were going to win, and we lost. It was a great shock to me and I couldn't figure out why I'd had these premonitions and feelings and went around stunned for a few hours and called John Kent and told him what had happened. In fact, he had come there during the campaign and I'd taken him all over New Mexico a couple of times, from one end to the other, speaking to TV stations, radio stations, and newspaper reporters, and told him what had happened and he said, "Why don't you call the people in Oklahoma because they had fought a similar amendment and had killed it before it got to the ballot." So I said, "Well, okay, I'll see what I can do." So that next morning I started calling lawyers. What I didn't know about Alexis Johnson, and I hadn't met Alexis at this time, was that he hadn't really paid any attention to much of anything during the election. Alexis can you hear me? (Ah, yes I can.) Okay that's good. I'm running through a little preliminary stuff and I'm telling them a little bit about myself and then I'll tell them more about you and you can chime in, okay? (Okey doke.)

At that time what I didn't know was Alexis' wife told me at a dinner sometime later, is that Alexis had gone to the polling booth and really read over some of the material associated with this amendment and voted and went home just sick at heart. His wife said he couldn't sleep for a couple of nights. I don't know how big of an exaggeration or if that's dead on, but it really troubled him that the state had passed a law that violated the principles of the constitution. While I was looking for a lawyer, he was looking for a plaintiff. He convinced his partner, Victor Marshal, that they should get involved in a law suit if they could find someone that would be willing to be the plaintiff, and so we finally connected. We connected and took a law suit to the Supreme Court and within not a very long time we got a hearing before the Supreme Court and won, won on the basis that putting together a public run lottery, a government operation, with private enterprise, free market, commercial-style video gambling where it could be run by anyone anywhere was bundling two things together. Now, if you worked at legislatures much you know they do this with laws all the time, both on the state and the national level, but most states are smart enough to make it illegal to do that with amendments to the constitution, it's just too messy, you don't want to clutter up a constitution with bundling opportunities. So, we took it to the Supreme Court and we won. Probably the most decisive victory that we've won, we've been to the Supreme Court several times, we've been to Federal Court several times, but probably the most decisive was killed, it died, it hasn't come back in the form that it had. However, at the same time that we were running this campaign, the governor of our state, who is a Democrat, was opposed to the proposals of the casinos. They kept proposing to have slot machines and he said, "I can't do that under state law because they are illegal." They decrست thing he got to wasn't welfare reform or prison reform, or any of these other things. Almost within hours of taking office he called a special group of lawyers together to crank out the gambling law. He started to crank it up and we started raising our voices to the press and everyone else and said, "Hey wait, wait, wait, we've got a federal-type constitution in this state, which means that the governor, this is opposing law, you are really changing things about administration, regulation, licensing, these sort of things, the

executive branch can't do this, you'll get yourself in trouble, we'll take you to court." And so, without going to the legislature, giving the states attorney general about this much of a chance to respond to it, then preempting him, getting to the office one morning at seven o'clock because they feared there would be a law suit at eight o'clock, they cranked out the compacts and put them into effect. That started that particular battle and then we began a law suit with Alexis Johnson, who's on the phone here, and his partner, and several state legislators and I who were the plaintiffs in this case of Clark versus Johnson and we took it to the State Supreme Court and won. There were a couple of other ancillary cases that dealt on this gambling law that we were either plaintiffs or advocates and took them to the Supreme Court and won.

Another case, the Mescalero case that had started with the Mescalero tribe suing the State of New Mexico because Governor King wouldn't allow casino gambling, went back to Washington DC to the Federal Court there and then it was pulled out of that court back to New Mexico, we became advocates in that and won. It bounced up to the next Federal court and then up to the Tenth Circuit Court and we won all of those; however, Judge VASCUS in Santa Fe, although she said that the law was clearly broken, the casinos were in violation of state and federal law that there would be no prosecution, there would be a stay of any enforcement. You are breaking the law but we'll let you keep breaking the law for a while. So it was finally bounced up to the Supreme Court where the Supreme Court refused to hear it, they said that it didn't site, not in these words, but it was a completed task. So we won that one but almost at the same time the legislature in New Mexico had a gambling bill proposed by the governor that was going through the legislature and we fought it for sixty days. In the year leading into that the gambling industry spent the largest sum that had ever been spent by any industry trying to influence that legislature. We counted it up and there were fifty-three state legislators that received over two thousand dollars from the gambling industry, again for a lot of you folks that doesn't sound like a lot, in New Mexico two thousand dollars, and it went up to forty-eight thousand dollars with some of them, receiving this. Out of the fifty-three candidates that received over two thousand dollars, fifty-one voted for the gambling bill. It came down to this one day, the last day of the session, you know how it always comes with gambling law, and we won the first vote, almost everyone died. It was a tie vote and that meant it failed. People were waiting for the question to be called. The speaker of the house who had promised no pressure, who had promised to be objective, who promised that there would not be any arm twisting, sent out his dogs and I had people coming to me saying, "If I don't vote for this bill I will lose all my bills in the judiciary committee and this committee, and this committee." So, when we talk about, oh, I think we mentioned something about politicians and lawyers and some snickered and said, you know, they're not very ethical most of them, they twisted lots of arms. They twisted dozens of arms I know about. Only one person changed their vote, but it was enough. It was enough and that bill passed. Since then we have filed another lawsuit.

I don't know the law nearly as well as Alexis. I have been in some up and down votes. I have to agree with Senator Simon on an awful lot of the things he said. Most of the people in New Mexico have no idea which party I belong to but from a member of the other party I still have to say I agree with him on an awful lot of things. One of the casinos took out half-page ads aimed directly at me for about five times. Each one of these ads cost about six thousand dollars and I was described as "The Dentist Clark." So when I would speak at meetings, I think they thought that was some sort of insult, but, gee, I

always thought this was sort of a good occupation, but after that when I would introduce myself I would say, "I am The Dentist Clark." Most people had seen those adds.

Anyway, that's a little bit about myself. I'll let Alexis take over at this point and tell you about himself and then we'll turn over to some timed answers and I'll correct him or I'll turn him off if he makes any mistakes. Alexis are you there? (I am.) Go ahead.

ALEXIS JOHNSON:

Guy, roughly how much time do we have? (We have twenty-five minutes.) Okay, because I was going to ask, do you want to do the sprint through the field as fast as we can to cover ground or amble slowly and cover a few things thoroughly? I think you've done such a nice job of covering the water front of what has occurred, roughly from what I heard, the time I was on the phone, you handled wonderfully the history of New Mexico State politics and constitutional crisis from roughly November of '94 through the present, and I use the phrase constitutional crisis because I personally see that as what the essence of what is going on there and elsewhere is: just a few points, maybe to embellish a few things, but Dr. Clark said, for some of you, and I hope this doesn't offend you but given your proclivities I don't think it will, it'll just make you more angry I suppose, it turns out that the governor not only collected, as Guy said, close to two hundred thousand dollars during his campaign run, but he collected another two hundred and fifty thousand afterwards from the same folks, and the other interesting event that occurred early in his administration was that at the same time he signed compacts, and by the way he didn't sign them until after his lawyers were told that the governor lacked the authority, he also disbanded and unfunded the New Mexico Organized Crime Commission. And, more than that, and to me more interesting, it may be an esoteric point but I don't think so, he not only unfunded and disbanded it, they then stood up and said, "but if it's a commission that doesn't exist then we don't need to store it's records" and they destroyed them. That ought to give you an idea about what is going on in New Mexico, as well as elsewhere, but in New Mexico, for whatever it's worth, one can see the troubles fairly quickly. The hard part is getting anything done about it that actually sticks because, as Dr. Clark has pointed out, all of the law suits that have transpired, there really is only one the result of which has stuck and that was that first case, which I refer to as amendment 8 or the log rolling article 19 case where you are not allowed to conjoin two things in one bill, and frankly that only incidentally, from my perspective, had to do with gambling. The constitutional crisis was complete.

We are, incidentally, in New Mexico, and in other states as well, we can touch on that later, in a similar place, and that is in the State of New Mexico you have now a much grander log role going on. The log role exists in a statute that was passed, as Dr. Clark described, by one vote of one legislator who's arm was literally twisted and whose husband, we're told, that's somewhat hypocritical but it may bear out, was given certain benefits and emoluments from some folks up in Northern New Mexico who happened to be clients of the lawyers who were doing the arm twisting. So, we know there is trouble, there has been trouble in New Mexico and the trouble is continuing. The current log role happens to be that in New Mexico, in it's amenable way, the one thing that the litigation that Dr. Clark so nobly stepped forward on that was determined in 1994, '95, and '96 is that in order for Indians and the state to sign compacts with each other, the law of gambling in New Mexico had to change first and in the 1997 session,

of course, the legislature of New Mexico in it's amenable log rolling way, got it completely backwards and wrote a statute that says, well, first we'll do a compact and more than that, we'll do a compact as a matter of state law by legislation, which passes by only one vote as Guy Clark said, but then we'll require that the compact be approved by the Secretary on Interior, which in my humble, sort of constitutionally esoteric way of thinking, means that the legislature of New Mexico, representatives of the people, delegated the power to make law to the Secretary of Interior, the last time I checked is not a state official and is the executive power of the United States. Having raised that objection and been shouted down and having filed on that question twice and been ignored, the court just said, I filed actually a law suit on that that was sort of quiet, believe it or not, and that law suit was just ignored. It actually could be aroused I suppose someday and maybe it ought to be. But anyway, since they're dormant, while indeed the State of New Mexico goes through further troubles and the State of New Mexico's further troubles will flow from the fact, among other things, that it seems to get the law wrong at about every turn when it is dealing with gambling, and that ought to tell everyone the things they already know, which is that, you know an over-arching comment one could make about gambling when it collides with the constitution and the public system is that the constitution and the public systems take it right on the chin.

Now, I think it might be more useful that touring continually throughout the log roles of New Mexico and it's specific political crisis and canundra to get into the question of what I will call the sovereignty issues, or to put it another way, looking at constitutional crisis as it collides, well, as it results from collisions between state, local, and federal systems with a sub-set of what is in essence the federal system, which is the Federal Indian law. It is in that area that we encounter the phrases, "self-determination, Indian sovereignty, government to government relations, sovereign immunity" and so forth, phrases that I would assume that most of you are more or less familiar with, or have heard of. I think the trickiest one, literally, figuratively, and every other way, is Indian sovereignty. I think before I move one more step down this pathway of discussion with you people, I would ask that you simply, if you can do this, I'm not sure I could do it but I'll ask you to do it, turn your minds in essence, in one sense, off. Rather than think of everything you know about Indian sovereignty, I would suggest for our purposes here you, in essence, forget what you know or what you've heard, and in essence we'll do a restart on Indian sovereignty. The way, I think, that can be done for people is to remember that if your interest, as say Dr. Clark says that in litigation and elsewhere, in essence sources in state laws or for that matter state laws that they touch general federal constitutional system, then it might be easier than you think to realize, you know, in any Indian sovereignty question, there is also a state, local, and federal powers question suffered in apart from anything that's in essence an Indian question. It's circular but..., remember what gets forgotten so often is that what you are dealing with typically in any Indian sovereignty discussion that touches gambling is actually not a sovereignty question at all if you look at it in essence the way Dr. Clark has looked at it, he may not know he is looking at it this way but I ascribe this to him, he looks at it from the perspective of constitutional structure for the state and federal system, in essence our federalism system.

On thing we can say with some assurance, although we get lots of shouts and screams back is, just so it's clear to everyone, the Indian Gaming Regulatory Act is an anti-sovereignty statute as to Indians. How do we know that? Well, the Indian Gaming Regulatory Act A)

is a federal statute, B) it incorporates and assimilates state law and state constitutional structure, as Clark versus Johnson, the case reference by Guy Clark, demonstrates. In other words, state law is in there. State law and the powers of state officials are incorporated in there wholly. What that means is, contra to what some Indian law advocates might tell you, and contra to what you might read in newspaper articles that are in essence half-written or poorly written and because they don't have the time to be analytical that are as esoteric as the constitution, I suppose, the fact of the matter is, IGRA is an anti-sovereignty statute these state and federal system.

Now, the interesting thing is, notwithstanding that fact and that matter of law, most people who encounter, in essence, Indian casinos, I mean the way most people see it is if an Indian casino comes to town or to your state or to your general geography and people take exception to it or get worried or say, "Well, that's the Indians, gee, that's no big deal" or they say a lot of things. The interesting thing about all of the saying that goes on is, it's not impermissible in today's constitutional world to observe, you know those casinos, those tribal casinos, sourcing some of them their authority in the Indian Gaming Regulatory Act, must comply with law including but not limited to state constitutional prohibitions. Now how will the state constitutional prohibitions be seen? Well, a couple of examples. One is, when an Indian casino project emerges, and regrettably the State of Connecticut got caught flat footed on this, but it's not to say that that can't be undone, which I tell you that's not a promise, that's just sort of an ominous statement about things that could happen I suppose. Someday the State of Connecticut could grow what I would call a constitutional state powers brain and they would observe, you know the State of Connecticut happened to give away things it doesn't have the power to give! Those would include monopolistic controls and it also includes privileges and immunities granted to groups not assertive, who cannot assert, the right under the state to give them what they ask for. What's my source of authority on making that statement? The IGRA. That's probably a different reading of IGRA than most of you either have heard of or would do typically, but the fact is, and again I give Dr. Clark credit and some other folks sprinkled around the country a whole lot of credit, what those cases that Dr. Clark is involved in assert is the power of state and local governmental structures to assert the essence of constitutional government. I hope that makes sense.

Now, the reason I am saying all of this is, again, back to the rudimentary point. When state powers people, which by the way can include Indian tribal folks when they are doing things like voting in state legislatures as legislators or state tribal folks when they are voting in state or federal elections off tribal ground, in other words we're talking about everybody here, but when folks are wearing their state hats and their federal constitutional hats, it doesn't make sense for them to argue the Indian sovereignty perspective where what they mean is a source of law not known to the constitution. I hope that makes sense. The reason I am jumping out to that is, where some, but not all, of the Indian sovereignty discussion goes when you press it hard enough is to some place that I can only gently, and I will try to be as gentle as I can be, gently, and I am not so gentle with their lawyers, it goes to a place that does not source in constitutional law, it goes to extra-constitutional concepts. We saw that in fact, maybe not in law, but we saw it in fact in the defiance on the ground in New Mexico after every single judge, state or federal, who had ever considered the question, ruled that in essence the Guy Clark position was correct. The State of New Mexico's governor cannot exert powers not granted in the constitution even in a negotiation with

Indian tribes under the umbrella, if you will, of a federal statute that purports to be something that flows out of a federal policy which purports to be self-determination which purports to be economic development. That's the constitutional way of saying it. The nitty-gritty way, and I'll say this under my breath because after all, not all of what you folks are dealing with is esoteric constitutional law, there's a nitty-gritty way of saying it and that is, some of that self-determination, some of that Indian self-governance, some of that notion of sovereignty is actually a veil, as some of you know only too well depending on what jurisdiction you're from, is only a veil for there to be a breakdown in law, a breakdown in law enforcement, a breakdown in state constitutional systems, a mis-interpretation of federalism and a breakdown in federal constitutional safeguards and protections. What that means is it is constitutionally proportioned racketeering, and that's before you even get to the question of what folks do in casinos. In other words, what most people are concerned about in casinos is losses of people or, gee, maybe you're rubbing elbows with a bad guy, maybe you're losing money, or maybe someone is lone-sharking in the parking lot or out in the neighborhood and what not, those are all valid, obviously, concerns. That's most of the way a lot of the objectors to the casinos talk, or they say it in more refined ways, but they talk about that. I talk about it that way but I also talk about it as, hey, that's racketeering in the public sphere itself. The way in which these casinos work is, they defeat state, local, and federal governmental structures even before and/or during their resurrection on the ground and their continued completion on the ground and their expansion on the ground. It gets worse, of course, when they build telecom and they skip the money to St. Martin's and St. _____ in South America, which we know is going on, which is beyond the scope of today's conversation. But, in other words, there is racketeering with our constitutional structures before you even have one nickel going into either an illegal slot machine because it is uncompacted for, or an illegal slot machine because the fraternal is putting them in before they are allowed to have them, or charitable bingos or basement bingos, or wire, you know, wire rooms in the basement of some fraternity house, that's my reference to illegal stuff. Even the legal stuff, I mean, let's face it, all the folks that want to tell you the legal stuff is scrubbed and buffed and clean and what not, I mean, this is ridiculous. All that's occurred there is, we've institutionalized the racketeering because we've made some of the racketeering sophisticated regulatory mechanism that's defeated at its inception. What does that mean? Well, let's focus on Indians again, and in fact, let's focus on the Indian regulations. Guy, are you interrupting me?

GUY CLARK: Yeah. I think some folks want to ask some questions.

ALEXIS JOHNSON: Can I end with this point, because I want, can I at least close this plot?

GUY CLARK: Yes, if it's thirty seconds long.

ALEXIS JOHNSON: Because I know that people read certain things and I just want to touch on two entities that I know you folks read about from time to time. Again, I don't mean to depress you with more knuckle driving discussion here but the fact of the matter is, two entities to watch and be warned about, but actually in two very different ways and you'll know instantly why when you hear which they are: The National Indian Gaming Commission, called the NIGC, should be watched out for any chance you get, if you have the opportunity. Why? Well, this is an institution that's risen it's, how

would we say this, it's the opposite of rise and I guess it's falling, it's sort of rather an evolution, it's devolution of regulatory mechanism, or you could say that they're competing with other regulatory schemes to be the most lax. What they've admitted is that they are not even regulating any of the machinery in Indian casinos anywhere in the nation. Their general counsel said it in Tempe on July 30, 1998.

.... counsel for the over-arching federal commission, it's the National Indian Gaming Commission, the federal regulatory agency that is to Indian casinos what in essence Nevada is to its gambling control commissions and board or the CCC in New Jersey is, their lawyer has admitted they don't regulate the machinery and everyone in that room knows, in essence, the guts of casinos are the regulations of the machines, all the equipment.

Another agency that's under the gun, but in the reverse sense, is the National Gambling Impact Study Commission, and I'll now make reference again to NIGC. The poor National Gambling Impact Study Commission, and I don't know that all of them I want to characterize as poor, but um, you know that these folks sit there wearing hats that are set out in the statute that tell them what to look at, these studying gambling and its impacts. And they had to suffer through a talk that involved lawyers from like the National Indian Gaming Commission telling them this kind of stuff. The interesting thing about it is that after the Tempe hearings there was a closed door session, in essence, at one of the Indian casinos in Arizona and therein the National Gambling Impact Study Commission was given a big glossy report prepared out of Cambridge, Massachusetts by a now sitting Harvard professor and a once sitting Harvard professor who is now a sitting University of Arizona professor, and this report said, "We're going to blow away the myths of the anti-gamblers attack on Indian gambling." They went on to say that Indian gambling is the most regulated gambling in the nation because we have the feds, because we have the states, because we have the NIGC, etc. Then they went on to say that the National Indian Gaming Commission tells us this is so because they are the watchdogs. Now, to wit, remember what I just said. The National Indian Gaming Commission is saying, "Hey, we may be the watchdogs, we're not watching anything. In fact, if anything, we are giving licenses to steal." Now, what is that a reference to? The big glossy report that was prepared in three months at Harvard, actually in the shadow of Harvard, it's a spin off study by a private entity by these folks, it was paid for by, among others, Oneidas, the Mohigans, might have had some Choctaw money, might have had some support from PECRAW, might have had Standing Rock Sioux in there as well. Okay, these are all tribes of art. Now, they are paying for this study that's telling us that all is well is Indian country because we say so, because we say it is regulated, but the NIGC told us at the same hearing "We ain't regulated." So what's the story? Well, then you go read the report and you find out that according to the Harvard study, I call it a Harvard study and it's not, it's actually a study by something called the Economics Resource Group, okay, they say, there are only twenty-eight management companies in Indian country. All the other two hundred plus or minus seventy-four installations are self-managed. But then I do a little homework, because I know a little something about these guys and how they work and I find out that four of those management companies out of the twenty-eight are bankrupt and don't exist. That means that when they said "Only 15% of the proceeds, based on our figure of twenty-eight management companies cast against the income of all the casinos, is that only 13% of the money from these casinos is running to, in essence, non-Indian interests." I said, well, we know that can't be true because we

know four of the companies they are asserting exist, don't! Okay, so it's going somewhere that isn't there. That means the percentage is likely higher. Then I said to the guy who actually wrote the study, "Did you ask how many management agreements the NIGC said, "We are going to call them consulting agreements, not management agreements because we don't have the man-power, person-power, or what have you, to do our job, so we are going to call them consulting agreements."? And you know what that does, it casts them according to their compliance officer into no-man's land of zero regulation. That's the other two hundred and seventy plus or minus installations." That's the reality, from the horses mouth, meaning the regulators themselves, from their lawyers, and frankly when you call the Harvard guys on it, they are so embarrassed they are wondering how you are going to ring their bell in the media. Believe me, the bell ringing is coming.

GUY CLARK: Thanks Alexis. You can see why I always set aside enough time when I call up Alexis. We've got two minutes for questions. Harvey?

QUESTIONS: We are only forty-five days away from an election in California on Indian gaming or gambling. We are spending a billion dollars a day on advertising. The things that are talked about here, we are not getting through to the people at all. The whole thing is based upon sympathy, sympathy, Christian compassion, we owe this to the Indian, and their argument over and over again is, this will help us, it will educate our children, send them to school, it will build housing, and it will do all of these things for our tribe, we have been squeezed, manipulated and exploited through the years, now it's your time to give us a way for self-determination. Well, that just may be a 100% right in everything that he said, he might be 100% right, but if we would say this publicly in our fight against Indian gaming, we would just be crucified, I mean, they would just come back with, what the White man has always done is to take away our self-sufficiency and take away our opportunity to make a living for ourselves. How in forty-five days are we going to be able to defeat Indian gambling when this approach would hurt us in the public eye?

ANSWER/ALEXIS JOHNSON: The interesting thing about that is, maybe it would, maybe it won't, and your concerns are real and they are ongoing but long ago I had to come to grips with the fact that maybe, you know, we can be good to Indians without being good to gamblers. The interesting thing is, you can express all the sympathy you want, and frankly I think you are on solid ground if you say Indian gambling is not about Indians. You're on solid ground in the history of gambling in Indian country saying that. You are further on solid ground saying, respectfully, we don't answer criminal legal questions with syncretisms that are driven by historicity. We are sympathetic to the history of the tribes. We would like to make their lives less woeful to the extent that that is the reality, which to some it is not, Palm Springs tribes and what not, those are not poor tribes. So what you are saying is real, it's the perception of Indian history driving this engine. The other thing you can say is, change the focus. Ask, if Indian gambling is so good for so many Indian children, builds so many hospitals, builds so many health facilities. builds so many daycare centers, builds so much housing for the elderly, show us where the money goes, we will not allow you to plead the benefit without proving the use. In other words, if you are going to plead a benefit, representatives of the Indian gambling establishment, tell us where the money goes and if you can't, you can't plead the immunity, if you will, of disclosure of being an Indian. We don't know where the money goes. Show us the money. Don't tell us it's

good for Indian children, we don't know. I can tell you right now, before I got onto this phone call, I received a fax from an, actually an Indian police department fax, from the South Eastern United States about racketeering in the government dividend to the tribe. And where did the money go? It went into the pockets of a casino operator. You see it? That's a straight government dividend going into the pockets of the tribe's casino operator.

GUY CLARK: In New Mexico about a year ago there was an investigative report that showed really the main people benefiting from tribal casinos were, guess who, the gambling industry. Wow! What a big surprise.

ALEXIS JOHNSON: Not a surprise at all in New Mexico in light of the fact that the former Secretary Interior, one MONUEL LUHON, former congressperson from New Mexico, before he left office at the end of the Bush days, grabbed a list from his files of the tribes seeking, A) tribal recognition, and B) the tribes who had put in for IGRA licenser for casinos. He then joined the board of _____ and is now a representative of the largest distributor of what Guy is calling the essence of the money of casinos, and it's not tribal, it's IGT, which is a company out of Las Vegas started originally by a guy named CY RED, who is virtually black listed.

GUY CLARK: Bernie's got the last question.

QUESTION: Alexis, this is Bernie _____, your old friend. It must be very difficult for us to stand here in St. Louis and argue when you've got the floor all the time, you understand that? I have one question. First of all, we're sorry that you're not here, but I have one question. With respect to Senator Gorton's bill to amend IGRA, is that a good bill, or what'll it do, or what's the opposition on that?

ANSWER/ALEXIS JOHNSON: Well, I think that, you know, it's interesting, I think that Senator Gorton, while he is attacked, obviously in media, is up to some good in there. I think that what Senator Gorton does, generally I am in support of what Gorton does in this area specifically because, quite frankly, he is one of the folks in the legislature of the United States who understands the confluence of powers that I am talking about, maybe that's why I like him because he sort of sounds similar. He understands state/federal powers and the constitutional structure. His amendments seem to make sense. My position on them is, they are not aggressive enough, interestingly enough, which would make be very unpopular in off circles, but I also think that there are some other things that you ought to keep your eyes on. One is, there is no point, we should some day be mounting a charge that says we want to amend some essential features of the self-determination act of 1974, and what we want to do is stop the revolving door from government to tribes of both tribal and non-tribal people. Unlike any other government service, you can leave government and go work for a tribe or it's casinos on day one, day two you represent against the same agency you were in, leading to anomalous results such as the former chairman of the National Indian Gaming Commission is now representing a tribe against himself when he was sitting in the IGC chair when he denied them a license. There's something you can do that structurally changes the way the nation deals with the question. In addition to that I always keep my eye on Senator Gorton because he is typically up to solid things, legally, though he is decried, apparently, as an Indian basher, by everyone except, interestingly, Senator Ben Nighthorse Campbell, who seems to understand what Gorton is up to.

GUY CLARK: Thanks Alexis. I appreciate you being on the line with us and we appreciate your attention. If you would like to talk to me later or want to get a hold of Alexis, I have access to him. Thanks very much.

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Coalition
AGAINST
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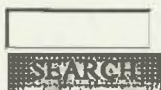
Start planning for the next National Convention. It will be September 28-30, 2001 in Nashville, Tennessee. See more details on the **convention agenda**.

A mixed message on gambling as different results come in across the country (**November Newsletter**).



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The objectives of NCALG are straightforward in purpose. Quite simply, the National Coalition Against Legalized Gambling will oppose the gambling industry in every forum at every level with every educational tool available.

NCALG is concerned with the rapid expansion of gambling across the country solely financed by the gambling community and is especially concerned with gambling's addictive effect on youth and families and governments.

Through education and work of local groups across the country, NCALG and it's associated groups has been successful since 1994 in stopping the expansion of gambling in many local and state referenda and state legislatures across the country.

We need your help in restoring the "American Dream" of hard work and education as being the way to get ahead, instead of gambling's empty refrain of all you need to get ahead is just get lucky.

- NCALG will provide information, research, and technical support to state groups battling the expansion of gambling
- NCALG will travel to states across the country to provide knowledge on how to organize at the grassroots level.
- NCALG will reach out to other national, state and local groups for support, especially in the fields of retail business, entertainment, mental health and law enforcement.
- NCALG will act as a clearinghouse through its National Information Center and anti-gambling Internet site.

For information on NCALG, please send e-mail to ncalg@ncalg.org or phone our National Information Center at 800-664-2680.

Our address is 100 Maryland Ave., Room 311, Washington, DC, 20002. Our FAX number is (307) 587-8082.

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