



# CITY OF SAN PABLO

One Alvarado Square  
13831 San Pablo Avenue  
San Pablo, CA 94806  
[www.ci.san-pablo.ca.us](http://www.ci.san-pablo.ca.us)  
Phone 510.215.3000 • Fax 510.620.0204

## Office of the City Council

March 25, 2005

United States Senate  
Committee on Indian Affairs  
Washington, DC 20510-6450

Dear Ladies & Gentlemen:

Good morning, my name is Sharon Brown. I have been a councilmember for the City of San Pablo for the past 21 years, and I have served as mayor of the City for four separate occasions. I was formerly the Chair of the Metropolitan Transportation District in the year 2001-2002, which is a nine county Regional Agency dealing with traffic issues in the San Francisco Bay Area. I am also the past Chair of the American Metropolitan Planning Organization. This organization is a nationwide consortium dealing with traffic in urban areas.

In the early 1990s, the City of San Pablo faced bankruptcy. Things were so desperate that the City was forced to borrow \$4 million to meet its payroll. Our former city manager approached the City Council with the idea of attracting a card room to San Pablo. He thought that a card room would positively impact the community by creating jobs and by providing revenue to the City. The City Council submitted this idea to the voters of our city as a ballot measure. The voters endorsed this concept by a 67% to 33% landslide. During that campaign, like what has occurred in California recently, those business interests who felt threatened by the competition from our card room ran a campaign alleging that crime would increase, that drug usage would increase, and that prostitution would abound. The existing race tracks and card rooms funded this negative campaign. I am here to tell you that absolutely none of those dire predictions came true. The neighborhood surrounding the casino has seen a substantial decrease in criminal activity. In fact, San Pablo's crime rate has dropped in each of the past 10 years. The money generated by that card room has allowed the City to fund police and recreation programs which has resulted in a decrease in the crime rate. The card room also provided new entry-level jobs to those residents in West Contra County who needed them the most.

Revenue from the card room to the City decreased dramatically in the mid 1990s, due to competition from other gambling activities such as the state lottery, existing card rooms, race tracks, internet and off-shore book making, and due to the development of nearby Indian casinos. These Indian casinos are as close as a 90-minute drive from San Pablo and at least one is within 25 miles of the State Capitol. We are referring to the River Rock Casino in Santa Rosa, the Cache Creek Casino in Yolo County, and the Thunder Valley Casino in Lincoln. We also wish

to point out that the Indian casino in Highland, California, is situated in an urban/suburban area much like Casino San Pablo.

As you know, the federal government wrongfully terminated the Lytton Band of Pomo Indians in the 1950s, resulting in the transformation of their ancestral land into vineyards. In 1988, the federal courts ordered that the government reverse its decision to terminate the tribe and restore the Lytton Band of Pomo Indians to full tribal status. Unfortunately, the court also precluded the Lyttons for returning to their ancestral lands. Consequently, in 1998, the Lytton Band approached the City of San Pablo to determine if the City was interested in having an Indian casino located on the existing card room site. The Tribe had previously been rejected by a number of cities closer to their ancestral lands and turned to San Pablo only because of the existing card room. In 1999, the City Council unanimously approved a Municipal Services Agreement with the Lytton Band of Pomo Indians, acknowledging the fact Type III gaming would be coming to the City of San Pablo. Following that agreement, both the City and the Tribe approached Congressman George Miller and requested that he introduce legislation to allow the federal government to take the Casino San Pablo property into trust on behalf of the Lytton Band of Pomo Indians, which would allow Type III gaming.

In the fall of 2000, Congressman Miller introduced the enabling legislation, which was unanimously supported by the San Pablo City Council, because it would bring much needed jobs and economic growth to a region where both are vitally needed. Congressman Miller's legislation was part of an Indian Appropriations Bill and was published in the federal register as is all legislation. This bill sat in the committee for three months prior to being approved by the House of Representatives, the Senate and being signed into law by the President of the United States. This bill received considerable media attention while undergoing this legislative process. Given this process, it is difficult to understand how anyone can describe this as "stealth legislation." Additionally, after the President signed this bill into law, Nevada Senator Harry Reid attempted to repeal the "San Pablo" legislation but was unsuccessful in that attempt. Senator Inouye was a particularly strong advocate in opposing Senator Reid's proposed amendment.

The Committee might ask why has San Pablo embraced Indian gaming? The reasons are many but relatively straightforward. San Pablo has the lowest per capita income of any community in the San Francisco Bay Area. The per capita income in San Pablo is far less than the national average. Yet, housing prices in the Bay Area and San Pablo are among the most expensive in all of the United States. Eighteen percent (18%) of our residents live below the poverty line as defined by the federal government. The unemployment rate in San Pablo and West Contra Costa County is 175% of the County average. The City of San Pablo serves more free meals to seniors than any other location in Contra Costa County. Forty-four percent (44%) of our residents are Latino with the remaining 56% being comprised of Lao, Vietnamese, African-Americans, Cambodians and Anglos. Ninety-two percent (92%) of our residents commute outside of the City for their employment. As daunting as these statistics are, many of the neighborhoods just outside our city limits in the unincorporated County and in the City of Richmond are in even worse financial straits. Job growth and economic development needs are apparent and the Lytton compact is the one best opportunity to achieve both.

There has been one uncommissioned study on the casino thus far, and it should be viewed as being an objective analysis. The University of California Graduate School of Planning concluded that the proposed compact negotiated by the Tribe and the Governor of the State of

California would provide the residents of San Pablo and West Contra Costa County with entry-level jobs that it would increase these employees' earnings by 350%. These earnings are augmented by family health insurance and retirement benefits. The Lytton Tribe also commissioned an economic analysis of the proposed compact. This study forecast the creation of more than 3,000 new and permanent jobs at Casino San Pablo, if the compact is ratified by the legislature. The compact before the legislature would allow up to 2,500 slot machines and 200 table games. That same study estimates that the local agencies and the State of California would gain \$155 million annually to mitigate impacts and to provide much needed revenue to the State, to Contra Costa County and to the City of San Pablo. This same study also forecasts more than \$600 million in economic benefits throughout the region. It is the highest amount of revenue sharing ever offered by a tribe to State and local governments and, for the first time ever, includes revenues from table games.

Some opponents have stated that they are concerned by the impact of the proposed casino on problem gamblers. Experts estimate that 5% of all gamblers are prone to addiction, but as I mentioned earlier, there are already numerous opportunities to gamble for those who suffer from this addiction. The Golden Gate Fields thoroughbred track is less than 10 miles from Casino San Pablo, and the State of California operates a lottery with outlets on almost every block. There are other existing card rooms within a short drive from San Pablo in places like Martinez, Emeryville and San Jose. None of these existing facilities provide any programs to assist those people who suffer from gambling addiction. The compact negotiated by the governor and the Lytton Rancheria provides money on an annual basis to programs to assist gambling addicts, and the Casino will bar problem gamblers in either of two ways. First, the problem gambler can register at the casino and will be barred from future entry; and secondly, the Casino will identify those who they believe are problem gamblers and bar them as well. This Tribe, while operating its casino, will not use alcohol as a means to encourage people to gamble beyond their means. The Tribe will limit alcoholic drinks to a single shot, and they will require that every person ordering an alcoholic beverage come to the bar to buy their own drink. That is, no one will be allowed to purchase multiple drinks for others.

So the only legitimate issue that remains for the proposed Class III gaming at Casino San Pablo is traffic. The Casino is less than one-half mile from the Interstate 80 San Pablo Dam Road interchange. This interchange is scheduled for reconstruction as part of the State Transportation Improvement Program. Unfortunately, the State has transferred all transportation construction money into its operating funds in order to maintain existing services and will not get to this project before 2014, unless the Lytton Tribe is allowed to pay for the improvements. The Tribe has promised to provide \$25 million to the California State Department of Transportation once the compact is approved to fix the I-80 San Pablo Dam Road Interchange. The Tribe has offered this money in advance of any revenue that would be gained from Type III gambling. The Tribe would also be providing to the State and the local jurisdictions an estimated \$150 million per year that could be invested in transportation improvements. And the Tribe has gone on record stating that it will contract with the local public bus system to provide a shuttle service from the nearest Bay Area Rapid Transit train depot to the Casino. If the Compact is not approved by the legislature the interchange will continue to be clogged. In fact, Casino San Pablo could disappear and our freeways would remain jammed.

In conclusion, the compact negotiated by the governor and by the Tribal Chair of the Lytton Band is the most comprehensive and generous in this nation's history. Other tribes who have located in more rural areas have not provided money necessary to upgrade transit and

infrastructure systems to support the gaming activity at those casinos. In fact, the Pachanga Tribe has criticized the compact negotiated for Casino San Pablo as being too generous and for giving away some of the sovereign rights accorded to Indian nation. Tribal Chair Person Margie Mejia has agreed to two environmental processes, has agreed to comply with the Uniform Building Codes, and has agreed to share the revenue from this activity in an unprecedented act of generosity. Her agreement to allow workers to organize is further evidence of the Tribe's intention to have a positive impact in our region.

We in San Pablo believe the Lytton Band of Pomo Indians has been the best neighbor and partner imaginable. The Lytton Band, despite being abused by the federal government in the past, has negotiated agreements with the City of San Pablo, and the State of California, that ensures that their facility will have a positive impact in the community most in need. It is a sad commentary that the State Legislature has not approved the proposed compact and a sadder commentary that the Senate would consider legislation which would rob the Tribe's federally sanctioned rights. I urge you to reject Senate Bill 113.

Sincerely,

A handwritten signature in cursive script that reads "Sharon J. Brown".

Sharon J. Brown  
Councilmember

Enclosures