

4.7 SOCIOECONOMIC CONDITIONS AND ENVIRONMENTAL JUSTICE

4.7.1 SOCIOECONOMIC CONDITIONS

This section provides an analysis of the socioeconomic effects of each alternative. Effects analyzed include increased employment and revenue, changes to City and County revenue and expenditure, community infrastructure and housing effects, and social effects from increased gambling. A socioeconomic study was recently completed that analyzes the socioeconomic impacts of each alternative (Bay Area Economics, 2008). A copy of this study appears in **Appendix N**. Growth inducing impacts of the alternatives are analyzed in **Section 4.11**.

ALTERNATIVE A – PROPOSED PROJECT

Direct Economic Effects

Construction

Construction required for Alternative A would generate substantial economic activity within Sonoma County and the larger nine-county Bay Area region (includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties). Direct impacts primarily consist of expenditures to local construction and engineering firms necessary for construction of the project facilities. Note that it is assumed that these expenditures would occur locally as the physical building would be located in the local economy and all workers would need to be in the local economy for the duration of the construction period (**Appendix N**).

For the purposes of this analysis, construction expenses were estimated. These estimates are the basis for identifying the potential effects from the construction of Alternative A. SC Sonoma Management, LLC (the Tribe's management/development partner) estimated total construction costs for the proposed project at \$450 million (**Table 4.7-1**). Additionally, SC Sonoma Management, LLC estimates that 750 jobs would be generated over the entire construction period, which is estimated at 27 months. This is a beneficial economic impact to the region.

Secondary effects from construction of Alternative A would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities. While precise economic projections are not available, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

TABLE 4.7-1
DIRECT ECONOMIC IMPACT DURING CONSTRUCTION

Direct Construction Impacts	No. of Employees	Expenditures
Alternative A	750	\$450 million
Alternative B	750	\$450 million
Alternative C	750	\$450 million
Alternative D	750	\$433 million
Alternative E	90	\$54.2 million
Alternative F	750	\$450 million
Alternative H	750	\$433 million

SOURCE: Bay Area Economics, 2008.

Operation

Alternative A is expected to result in the employment of between 2,200 and 2,600 full-time workers, with an average of 2,400 workers. The casino/hotel resort is expected to generate annual receipts between \$455 million and \$582 million, with an average of \$533 million (Bay Area Economics, 2008; **Appendix N**). A more detailed breakdown of expected receipts can be found in **Table 4.7-2**. Note that although the economic activity physically takes place in the local economy, not all of the revenues represent a direct economic impact to the local economy.

TABLE 4.7-2
DIRECT ANNUAL OPERATING SOCIOECONOMIC IMPACT

	Number of Employees	Casino Expenses by Category (Millions of Dollars)					Total Sales
		Casino/ Retail	Food and Beverage	Entertain- ment	Hotel	Other	
Alternative A	2,200 – 2,600	\$380 – \$500	\$43 – \$49	\$4.5	\$19 – \$20	\$8	\$454.5 – \$581.5
Alternative B	2,200 – 2,600	\$380 – \$500	\$43 – \$49	\$4.5	\$19 – \$20	\$8	\$454.5 – \$581.5
Alternative C	2,200 – 2,600	\$380 – \$500	\$43 – \$49	\$4.5	\$19 – \$20	\$8	\$454.5 – \$581.5
Alternative D	2,100	\$340	\$36	\$0	\$5	\$7	\$388
Alternative E	2,000	\$0	\$0	\$0	\$0	\$0	\$136.5
Alternative F	2,200 – 2,600	\$380 – \$500	\$43 – \$49	\$4.5	\$19 – \$20	\$8	\$454.5 – \$581.5
Alternative H	2,100	\$340	\$36	\$0	\$5	\$7	\$388

SOURCE: Bay Area Economics, 2008.

Thus, the direct economic impact to the local economy would be approximately \$255 million. This is a significant and beneficial impact to the socioeconomics of the region. No mitigation is required. A discussion of indirect and induced jobs and revenues that would flow from these direct effects can be found in **Section 4.11.2**. A discussion of indirect fiscal impacts to the region can also be found in **Section 4.11.2**.

Indirect and Induced Economic Effects

Alternative A would result in jobs and revenues that are induced or indirectly a result of the operation of the casino/hotel resort (indirect/induced economic impacts). Indirect employment and revenues would result from inter-industry trade, which the casino/hotel engages in with other businesses (e.g., janitorial supply services). Induced employment and revenues would result from economic activity spawned by the household trade that occurs when casino/hotel employees act as consumers.

Methodology

Estimates of indirect and induced impacts to regional employment and economic activity were prepared by Bay Area Economics using the IMPLAN (IMpact Analysis for PLANing) economic model originally developed for the United States Department of Agriculture (USDA) Forest Service in cooperation with the Federal Emergency Management Agency (FEMA) and the USDI Bureau of Land Management (BLM). The IMPLAN model has been in use since 1979 and closely follows the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis and the rectangular format recommended by the United Nations. IMPLAN automates the process of developing input-output models for regions within the United States. At the heart of the model is an input-output dollar flow table. For the specified region, the input-output table accounts for all of the dollar flows between the different sectors within the economy. Using this information, the IMPLAN software models the way income injected into one sector is then spent, and re-spent in other sectors of the economy, generating waves of economic activity, or so-called “economic multiplier” effects.

Regions studied using the IMPLAN model can be defined at various geographic levels to fit the particular analysis. The developers of the IMPLAN model maintain large databases of economic and trade data that are collected and published by the federal government, and compiled and formatted for use in the computer model. The data that IMPLAN uses are customized to reflect the specific, detailed economic characteristics of each individual county that is included within the specified regional study area. The data regarding input-output relationships between sectors used in the model for this analysis are from 2001 (latest currently available), and have been adjusted to provide results expressed in 2004 dollar figures.

The IMPLAN model is able to summarize the economic effects of a given economic “event” that is entered into the model, expressing the impacts in terms of direct, indirect, and induced jobs, and output, value added, and income by industry sector. Output is defined as the value of production by industry per year. Employment represents total wage and salary of employees, as well as self-employed jobs in a region, for both full-time and part-time workers. Total value added is defined as all income to workers paid by employers; self-employed income; interests, rents, royalties, dividends, and profit payments; and excise and sales taxes paid by individuals to businesses. The IMPLAN model is respected as the industry standard for projecting economic impacts resulting from future “events.” For the purposes of analysis in this EIS, the projected construction and operating budgets make up the “events” in the IMPLAN model.

In general, two types of employment and economic activity effects are estimated by IMPLAN: indirect effects and induced effects. Indirect impacts calculated by the IMPLAN model reflect changes in interindustry purchases, effectively measuring the impact of expenditures for other goods and services by the proposed development as they cycle through the economy. Induced impacts calculated by the IMPLAN model reflect changes in spending from households as income/population increases or decreases due to changes in production, effectively measuring the impact of wages paid as they cycle through the economy.

Construction

The construction budget was used as a proxy for output along with the IMPLAN model, to determine the indirect and induced impacts of construction on Sonoma County and the nine-County Bay Area that includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. Rohnert Park and other nearby jurisdictions will benefit from Alternative A’s indirect and induced impacts insofar as local businesses can provide services and goods that the casino will require for construction and that the households supported by this new construction activity will demand. Otherwise, establishments where out-of-town based workers can eat and sleep, and local providers of concrete, wood, and other building materials and services would experience the largest benefit from project construction (Bay Area Economics, 2008).

Indirect and induced impacts of the casino/hotel resort’s construction phase on the County and Bay Area are shown in **Table 4.7-3**. All development alternatives are within **Table 4.7-3** for comparison analysis. Note that these are temporary impacts lasting the duration of the construction period estimated at 27 months. As shown in the table, most of the indirect and induced construction impacts are occurring in Sonoma County. A beneficial, temporary indirect impact would result to the region.

TABLE 4.7-3
INDIRECT AND INDUCED CONSTRUCTION IMPACT

	Alternative A	Alternative B	Alternative C	Alternative D	Alternative E	Alternative F	Alternative G	Alternative H
Sonoma County								
Indirect Impacts								
Number of Employees	492	492	492	532	111	492	213	532
Output	\$102,510,000	\$102,510,000	\$102,510,000	\$98,630,000	\$15,980,000	\$102,510,000	\$35,930,000	\$98,630,000
Value Added	\$67,000,000	\$67,000,000	\$67,000,000	\$64,470,000	\$10,450,000	\$67,000,000	\$22,940,000	\$64,470,000
Induced Impacts								
Number of Employees	985	985	985	1,067	139	985	220	1,067
Output	\$214,880,000	\$214,880,000	\$214,880,000	\$206,760,000	\$21,690,000	\$214,880,000	\$41,260,000	\$206,760,000
Value Added	\$128,850,000	\$128,850,000	\$128,850,000	\$123,980,000	\$13,260,000	\$128,850,000	\$25,230,000	\$123,980,000
Indirect and Induced Impacts								
Number of Employees	1,477	1,476	1,476	1,599	250	1,476	433	1,599
Output	\$317,390,000	\$317,390,000	\$317,390,000	\$305,390,000	\$37,670,000	\$317,390,000	\$77,190,000	\$305,390,000
Value Added	\$195,850,000	\$195,850,000	\$195,850,000	\$188,450,000	\$23,710,000	\$195,850,000	\$48,170,000	\$188,450,000
Bay Area								
Indirect Impacts¹								
Number of Employees	538	538	538	583	51	538	220	583
Output	\$122,920,000	\$122,920,000	\$122,920,000	\$118,270,000	\$7,220,000	\$122,920,000	\$41,840,000	\$118,270,000
Value Added	\$74,650,000	\$74,650,000	\$74,650,000	\$71,830,000	\$4,830,000	\$74,650,000	\$25,520,000	\$71,830,000
Induced Impacts¹								
Number of Employees	985	985	985	1,067	139	985	215	1,067
Output	\$220,680,000	\$220,680,000	\$220,680,000	\$220,680,000	\$9,670,000	\$220,680,000	\$42,770,000	\$220,680,000
Value Added	\$128,850,000	\$128,850,000	\$128,850,000	\$123,980,000	\$13,260,000	\$128,850,000	\$25,230,000	\$123,980,000
Indirect and Induced Impacts								
Number of Employees	1,523	1,523	1,523	1,650	190	1,523	435	1,650
Output	\$343,600,000	\$343,600,000	\$343,600,000	\$338,950,000	\$16,890,000	\$343,600,000	\$84,610,000	\$338,950,000
Value Added	\$203,500,000	\$203,500,000	\$203,500,000	\$195,810,000	\$18,090,000	\$203,500,000	\$50,750,000	\$195,810,000
Estimated Construction Period	27 months	27 months	27 months	24 months	20 months	27 months	24 months	24 months

NOTES: ¹ Includes output related to services that would be provided to users of the project facilities by outside vendors. This portion of output is assumed to be new to Sonoma County, but not new to the Bay Area. Therefore, the output figure for the Bay Area is less than the figure for Sonoma County.

SOURCE: Bay Area Economics, 2008.

TABLE 4.7-4
INDIRECT AND INDUCED OPERATION IMPACT

	Alternative A	Alternative B	Alternative C	Alternative D	Alternative E	Alternative F	Alternative G	Alternative H
Sonoma County								
Indirect Impacts								
Number of Employees	646 – 821	646 – 821	646 – 821	550	68	646 – 821	10	550
Output	\$58.1M - \$73.7M	\$58.1M - \$73.7M	\$58.1M - \$73.7M	\$49,480,000	\$5,560,000	\$58.1M - \$73.7M	\$1,320,000	\$49,480,000
Value Added	\$35.4M - \$45.0M	\$35.4M - \$45.0M	\$35.4M - \$45.0M	\$30,150,000	\$3,770,000	\$35.4M - \$45.0M	\$920,000	\$30,150,000
Induced Impacts								
Number of Employees	662 – 834	662 – 834	662 – 834	565	86	662 – 834	67	565
Output	\$63.2M - \$79.6M	\$63.2M - \$79.6M	\$63.2M - \$79.6M	\$52,930,000	\$8,000,000	\$63.2M - \$79.6M	\$6,260,000	\$52,930,000
Value Added	\$38.5M - \$48.5M	\$38.5M - \$48.5M	\$38.5M - \$48.5M	\$32,370,000	\$4,890,000	\$38.5M - \$48.5M	\$3,830,000	\$32,370,000
Indirect and Induced Impacts								
Number of Employees	1,308 – 1,655	1,308 – 1,655	1,308 – 1,655	1,115	153	1,308 – 1,655	77	1,115
Output	\$121.3M - \$153.3M	\$121.3M - \$153.3M	\$121.3M - \$153.3M	\$102,410,000	\$13,560,000	\$121.3M - \$153.3M	\$7,580,000	\$102,410,000
Value Added	\$73.9M - \$93.5M	\$73.9M - \$93.5M	\$73.9M - \$93.5M	\$62,520,000	\$8,660,000	\$73.9M - \$93.5M	\$4,750,000	\$62,520,000
Bay Area								
Indirect Impacts								
Number of Employees	718 – 913	718 – 913	718 – 913	612	86	718 – 913	11	612
Output	\$68.0M - \$86.1M	\$68.0M - \$86.1M	\$68.0M - \$86.1M	\$57,850,000	\$7,220,000	\$68.0M - \$86.1M	\$1,390,000	\$57,850,000
Value Added	\$40.5M - \$51.4M	\$40.5M - \$51.4M	\$40.5M - \$51.4M	\$34,480,000	\$4,830,000	\$40.5M - \$51.4M	\$960,000	\$34,480,000
Induced Impacts								
Number of Employees	662 – 834	662 – 834	662 – 834	565	97	662 – 834	66	565
Output	\$65.9M - \$83.1M	\$65.9M - \$83.1M	\$65.9M - \$83.1M	\$55,250,000	\$9,670,000	\$65.9M - \$83.1M	\$6,530,000	\$55,250,000
Value Added	\$38.5M - \$48.5M	\$38.5M - \$48.5M	\$38.5M - \$48.5M	\$32,370,000	\$5,650,000	\$38.5M - \$48.5M	\$3,810,000	\$32,370,000
Indirect and Induced Impacts								
Number of Employees	1,380 – 1,747	1,380 – 1,747	1,380 – 1,747	1,178	183	1,380 – 1,747	76	1,178
Output	\$133.9M - \$169.2M	\$133.9M - \$169.2M	\$133.9M - \$169.2M	\$113,100,000	\$16,890,000	\$133.9M - \$169.2M	\$7,920,000	\$113,100,000
Value Added	\$79.0M - \$99.9M	\$79.0M - \$99.9M	\$79.0M - \$99.9M	\$66,850,000	\$10,480,000	\$79.0M - \$99.9M	\$4,770,000	\$66,850,000

SOURCE: Bay Area Economics, 2008.

Operation

The operation budget was used as a proxy for output along with the IMPLAN model, to determine the indirect and induced impacts of project operation on Sonoma County and the Bay Area. Rohnert Park and other nearby jurisdictions will benefit from the indirect and induced impacts of Alternative A insofar as local businesses can provide services and goods that the casino/hotel will require during operation and that the households supported by this new business will demand (Bay Area Economics, 2008).

Table 4.7-4 shows the indirect and induced impacts of the casino/hotel resort's operation phase on Sonoma County and the Bay Area. All development alternatives are compared in **Table 4.7-4**. As shown in the table, most of the indirect and induced operation impacts are occurring in Sonoma County. A beneficial indirect economic impact would result to the region.

Potential substitution effects (the loss of customers at existing commercial businesses to the new business) of Tribal casinos on existing restaurant, recreation, and retail establishments must be considered when attempting to determine the true magnitude of the casino's impact on the economy. The magnitude of the substitution effect can generally be expected to vary greatly by specific location and according to a number of variables that are difficult to quantify. That is, how much of the casino's revenue comes at the expense of other business establishments in the area depends on how many and what type of other establishments are within the same market area as the casino, disposable income levels of local residents and their spending habits, as well as other economic and psychological factors affecting the consumption decisions of local residents. To the extent that the casino acts as a destination location, substitution effects become more diffuse, as the casino is drawing patrons from a widespread area. Quantifying the substitution effects of the casino would require knowledge of how residents spend their entertainment dollars, how patrons rank their preferences for different types of entertainment, and the distribution of where casino patrons originate. Given that most of the above variables for determining substitution effects are not known, an attempt to quantify substitution effects has not been made in the EIS. Nonetheless, **Appendix N** contains an attempt to provide a qualitative analysis of the potential magnitude of the substitution effect based on four types of potential visitors: tourists, local residents who would otherwise spend their money on local entertainment, local residents who would otherwise leave the County for entertainment, and local residents who would otherwise save their money.

Based on the types of visitors likely to visit the casino (most substitution will occur within the category of local residents who would otherwise spend their money on local entertainment – other categories of customers would largely counteract substitution effects), it is likely that some of the casino's receipts will come at the expense of other local venues, and therefore would not represent new benefits to the County. Substitution impacts would be diffuse because there are a

large number of existing businesses that already operate in a competitive environment. Moreover, in the first year, the new economic benefits to the County will likely be smaller than over the long-term due to substitution effects once local residents experience the casino and return to their normal spending patterns. Worst-case substitution effects, occurring in rural environments, have shown on average a nine-percent decrease in earnings at local restaurants and bars and an increase in earnings in other commercial sectors. Given that the hotel/casino resort would be located in an urban setting such effects would not apply. Nonetheless, it may be inferred that substitution is only expected at restaurants or bars and that the substitution would be some percentage lower than nine percent. Given that it is not possible to reliably quantify the substitution effects, this analysis does not arbitrarily reduce the economic impacts from the proposed casino and other alternatives to account for substitution effects. As the casino/hotel resort would draw non-residents to the area, the associated increase in new visitor demand for off-site entertainment venues, restaurants, and bars would make up for some area residents choosing to eat within the proposed casino hotel, rather than at existing eateries. Thus, less-than-significant substitution effects would occur.

Fiscal Impacts on Local Jurisdictions

In addition to determining the indirect and induced employment and economic activity impacts resulting from the development alternatives, fiscal impacts were also examined. The employees needed to staff the developments would be drawn from the existing labor pool, meaning that the developments would not generate secondary service demand from its employees who may choose to live in Rohnert Park or Sonoma County. Rather, there are adequate numbers of people living in Rohnert Park and nearby who are not currently employed; who could fill those new jobs. The City and County are already providing services to those local residents; thus, a significant increase in City or County service demand or costs from new residents would not occur. An increase in costs is expected to be associated with the increased visitation and spillover effects from casino employees for the City as well as the County.

City of Rohnert Park

Since there would not be a direct increase in the service population associated with the proposed casino or other alternatives, there would be no additional sales tax revenues, motor vehicle in lieu fees, or franchise fee revenues that the City can expect to collect from an increased service population. There would likely be some additional sales tax collections from people traveling through Rohnert Park to and from the Casino; however that additional revenue is expected to be fairly minor in relation to the overall City budget, since most travelers would be traveling within the City for only a short duration between US-101 to the site (Bay Area Economics, 2008).

Based on the project's proximity to the City and contributions for facilities in the Memorandum of Understanding (MOU), the Tribe would most likely contract with the City for fire and emergency services. Although the MOU does not apply to the Wilfred Site, it is assumed that it would be renegotiated with similar terms for a casino on the Stony Point Site (see **Section 2.2.10**). In the MOU, the Tribe has agreed with the City to many recurring and non-recurring contributions to numerous local public safety-related projects (see **Section 2.2.10**) at an identically sized casino on the nearby Stony Point Site (the terms of this MOU are assumed to apply to Alternative A). For instance, the Tribe agreed to contribute \$2,250,000 to the City to be used to construct a new public safety building (including a two-story training tower). The Tribe also agreed to contribute \$350,000 to the City to be used to purchase a Type I fire engine that would be stationed at the new public safety building. Under the MOU, \$410,000 would also be contributed to the City to be used for the purchase of public safety vehicles. As of September 2006, the Tribe has contributed \$1,325,000 to establish a Special Enforcement Unit (SEU), a neighborhood enforcement team to combat gangs, illegal drug use, and other criminal activity. The Tribe has agreed to make annual contributions of \$500,000 to the City to support this neighborhood enforcement team (note that the Tribe has made and continues to make these annual contributions although not specifically required to do so until the casino is operational). The Tribe has agreed to continue to fully fund the SEU through June 30, 2008, which will bring its total contribution for SEU funding to \$2,200,000. In June 2007, at the request of Rohnert Park, the Tribe also agreed to provide \$153,000 in additional funding for two new Public Safety Department positions beginning January 1, 2008, including a school resource officer and a records supervisor (**Appendix II**). Finally, the Tribe agreed to make an annual contribution of \$5,000,000 to mitigate additional potential impacts of the project on the City. The City and the Tribe agreed in the MOU that this amount is sufficient to mitigate any unidentified impacts of the project (MOU, 2003). These contributions not only give the City better capabilities for internal back-up, they also provide additional resources for providing back-up services to other agencies that are parties to mutual or automatic aid agreements, thereby creating a benefit to the overall region.

The cost to provide fire and emergency services to the casino/hotel resort would be between \$244,600 and \$289,100 (Bay Area Economics, 2008). Under the MOU, the Tribe will donate approximately \$10.9 million to fund capital improvements including an additional fire truck. The Tribe will also donate approximately \$9.7 million per year to the City to mitigate any ongoing impacts (see **Section 2.2.10**). This is equal to approximately 37-percent of the City's existing General Fund budget. Therefore, accounting for these annual contributions, beneficial impacts to the City's budget would be expected after the implementation of Alternative A (Bay Area Economics,-2008).

Sonoma County

Although fire and emergency services are assumed to be provided by the City, other fiscal impacts are expected to the County for Alternative A. For example, although the City would provide fire and emergency services, the County would provide law enforcement services (absent an agreement stating otherwise). For Alternative A, there would be an equivalent increase in the County service population of approximately 1,200 persons (since the land would be held in trust, the County service population would not actually increase), which is assumed to be equal to one-half the estimated number of casino employees (2,400 employees, **Table 4.7-2**), based on standard fiscal impact analysis convention (**Tables 4.7-5** and **4.7-6**).

TABLE 4.7-5
EXISTING SONOMA COUNTY SERVICE POPULATION

	Sonoma County
Total Existing Residents	472,725
Total Existing Households	179,565
Total Number of Jobs/Employees	223,466
Total Service Population	584,458

SOURCE: Bay Area Economics, 2008.

TABLE 4.7-6
ESTIMATED INCREASE IN SONOMA COUNTY SERVICE POPULATION PER ALTERNATIVE

	Alternative A	Alternative B	Alternative C	Alternative D	Alternative E	Alternative F	Alternative H
Employment (High Estimate)	2,600	2,600	2,600	2,100	2,000	2,600	2,100
Employment (Low Estimate)	2,200	2,200	2,200	2,100	2,000	2,200	2,100
Estimated Service Population (High Estimate)	1,300	1,300	1,300	1,050	1,000	1,300	1,050
Estimated Service Population (Low Estimate)	1,100	1,100	1,100	1,050	1,000	1,100	1,050

SOURCE: Bay Area Economics, 2008.

The County would not directly collect any revenues from the proposed casino. This is because the casino/hotel resort would not be subject to local property taxation nor required to collect sales taxes. The County would not have the authority to levy other types of taxes and charges on the casino/hotel resort. Small increases in revenues would be expected as a result of the proposed

project for items such as local fines and forfeitures, to the extent that casino patrons or employees are cited for infractions off the Wilfred site. As shown in **Table 4.7-7**, revenues of this type that would not rely on direct levies of taxes are expected to generate approximately \$143 annually per service population (Bay Area Economics, 2008).

Based on the County's current general fund cost structure, and by calculating simple average costs per current service population, the County spends, on average, \$283 per service population on General Fund services within the unincorporated area (**Table 4.7-8**). However, given that it is assumed that the City would provide public safety services, the net cost per service population is \$176.

Table 4.7-9 shows the net fiscal impacts to the County from the proposed casino and other alternatives. As shown in **Table 4.7-9**, Alternative A would generate a negative fiscal impact to the County based on an expectation of increased County service costs coupled with lesser anticipated increase in revenues. As shown, the anticipated net fiscal cost to the County from Alternative A is between \$153,766 and \$181,724 per year. As noted in **Section 2.2.10**, the Tribe has entered into an initial MOU with Sonoma County, in which the Tribe and County have agreed to commence negotiations towards executing an intergovernmental agreement that would insure the timely mitigation of any significant environmental effects that occur within the County. Negotiation for this agreement has commenced. A potentially significant fiscal effect to the County would result should these negotiations not result

TABLE 4.7-7
EXISTING ANNUAL SONOMA COUNTY REVENUE SOURCES

Revenue Sources	Revenue (dollars)	Percentage of Total Revenue
Taxes	114,600,000	58
Charges for Service/Program Fees	47,300,000	24
Other ¹	36,200,000	18
2003-2004 General Fund Revenues ²	198,100,000	100
Annual Non-Taxes Per Service Population Revenues ³	143	

NOTES: ¹ Includes Licenses/Permits/Franchises (\$13.9 million), Fines/Forfeitures/Penalties (\$6.7 million), Miscellaneous Revenues (\$3.6 million), Use of Money (\$7.1 million), and other financing sources (\$4.9 million).

² General Fund revenues net of intergovernmental (Federal and State) revenues, and prior year reserves.

³ This is the sum of charges for service/program fees plus other revenues, divided by the 2004 service population. These are County revenues that could potentially increase in response to the increased service population associated with project employment.

SOURCE: Bay Area Economics, 2008.

TABLE 4.7-8
EXISTING ANNUAL SONOMA COUNTY APPROPRIATIONS

General Fund Category	Expenditures (dollars) ¹	Percentage
General Government	22,900,000	14
Health/Sanitation	4,400,000	3
Other ²	2,500,000	2
General Government Transfers	1,100,000	1
Sheriff and Emergency Services, Net of Law Enforcement Dispatch Services	62,100,000	38
Dispatch Services, Law Enforcement Only ³	3,000,000	2
All Other Public Protection ⁴	63,400,000	38
Public Assistance	5,800,000	21
<i>Total</i>	<i>165,200,000</i>	<i>100</i>
Annual Per Service Population Expenditures ⁵	283	
Annual Net Per Service Population Expenditures ⁶	176	

NOTES: 1 General fund expenditures reflect County expenditures paid for with discretionary revenues.

2 Includes Public Ways/Facilities, Education, Recreation/Cultural Services, Provisions for Reserves/Designations, and Appropriations for Contingencies.

3 County provides dispatch for law enforcement only. The County and cities contract with a private company to perform dispatch services for fire and emergency medical services.

4 Includes District Attorney, Public Defender, Superior/Municipal Court, Grand Jury, County Clerk, Detention, Probation Department, Juvenile Halls, Permit and Resource Management, Agricultural Commissioner, L.A.F.C.O., and Recorder.

5 This does not include fire and emergency services.

6 Under the No Action Alternative (Alternative G) the City of Rohnert Park would annex the site prior to development, and thus, would be responsible for providing the site with law enforcement, fire, and emergency services.

SOURCE: MOU, 2003; Bay Area Economics, 2008.

in offsetting contributions to the County to mitigate for the fiscal impact of Alternative A. Mitigation measures in **Section 5.2.6** would insure fiscal effects to the County are less than significant.

Property Values

The construction of a casino may result in changes to local property values, which could impact local tax assessor rolls and in turn, local property tax revenues. Changes in appreciation rates of properties adjacent to the casino could also impact future property tax revenues. The direction and magnitude of change can be affected by the proximity of the property to the casino and whether or not the casino is located in an urban area. According to the Lied Institute of Real Estate Studies, a new casino built within one-mile of residential households will result in a 4.6-percent decrease in home values, while homes located more than one mile experience no impact on property value. This study was conducted in suburban Las Vegas; however, it should be noted

that the Bay Area housing market tends to be stronger than elsewhere in the nation and may be resistant to changes related to a casino. As property values and taxes can vary for a variety of reasons unrelated to the casino, it would be speculative to measure the impacts to property values.

TABLE 4.7-9
ESTIMATED ANNUAL FISCAL IMPACTS TO SONOMA COUNTY PER ALTERNATIVE

	Net Cost Differential		Net Revenue Differential		Net Impact	
	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate
Alternative A	\$367,452	\$310,921	\$185,728	\$157,154	(\$181,724)	(\$153,766)
Alternative B	\$367,452	\$310,921	\$185,728	\$157,154	(\$181,724)	(\$153,766)
Alternative C	\$367,452	\$310,921	\$185,728	\$157,154	(\$181,724)	(\$153,766)
Alternative D	\$296,788	\$296,788	\$150,011	\$150,011	(\$146,777)	(\$146,777)
Alternative E	\$282,655	\$282,655	\$142,867	\$142,867	(\$139,788)	(\$139,788)
Alternative F	\$1,367,452 ¹	\$1,310,921 ¹	\$185,728	\$157,154	(\$1,181,724) ¹	(\$1,153,766) ¹
Alternative H	\$296,788	\$296,788	\$150,011	\$150,011	(\$146,777)	(\$146,777)

NOTE: Parentheses indicate the amount of financial burden to Sonoma County.

¹ Note that this is the cost for the first year that includes \$1,000,000 for the building of a fire station near the Lakeville Site. Annual fiscal impacts after the first year would range between \$153,766 and \$181,724.

SOURCE: Bay Area Economics, 2008.

Social Effects

On balance, through case studies of existing casino communities as well as a review of various statistics and literature, the socioeconomic study (**Appendix N**) found examples of both negative and positive impacts associated with casinos; however, in almost all cases it is impossible to attribute the entire cause of these impacts to casinos themselves (Bay Area Economics, 2008). In an attempt to identify social impacts of Alternative A, the following five California communities were surveyed that have Indian gaming casinos within close proximity or in their jurisdiction:

- Thunder Valley Casino in Lincoln, Placer County;
- Chumash Casino Resort in Santa Ynez, Santa Barbara County;
- Pala Casino Resort and Spa, in Pala, San Diego County;
- Spa Resort Casino in Palm Springs, Riverside County; and
- Barona Valley Ranch Resort and Casino in Lakeside, San Diego County.

Each of the casinos listed above offers slot machines, gaming tables and hotel accommodations with the exception of Thunder Valley Casino, whose amenities do not include hotel accommodations. **Table 4.7-10** summarizes the year in which each casino opened, square footage of the casino, number of slot machines, number of gaming tables, number of hotel rooms

and the population of the neighboring cities. All of the casinos opened in the last several years. Spa Resort Casino in Palm Springs has the smallest square footage dedicated to its casino (45,000 square feet) whereas Barona Valley Ranch Casino has the largest casino square footage of 310,000. Each casino offers an average of 2,000 slot machines, an average of 70 gaming tables, and where available, an average of approximately 300 hotel rooms.

For the survey, local law enforcement offices were contacted to inquire about the impacts of the casinos and whether the facilities induced a higher incidence of crime. In addition, historical crime statistics were reviewed for a correlation between the presence of casinos and higher than average crime rates. Local social service agencies were also contacted to document any increase in social service demand since the opening of the casinos. Finally, a literature review on the topic of the social impacts of casino gambling was conducted. A brief summary of the general conclusions found in literature on the subject can be found below. A more detailed accounting of the analysis conducted is located in **Appendix N**.

TABLE 4.7-10
COMPARATIVE CASINOS

	Location	Year Opened	Casino Square Footage	No. of Slot Machines	No. of Hotel Rooms	Local Population (2000)
Graton Casino	Rohnert Park, Sonoma County, CA	NA	408,150	NA	300	42,000
Thunder Valley Casino	Lincoln, Placer County, CA	2003	200,000	2,700	0	13,900
Chumash Casino Resort	Santa Ynez, Santa Barbara County, CA	2003 (casino) 2004 (hotel)	94,000	2,000	106	4,584
Pala Casino Resort and Spa	Pala, San Diego County, CA	2001 (casino) 2004 (hotel)	185,000	2,250	507	133,559
Spa Resort Casino	Palm Springs, Riverside County, CA	2003	45,000	1,000	228	42,807
Barona Valley Ranch Resort and Casino	Lakeside, San Diego County, CA	2003	310,000	2,000	397	19,560

SOURCE: Bay Area Economics, 2008.

Crime Rates

In general, each local law enforcement agency with a casino within its jurisdiction reported an increase in law enforcement service demand after the opening of each casino. All reported that the typical crimes and/or calls for service that have increased include, but are not limited to, driving under the influence, personal robbery, credit card fraud, auto thefts, disorderly conduct, and assault.

Although instances of these crimes have increased in all of the casino communities, no department could implicate the casino land use as the direct cause of the increase in crime. Rather, each department expressed that the increased concentration of people within the local area led to the increase in crime. Three of the five casinos provided statistical reports on the number of crimes specifically in and around the individual casinos. As summarized in **Table 4.7-11**, the total number of crimes is minimal in comparison to the overall number of crimes in the surrounding communities. Chumash Casino in Santa Ynez had 204 calls for service in 2003, 20 of which were larceny-theft arrests, and one which resulted in a violent crime arrest. Pala Casino Resort and Spa in Pala, California had 181 calls for service in 2003, 21 of which were property crime arrests, 12 of which were larceny-theft arrests, and six of which resulted in violent crime arrests. All departments reported the largest impact directly attributed to the casino in their community is the increase in traffic and traffic-related accidents.

In addition to the interviews with local law enforcement officials, uniform crime reporting statistics were also compiled for the different host communities published by the State Attorney General's Office. Crime data for the local jurisdiction as well as the overall county in which each is located was collected. Per capita crime rates were reached by combining this information with population figures for each area. These data are incorporated into **Table 4.7-11** and show that crime rates in Lincoln, the community nearest the Thunder Valley Casino are very similar to the rates in Placer County overall. Crime rates in unincorporated Santa Barbara County, where the Chumash Casino Resort is located, are slightly below the County average. Crime rates in Palm Springs, where the Spa Resort and Casino is located are substantially higher than in Riverside County overall. Crime rates in unincorporated San Diego County, where the Barona Valley Ranch Resort and Spa and Pala Casino Resort and Spa are located, are significantly below the crime rates in the County overall. With three local jurisdictions experiencing lower crime rates, one experiencing comparable crime rates, and one jurisdiction experiencing greater crime rates, this data does not show a definitive link between crime rates and the presence of casinos.

Finally, the Rohnert Park Department of Public Safety study of the impacts to crime from the Thunder Valley casino was reviewed. The Department of Public Safety analyzed the number and types of offenses reported near the Thunder Valley casino, and spoke with Placer County Sheriff's Department, to extrapolate the actual impacts of casino operations on local crime. The Sheriff's Department indicated that one unintended consequence of the casino was that because the casino monitored its premises with video technology, the number of required detective follow-ups to reports of crime was much higher than would otherwise occur. Video technology enables the casino to provide video evidence implicating a perpetrator to the local authorities.

TABLE 4.7-11
2003 CRIME STATISTICS BY COMPARATIVE CASINOS

		Population	Total Number of Crimes	Violent Crimes ^a	Property Crimes ^b	Larceny/ Theft ^c	Calls for Service
Thunder Valley Casino	Casino Site		256	Not available	Not available	Not available	585
	Lincoln	19,923	614	47	217	350	
	Crimes per 1,000 residents		31	2	11	18	
	Placer County	283,454	8,480	577	2,703	5,200	
	Crimes per 1,000 residents		30	2	10	18	
	Percent of County Crime at Casino		3.0%	Not available	Not available	Not available	
Chumash Casino Resort	Casino Site		21	1	0	20	204
	Unincorporated Area	135,305	1,912	215	546	1,151	
	Crime per 1,000 residents		14	2	4	9	
	Santa Barbara County	410,268	8,536	1,114	2,181	5,241	
	Crime per 1,000 residents		21	3	5	13	
	Percent of County Crime at Casino		0.2%	0.1%	0.0%	0.4%	
Pala Casino Resort and Spa	Casino site		39	6	21	12	181
	Unincorporated area	460,615	10,148	1,272	4,487	4,389	
	Crime per 1,000 residents		22	3	10	10	
	San Diego County	2,976,104	110,642	14,006	42,358	54,278	
	Crime per 1,000 residents		37	5	14	18	
	Percent of County Crime at Casino		0.04%	0.04%	0.05%	0.02%	
Spa Resort Casino	Casino site		Not available	Not available	Not available	Not available	Not available
	Palm Springs	44,363	3,746	390	1,317	2,039	
	Crime per 1,000 residents		84	9	30	46	
	Riverside County	1,719,004	72,003	9,124	26,474	36,405	
	Crime per 1,000 residents		42	5	15	21	
	Percent of County Crime in Palm Springs		5.2%	4.3%	5.0%	5.6%	
Barona Valley Ranch Resort and Casino	Casino site		Not available	Not available	Not available	Not available	Not available
	Unincorporated area	460,615	10,148	1,272	4,487	4,389	
	Crime per 1,000 residents		22	3	10	10	
	San Diego County	2,976,104	110,642	14,006	42,358	54,278	
	Crime per 1,000 residents		37	5	14	18	
	Percent of County Crime in San Diego		9.2%	9.1%	10.6%	8.1%	

NOTES: ^a Violent crimes are defined as homicide, forcible rape, robbery, and aggravated assault.

^b Property crimes are defined as burglary and motor vehicle theft.

^c Larceny is defined as thefts over \$400 and theft is defined as thefts under \$400.

SOURCE: Bay Area Economics, 2008.

Thus, local law enforcement officials would have sufficient evidence to pursue a purse-snatcher or car thief after the crime occurred. While this is clearly a benefit to the community, such follow-ups require additional resources. The Sergeant also indicated that the rate of growth in Placer County, and particularly around Lincoln, where the casino is located, generated more

service demand than the casino, and that the casino mainly generated the types of calls that would occur in tandem with the opening of a tourist attraction.

In order to estimate the potential increase in service demand from the casino, the Department of Public Safety examined the changes in per capita crime rates between the 18 months prior to the casino's opening and 18 months after the casino's opening, and found that the average number of monthly reports did increase per capita for all types of crime, with the largest increases (43-percent) in drug related arrests on casino routes, and (21-percent) in property crimes that occur in already-developed residential and industrial neighborhoods near casino routes.

The Department of Public Safety's analysis focused on the areas adjacent to the casino, and looked at raw data to determine the potential impacts of the casino. However, one cannot determine with certainty the impacts of casino operation on local crime rates without accounting for crime that occurs within a community, but away from the casino site, and utilizing statistical inference analysis that accounts for other community characteristics that are related to the incidence of crime. In order to determine the actual nature of the relationship between crime rates and the presence of a casino, we defer to a review of the literature on the link between crime and casinos.

A comprehensive literature review was conducted to determine the relationship of gaming to crime rates (**Appendix N**). The National Opinion Research Council (NORC) found that insufficient data exists to quantify or determine the relationship between casino gambling within a community and crime rates. Some argue that there is incentive for casino operators to support local law enforcement and encourage law-abiding behavior around their premises, while others argue that casinos lead to increased instances of crime among pathological and problem gamblers. While several studies found an increase in crime within an area after the opening of a new casino, the amount was not much different than from the opening of any other type of tourist attraction (Bay Area Economics, 2008). However, such results may evolve from model specifications, rather than the data. In their 2004 *Casinos, Crime, and Community Costs* study published in the "Journal of Economic Literature," Grinols and Mustard develop a comprehensive model specification for crime impacts of casinos, and find that casinos do generate additional crime. The model examines the differences in numbers of crimes over time between counties containing an operating casino versus those without a casino, for all counties in the nation. Their model accounts for over 45 different population and location characteristics that could be related to crime. This specification allows the authors to get a clearer picture of the impacts of casinos on local crime rates. Next, their model specifies types of crime into seven categories: aggravated assault, rape, larceny, burglary, robbery, auto thefts, and murder. Finally, the authors include time variables to account for the expected decrease in crime that additional jobs would create when the casino opens, and allow them to examine the crime impacts of pathological gamblers.

The time element of the specification allows for the distinction between crimes of opportunity and those from problem and pathological gamblers, and shows which crimes fall into each of these two categories. Crimes of opportunity refer to the types of crime that generally follow the opening of tourist attractions. These types of crimes generally include car thefts, but could also include some robbery and fraud as well. According to Grinols and Mustard, auto thefts increase by approximately 153 incidents per 100,000 population in the first year of casino operations and robberies increase by approximately 11 incidents per 100,000 population. Both types of crime continue to increase steadily in each subsequent year of operations. Although the increase in the visitor population from the attraction would present the opportunity for more auto thefts, casinos tend to have security cameras in their parking lots, which would deter some auto thefts to the extent that the criminal population knows that the cameras are filming the parking lot. Over time, some of the increase in auto thefts may also be related to problem and pathological gamblers.

Problem and pathological gamblers are persons who gamble compulsively and whose relationships and lives often suffer as a result of their gambling habits. According to Breen and Zimmerman's 2003 study: *Rapid Onset of Pathological Gambling in Machine Gamblers*, it takes between one and 3.5 years for a person to develop into a pathological gambler, become desperate, and exhaust his or her resources. The 2006 *Gambling in the Golden State: 1998 Forward* report states that in a survey of recovering pathological gamblers roughly 29 percent admitted to committing criminal offenses. As it takes time for a person to develop a gambling problem, the impacts of pathological gamblers on crime would not manifest until two or three years after the opening of the casino. Grinols and Mustard account for this delayed impact with variables that examine the impacts of the casino in the third, fourth, and fifth years of operations. They find that casinos do indeed generate additional cases of assault, larceny, robbery, rape, and auto thefts, and that all of these crimes increase over time. Thus, the data show that the presence of a casino leads to an increase in crimes that lag the casino's opening. Given the lag, and the nature of the crimes, it is likely that problem and pathological gamblers make up a significant portion of these perpetrators.

It should be noted that the Grinols and Mustard study focuses on communities with no casino presence prior to the opening of a casino. Sonoma County already has one casino with a second located nearby in Lake County. Thus, the conclusions from the Grinols and Mustard study (and other studies based on similar data sets) are likely overstated as residents with the propensity to gamble and develop gambling problems are likely to currently visit one of the area's existing casinos. Thus, the increase in crime from an additional casino is likely to be less dramatic than Grinols and Mustard find.

After surveying similar California casino communities and reviewing relevant literature, a definitive link between casinos and regional crime rates was not found, although recent studies do point to such a link, possibly a link that does not materialize until some time has passed. If these studies are correct, then an increase in regional crime rates would result from Alternative A, particularly in the absence of adequate funding for law enforcement services.

The MOU with the City of Rohnert Park states that the Tribe and the City agree that the compensation specified in the MOU (see **Section 2.2.10**) is sufficient to offset the cost of equipment, other capital improvements, and other expenditures that the City deems necessary or appropriate to mitigate impacts of Alternative A on the City's law enforcement services (although the MOU does not specifically apply to the Wilfred site, it is expected to be renegotiated to apply to the Wilfred site with the same substantive provisions). Also, consistent with Section 8.0 of the anticipated Tribal-State Compact, the Tribe would be committed to providing on-site security for casino operations to reduce and prevent criminal and civil incidents.

As part of their analysis, Grinols and Mustard estimate that the total annual countywide social costs of having an operating casino within the county, cost per victimization figures from the 1996 National Institute of Justice's "Victim's Costs and Consequences: A New Look" analysis. Using these cost per victim estimates, Grinols and Mustard estimate that the presence of a casino, either in a city or an unincorporated area, are approximately \$75 per adult county resident. According to Grinols and Mustard, approximately \$30, or 40 percent of the total social costs are related to police, judicial services, and theft, including the cost of both crimes of opportunity and crimes from problem and pathological gamblers. Applying this methodology to the population of adults over the age of 17 in the unincorporated county and all cities within ten miles of the Wilfred and Stony Point sites¹ yields a total cost estimate of approximately \$8.3 million.² Although the authors use this methodology for estimating crime costs, there is no consensus in the literature on how to measure these costs, and the topic is hotly debated. In addition, it should be noted that of all of the studies that analyze the crime impacts from casinos, this is the only one that estimates a cost associated with these crimes. As noted above, since there are already two casinos located within the area, the additional impacts from the proposed casino would not likely increase crime as dramatically as Grinols and Mustard find for communities that do not have an existing casino. Some of the literature suggests that additional casino crime is related to an increased population concentration, not unlike the opening of a mall or amusement park. According to *Gambling in the Golden State: 1998 Forward*, Counties and Tribes typically

¹ Analysis uses a ten mile radius to estimate the impacts from new problem and pathological gamblers. Should crime rates be increased, the effects are expected primarily within this area. See Problem and Pathological Gambling section.

² Estimate does not include costs to Rohnert Park because the City and Tribe have already agreed to mitigation terms per the 2003 MOU.

negotiate law enforcement contributions averaging \$700,000 annually to mitigate crime impacts. Under the City MOU, the Tribe agrees to pay the City of Rohnert Park \$500,000 per year to combat crime. As noted in the MOU and according to Rohnert Park's Sergeant Sweeney, this should sufficiently mitigate any law enforcement impacts to the City.

The lack of consensus among the various articles makes estimating the impacts of increased crime difficult. Given that an increased crime rate appears likely based on the limited information available to analyze such an impact, we estimate that a significant impact would result if adequate compensation is not provided to law enforcement service providers within ten miles of the site. Mitigation measures in **Section 5.2.6** would reduce this impact to a less than significant level.

Social Service Demand

Interviews were conducted with the county social service departments in each individual case study project jurisdiction. Generally, each of the five counties contacted has seen a minimal increase in social service demand in their community as a result of the project. The specific type of demand universally felt by all social service departments is substance abuse assistance. The increase in need for assistance is primarily related to, but not limited to, alcohol abuse, narcotic abuse, and problem gambling. Three of the five social service departments have seen an increase in the divorce rate, but do not necessarily attribute this to the project. None of the county social service departments contacted directly attributes the minimal increase in demand for their services to the project in their communities (Bay Area Economics, 2008). Thus, an increase in demand for social services would be less than significant.

Problem and Pathological Gambling

Like other social impacts, the causal relationship between casinos and problem gambling is difficult to measure. Although only 30 states allow for legal forms of casino gambling, all but Hawaii and Utah allow for some type of legal gambling. Thus, problem gamblers are likely to already exist in most communities. Pathological and problem gambling is unlikely to be the sole cause for increases in crime because pathological and problem gambling is likely to coincide with other addictions and disorders, including alcohol and drug abuse (United States General Accounting Office (GAO)). Also, with access to gambling in some form in 48 states, there is no evidence that pathological gamblers will relocate to areas with Indian gaming casinos (Bay Area Economics, 2008). However, there are several recent studies that suggest that the presence of a casino results in a higher rate of resident problem and pathological gamblers than in counties without a casino, and that these gamblers are more likely to file bankruptcy than the general population. According to Grinols and Mustard, the Las Vegas community has a problem and pathological gambler population that is nearly six percent higher than in a non-casino community.

Ricardo Gazel finds in his *Economic Impacts of Casino Gambling at the State and Local Level* article, that the incidence of problem and pathological gamblers can be between one to four percent higher in a casino community than for the general population, depending on the type of gambling that's prevalent. He finds that communities with a higher percentage of slot machines have a higher problem and pathological gambler differential than in areas with other types of gambling. Several studies suggest that these population differentials take effect for residents within a 50 mile radius of a casino, and increase to the above mentioned rates as the casino moves closer to the population. According to Welte et al., the probability of being a problem or pathological gambler increases by approximately 100-percent for those persons living within ten miles of a casino. At the national level, approximately four-percent of the adult population are considered problem or pathological gamblers. In 2003, there were approximately 32,288 residents over the age of 16 in Rohnert Park. Applying national problem and pathological incidence rates to the adult population suggests that in 2003, approximately 1,290 residents were problem or pathological gamblers. Thus, the casino would roughly double the number of problem and pathological gamblers in the City, resulting in a net increase of approximately 1,290 new problem and pathological gamblers that live in Rohnert Park. In addition, considering a potential doubling of the problem gambler population within the entire ten mile radius of the potential casino sites, there could be an additional 8,760 new problem and pathological gamblers located outside of Rohnert Park resulting from the alternatives located on the Wilfred or Stony Point sites. Thus, Alternative A could result in a net increase of 10,050 new problem and pathological gamblers, according to this methodology.

Although the literature states that the prevalence of problem and pathological gambling increases for all residents within 50 miles of a casino, no study estimates the rate of increase for those residents living between 11 and 50 miles of a casino. In addition, studies that estimate the increase in the problem and pathological gambling rates focus on increases in communities that do not have existing casinos. Since the existing River Rock and Twin Pine casinos are located within 50 miles of all Sonoma County residents, this analysis assumes that some of those residents would have already started gambling at one of the other local casinos. Thus, we assume there would not be any additional problem and pathological gambling instances for those residents living more than ten miles from the casino alternatives, which is reasonable given that since those persons that would live within ten miles of the casino alternative sites are also within 50 miles of the other casinos, the addition of the Graton Rancheria would likely result in a less than 100 percent increase in the problem and pathological gambling rates. Thus, the analysis presents a relatively conservative estimate of new problem and pathological gamblers.

Under the City MOU, Tribe agrees to provide \$125,000 annually to a treatment and prevention organization for the purpose of funding problem and pathological gambling programs. According to the *Gambling in the Golden State: 1998 Forward* report, the California Council on Problem

Gambling, which provides statewide treatment services, estimated that a typical six-week intensive treatment program would cost approximately \$2,800 before referring the recovering gambler to Gambler's Anonymous for free ongoing support. A study for the State of Oregon titled *Gambling and Problem Gambling in Oregon: Report to the Oregon Gambling Addiction Treatment Foundation*, anticipates that approximately three percent of all statewide problem and pathological gamblers will seek treatment each year. In addition, the State of Oregon, which was recognized for its innovative and effective problem and pathological gambling treatment and prevention programs, estimates that the annual cost of providing prevention and treatment programs is approximately \$828 per problem and pathological gambler that seeks treatment. The MOU specified payments allow for approximately \$3,200 annually per Rohnert Park problem and pathological gambler that seeks treatment. However, accounting for problem and pathological gamblers located within the entire ten-mile radius of the Wilfred site, yields an average MOU payment of \$413 per treatment seeker, which is less than the \$828 threshold per treatment seeker, based on the Oregon program. Thus, the MOU's specified payments to problem and pathological gambling programs may not be sufficient to provide prevention and treatment to problem and pathological gamblers, resulting in a significant impact. Mitigation measures in **Section 5.2.6** recommending increased annual treatment program funding of \$415 per gambler seeking treatment, or \$125,100 would reduce this impact to a less than significant level.

Although some studies have preliminarily examined the relationship between gambling and other mental health issues, including addiction, not enough evidence exists to suggest a causal link between having a local casino and other mental health and addiction disorders (**Appendix N**).

ALTERNATIVE B – NORTHWEST STONY POINT SITE

Direct Economic Effects

Construction

Construction required for Alternative B will generate substantial economic activity within Sonoma County and the larger nine-county Bay Area region (includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties). Direct impacts primarily consist of expenditures to local construction and engineering firms necessary for construction of the project facilities.

SC Sonoma Management, LLC (the Tribe's management/development partner) estimated total construction costs for the proposed project at \$450 million (**Table 4.7-1**). Additionally, SC Sonoma Management, LLC estimates that 750 jobs would be generated over the entire construction period, which is estimated at 27 months. This is a beneficial economic impact to the region.

Secondary effects from construction of Alternative B would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities. While precise economic projections are not available, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

Operation

Alternative B is expected to result in the employment of between 2,200 and 2,600 full-time workers, with an average of 2,400 workers. The casino/hotel resort is expected to generate annual receipts between \$455 million and \$582 million, with an average of \$533 million (Bay Area Economics, 2008; **Appendix N**). A detailed breakdown of expected receipts can be found in **Table 4.7-2**. This is a significant, beneficial impact to the socioeconomics of the region. No mitigation is required. A discussion of indirect and induced jobs and revenues that would flow from these direct effects can be found in **Section 4.11.2**. A discussion of indirect fiscal impacts to the region can also be found in **Section 4.11.2**.

Indirect and Induced Economic Effects and Fiscal Effects

The indirect impacts of Alternative B on socioeconomics are similar to those of Alternative A, given that Alternative B is similarly sized to Alternative A and is located on the Stony Point site, which is adjacent to the Wilfred site. All induced socioeconomic impacts of Alternative B to the region would be either beneficial or less-than-significant, except for indirect fiscal impacts to Sonoma County, where a potentially significant effect would occur. Mitigation measures in **Section 5.2.6** would reduce the fiscal effects to the County to a less-than-significant.

Property Values

Impacts to property values from Alternative B are similar to those of Alternative A, given that Alternative B is similar in size and scope when compared with Alternative A. As property values and taxes can vary for a variety of reasons unrelated to the casino it would be speculative to measure the impacts to property values.

Social Effects

The social effects of Alternative B would not differ from Alternative A, given that Alternative B is similar in size and scope when compared with Alternative A. A -significant effect would result. Mitigation measures in **Section 5.2.6** would further reduce social effects to a less than significant level. Please see **Section 4.9.2** for an analysis of effects to public services for Alternative B.

ALTERNATIVE C – NORTHEAST STONY POINT SITE

Direct Economic Effects

Construction

Economic effects from local expenditures and the creation of construction jobs would not differ from Alternative B, given that Alternative C is similar in size and scope to Alternative B. **Table 4.7-1** shows the direct construction effects for each project alternative, including Alternative C. A beneficial economic impact would result to the region.

Secondary effects from construction of Alternative C would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities. While precise economic projections are not available, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

Operation

Economic effects from job creation and revenues would not differ from Alternative B, given that Alternative C is similar in size and scope to Alternative B. **Table 4.7-2** shows the direct operation effects for each project alternative, including Alternative C. A beneficial economic impact to the region would result.

Indirect and Induced Economic Effects and Fiscal Effects

The impacts of Alternative C on socioeconomics are similar to those of Alternative B, given that Alternative C is similarly sized to Alternative B and is located on the same Stony Point site. All indirect socioeconomic impacts of Alternative C to the region would be either beneficial or less-than-significant, except for indirect fiscal impacts to Sonoma County, where a potentially significant effect is expected. Mitigation measures in **Section 5.2.6** would reduce the fiscal effects to the County to a less-than-significant level.

Property Values

Impacts to property values from Alternative C are similar to those of Alternative B, given that Alternative C is similar in size and scope when compared with Alternative B. As property values and taxes can vary for a variety of reasons unrelated to the casino it would be speculative to measure the impacts to property values.

Social Effects

The social effects of Alternative C would not differ from Alternative B, given that Alternative C is similar in size and scope when compared with Alternative B. A -significant effect would result.

Mitigation measures in **Section 5.2.6** would further reduce social effects to a less than significant level. Please see **Section 4.9.3** for an analysis of effects to public services for Alternative C.

ALTERNATIVE D – REDUCED INTENSITY (STONY POINT SITE)

Direct Economic Effects

Construction

Under Alternative D, the casino/hotel resort would be reduced in size when compared with Alternative B. The number of construction employees would be the same as Alternative B, at 750 employees. However, the direct expenditures required for construction would be reduced, at approximately \$433 million. **Table 4.7-1** shows the direct construction effects for each project alternative, including Alternative D. A beneficial economic impact would result to the region.

Secondary effects from construction of Alternative D would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities, though it would be reduced in scale from that of the other Alternatives. While precise economic projections are not available, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

Operation

Economic effects from job creation and revenues would be similar, but reduced, when compared with Alternative B, given that Alternative D is reduced in size and scope to Alternative B. **Table 4.7-2** shows the direct operation effects for each project alternative, including Alternative D. Alternative D is expected to result in the employment of 2,100 employees. The casino/hotel resort is expected to generate annual receipts of \$388 million. Note that although the economic activity physically takes place in the local economy, not all of the revenues represent a direct economic impact to the local economy. Thus, the direct economic impact to the local economy would be approximately \$189 million. A beneficial economic impact to the region would result.

Indirect and Induced Economic Effects

Alternative D would result in jobs and revenues that are induced or indirectly a result of the operation of the casino/hotel resort (indirect/induced economic impacts). These indirect/induced economic impacts would be similar to, but slightly less than those occurring under Alternative A. As shown in **Table 4.7-3**, construction of Alternative D would result in 1,650 indirect and induced jobs in the Bay Area and a total indirect/induced regional output of \$338,950,000. As shown in **Table 4.7-4**, operation of Alternative D would result in 1,599 indirect and induced jobs in the Bay Area and a total indirect/induced regional output of \$305,390,000. A beneficial indirect impact to the region would result.

Fiscal Impacts on Local Jurisdictions

Fiscal impacts to the local jurisdictions would be similar, but reduced when compared to Alternative A. As shown in **Table 4.7-9**, a net fiscal impact to Sonoma County of \$146,777 would occur under Alternative D. Mitigation measures in **Section 5.2.6** would reduce the fiscal effects to the County to a less-than –significant level.

Property Values

Impacts to property values from Alternative D are similar, but reduced, when compared with Alternative B, given that Alternative D is reduced in size and scope to Alternative B. As property values and taxes can vary for a variety of reasons unrelated to the casino it would be speculative to measure the impacts to property values.

Social Effects

The social effects of Alternative D would be slightly reduced when compared to Alternative B, given that Alternative D is reduced in size and scope when compared with Alternative B. A - significant effect would result. Mitigation measures in **Section 5.2.6** would further reduce social effects to a less than significant level. Please see **Section 4.9.4** for an analysis of effects to public services for Alternative D.

ALTERNATIVE E – BUSINESS PARK

Direct Economic Effects

Construction

Under Alternative E, a business park would be developed that would be substantially reduced in size when compared with Alternative B. Approximately 90 employees would be required to construct the facilities. Direct expenditures for construction would be approximately \$54.2 million. **Table 4.7-1** shows the direct construction effects for each project alternative, including Alternative E. Although Alternative E’s construction expenditures and job creation are substantially reduced when compared with Alternative B, they nonetheless represent a substantial addition of economic activity for the region and would result in a beneficial economic impact.

Secondary effects from construction of Alternative E would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities, though it would be reduced in scale from that of Alternatives A, B and C. While precise economic projections are not available in general or in comparison with Alternative D, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

Operation

Economic effects from job creation and revenues for Alternative E would be substantially reduced when compared with Alternative B, given that Alternative E includes the development of a business park rather than a casino. The specific uses of Alternative E's commercial and industrial facilities are unknown. Revenues and employment could vary widely depending on the businesses that occupy the available spaces in the business park. Market data for business parks suggest that there will be one worker per 250 square feet, or 2,000 employees for Alternative E. The IMPLAN (Impact Analysis for PLANing) model was used to estimate annual revenues of approximately \$136.5 million based on this employment (see **Table 4.7-2**) (Bay Area Economics, 2008). Note that although the economic activity physically takes place in the local economy, not all of the revenues represent a direct economic impact to the local economy. Thus, the direct economic impact to the local economy would be approximately \$49 million within Sonoma County and \$57 million within the San Francisco Bay Area. Further information on the IMPLAN model can be found in **Appendix N**. A beneficial economic impact to the region would result.

Indirect and Induced Economic Effects

Alternative E would result in jobs and revenues that are induced or indirectly a result of the operation of the business park (indirect/induced economic impacts). These indirect/induced economic impacts would be similar, but substantially reduced when compared with Alternative B, given that Alternative E includes a much smaller project that does not include a casino/hotel component. As shown in **Table 4.7-3**, construction of Alternative E would result in 190 indirect and induced jobs in the Bay Area and a total indirect/induced regional output of \$16,890,000. As shown in **Table 4.7-4**, operation of Alternative E would result in 183 indirect and induced jobs in the Bay Area and a total indirect/induced regional output of \$16,890,000. A beneficial indirect impact to the region would result.

Fiscal Impacts on Local Jurisdictions

Fiscal impacts to the local jurisdictions would be similar, but reduced when compared to Alternative A. As shown in **Table 4.7-9**, a net fiscal impact to Sonoma County of \$139,788 would occur under Alternative E. Mitigation measures in **Section 5.2.6** would reduce the fiscal effects to the County to a less-than-significant level.

Property Values

Potential impacts to property values associated with operation of a casino would not be present with the business park development proposed for Alternative E. Commercial and light industrial uses associated with a business park are not expected to result in decreased property values, although industrial uses can result in nuisances on nearby residences, which would tend to enact a negative influence on property values. Nonetheless, the level of industrial development and

potential future nuisance concerns are not known. Thus, an attempt to measure impacts to property values would be speculative for this reason and for the reasons stated above.

Social Effects

The potential social effects that are associated with operation of a casino would not be present with the business park development proposed for Alternative E. Commercial and industrial uses associated with a business park are not expected to characteristically result in increased crime rates to the region, although a moderate increase in crime would likely occur due to the presence of developments on the site (**Appendix N**). A less-than-significant effect would result. An increased public presence on the Stony Point site could lead to an increased demand in calls for law enforcement service. Please see **Section 4.9.5** for an analysis of effects to public services.

ALTERNATIVE F – LAKEVILLE CASINO

Direct Economic Effects

Construction

Economic effects from local expenditures and the creation of construction jobs would not differ from Alternative B, given that Alternative F is similar in size and scope to Alternative B. **Table 4.7-1** shows the direct construction effects for each project alternative, including Alternative F. A beneficial economic impact would result to the region.

Secondary effects from construction of Alternative F would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities. While precise economic projections are not available, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

Operation

Economic effects from job creation and revenues would not differ from Alternative B, given the similar size and scope of Alternative F. **Table 4.7-2** shows the direct operation effects for each project alternative, including Alternative F. A beneficial economic impact to the region would result.

Indirect and Induced Economic Effects

Alternative F would result in jobs and revenues that are induced or indirectly a result of the operation of the casino/hotel resort (indirect/induced economic impacts). These indirect/induced economic impacts would be the same as those of Alternative A, given that Alternative F is similarly sized when compared to Alternative A. A beneficial indirect impact to the region would result.

Substitution effects would likely be greater for Alternative F when compared to Alternative A, because unlike the Wilfred site, the Lakeville site is a rural setting where greater substitution effects at local restaurants are expected (Bay Area Economics, 2008). Specifically, up to a nine-percent substitution could potentially result from Alternative F; generally resulting in less than one-percent reduction in profits. This is a minor amount, which could be offset by additional advertising, restructuring, or other methods to account for new competition. Thus, less-than-significant substitution effects would occur.

Fiscal Impacts on Local Jurisdictions

City of Rohnert Park

Alternative F would result in negligible fiscal impacts to the City of Rohnert Park, since the Lakeville site is not located near the City. Thus, a less-than-significant effect would result.

Sonoma County

Unlike Alternatives A through E, the City of Rohnert Park MOU would not apply to Alternative F and would not be expected to be renegotiated given the distance between the City and the Lakeville site. Thus, the costs to the County would increase substantially. As shown in **Table 4.7-9**, this increase would lead to a potentially significant annual fiscal impact to the County of between \$1,181,724 and \$1,153,766 for the first year (including costs to construct a fire station near the Lakeville site) and between \$181,724 and \$153,766 annually thereafter. Mitigation measures in **Section 5.2.6** would reduce the fiscal effects to the County to a less-than-significant level.

Property Values

Impacts to property values from Alternative F are similar to those of Alternative A, given that Alternative F is similar in size and scope when compared with Alternative A. As property values and taxes can vary for a variety of reasons unrelated to the casino it would be speculative to measure the impacts to property values.

Social Effects

The social effects of Alternative F would be similar to Alternative A, given that Alternative F is similar in size and scope when compared with Alternative A. Problem gambling impacts would be similar, but likely more diffuse when compared to Alternative A, given that the Lakeville site is not located adjacent to a city. Considering a potential doubling of the problem gambler population within the entire ten mile radius of the Lakeville site, there could be an additional 3,030 new problem and pathological gamblers associated with Alternative F. Using the

methodology described in **Appendix N**, the cost to treat the problem gamblers expected to seek treatment would be \$43,200 per year.

The Alternative F casino/hotel resort would be located on the Lakeville site, rather than the Stony Point site. Thus, the MOU with the City of Rohnert Park would not apply to Alternative F and the compensation to local law enforcement services and problem gambling services would not occur. As discussed under Alternative A, the introduction of a casino could lead to increases in crime rates and problem gambling. If adequate funding of law enforcement services and problem gambling treatment programs is absent then a significant impact to crime and problem gambling would result. Mitigation measures in **Section 5.2.6** would reduce impacts to a less-than-significant level. Please see **Section 4.9.6** for an analysis of effects to public services.

ALTERNATIVE G – NO ACTION

Under the No Action Alternative the Stony Point site and the Lakeville site would remain undeveloped. The northeast corner of the Wilfred site would be developed consistent with the Northwest Specific Plan (see **Section 2.8**). The planned commercial development would create jobs and economic activity for the community, a beneficial effect. Specifically, Alternative G would generate 104 jobs during construction and cost approximately \$125,068,000 to construct over a period of 24 months. Alternative G would generate 302 jobs during operation of its various commercial uses and result in total sales of \$75,410,254. Note that although the economic activity physically takes place in the local economy, not all of the revenues represent a direct economic impact to the local economy. Thus, the direct economic impact to the local economy would be approximately \$19 million. As shown in **Tables 4.7-3** and **4.7-4**, Alternative G would also result in positive indirect and induced impacts both in jobs created and in capital flowing through the community. However, the jobs created, in particular would be much lower than the other alternatives. The planned residential development would increase the regional housing opportunities, also a beneficial effect.

Unlike Alternatives A through F, the land would not be taken into trust under Alternative G. Instead, the portion of the Wilfred Site planned for development would be annexed by the City of Rohnert Park. Thus, most fiscal impacts would be to the City although secondary fiscal impacts would occur to the County (similar to those expected should the development area be taken into trust). An accounting of fiscal impacts is located in **Appendix N**. Development on the site would increase land values, thereby increasing property tax revenues to local government. Commercial development would also generate sales tax revenues, benefiting both the state and local government. Negative fiscal impacts to local jurisdictions would be offset by increased property taxes and the imposition of development fees. Therefore, a less-than-significant impact would result.

Social Effects

Alternative G does not include a gaming component, so it would not lead to the same social impact concerns typically raised for gaming projects. The planned development would greatly increase the number of people on the site, leading to moderately increased criminal activity typically occurring near residential and commercial development, such as burglaries, robberies, assault, and auto theft. Required development fees would provide funding for local police services, reducing crime effects to a less-than-significant level.

ALTERNATIVE H –REDUCED INTENSITY (WILFRED SITE)

Direct Economic Effects

Construction

Under Alternative H, the casino/hotel resort would be reduced in size when compared with Alternative A. The number of construction employees would be the same as Alternative A, at 750 employees. However, the direct expenditures required for construction would be reduced, at approximately \$433 million. **Table 4.7-1** shows the direct construction effects for each project alternative, including Alternative H. A beneficial economic impact would result to the region.

Secondary effects from construction of Alternative H would entail local economic activity resulting from the patronage by construction personnel of local retailers and hospitalities, though it would be reduced in scale from that of Alternative A. While precise economic projections are not available, this economic activity would bring outside revenues into the local private enterprise as well as generate local tax revenue. This would be a beneficial impact.

Operation

Economic effects from job creation and revenues would be similar, but reduced, when compared with Alternative A, given that Alternative H is reduced in size and scope to Alternative A. **Table 4.7-2** shows the direct operation effects for each project alternative, including Alternative H. Alternative H is expected to result in the employment of 2,100 employees. The casino/hotel resort is expected to generate annual receipts of \$388 million. Note that although the economic activity physically takes place in the local economy, not all of the revenues represent a direct economic impact to the local economy. Thus, the direct economic impact to the local economy would be approximately \$189 million. A beneficial economic impact to the region would result.

Indirect and Induced Economic Effects

Alternative H would result in jobs and revenues that are induced or indirectly a result of the operation of the casino/hotel resort (indirect/induced economic impacts). These indirect/induced economic impacts would be similar to, but slightly less than those occurring under Alternative A. As shown in **Table 4.7-3**, construction of Alternative H would result in 1,650 indirect and

induced jobs in the Bay Area and a total indirect/induced regional output of \$338,950,000. As shown in **Table 4.7-4**, operation of Alternative H would result in 1,178 indirect and induced jobs in the Bay Area and a total indirect/induced regional output of \$113,100,000. A beneficial indirect impact to the region would result.

Fiscal Impacts on Local Jurisdictions

City of Rohnert Park

Since there would not be a direct increase in the service population associated with Alternative H, there would be no additional sales tax revenues, motor vehicle in lieu fees, or franchise fee revenues that the City can expect to collect from an increased service population. There would likely be some additional sales tax collections from people traveling through Rohnert Park to and from the Casino; however, that additional revenue is expected to be fairly minor in relation to the overall City budget, since most travelers would be traveling within the City for only a short time, from US-101 to the site (Bay Area Economics, 2008).

It is not assumed for this alternative that the City of Rohnert Park would provide fire and emergency services, as the MOU does not apply. As discussed under Alternative A, the Tribe has made contributions to the City of Rohnert Park for public safety. As there is no agreement for fire or emergency services there is no foreseeable fiscal impact to the City of Rohnert Park and fiscal impacts to the City of Rohnert Park would be less than significant. Please see **Section 4.9.8** for an analysis of effects to public services.

Sonoma County

Fiscal impacts to the local jurisdictions would be similar, but reduced when compared to Alternative A. As shown in **Table 4.7-9**, a net fiscal impact to Sonoma County of \$146,777 would occur under Alternative H. Mitigation measures in **Section 5.2.6** would ensure fiscal effects to the County are less than significant.

Property Values

Impacts to property values from Alternative H are similar, but reduced, when compared with Alternative A, given that Alternative H is reduced in size and scope to Alternative A. As property values and taxes can vary for a variety of reasons unrelated to the casino it would be speculative to measure the impacts to property values.

Social Effects

The social effects of Alternative H would be slightly reduced when compared to Alternative A, given that Alternative H is reduced in size and scope when compared with Alternative A. A - significant effect would result. Mitigation measures in **Section 5.2.6** would further reduce social

effects to a less than significant level. Please see **Section 4.9.8** for an analysis of effects to public services.

4.7.2 ENVIRONMENTAL JUSTICE

In accordance with Executive Order 12898, this section identifies communities where minority and low-income populations reside, as defined in **Section 3.7.4**, and analyzes project impacts related to these communities. Compliance with this Executive Order has been incorporated into the National Environmental Policy Act compliance requirements of the National Indian Gaming Commission. A significant environmental justice effect would result if the analysis results in a disproportionately high, adverse effect to minority and low-income populations or if such an effect occurs with greater frequency for these populations than for the general population as a whole.

ALTERNATIVES A-E AND H

No minority or low-income communities were identified in **Section 3.7.4** in the vicinity of the Wilfred and Stony Point sites. Thus, potential environmental justice impacts for the Wilfred site and Stony Point site alternatives would be limited to potential competition-related impacts to nearby casinos operated by the Dry Creek Rancheria Band of Pomo Indians and the Middletown Rancheria Band of Pomo Indians. Environmental justice effects to Indian tribes must be evaluated, as required by Executive Order 12898. Alternative E, located on the Stony Point site, does not include a casino component; therefore, no environmental justice impacts would result.

Competition

Of the Wilfred and Stony Point sites Alternatives A, B, C, D, and H all contain a casino component, which could potentially compete with the River Rock Casino and Twin Pine Casino, that are operated by the Dry Creek Rancheria Band of Pomo Indians and the Middletown Rancheria Band of Pomo Indians. The development of a casino at the Wilfred or Stony Point site would have two countervailing effects on the gaming market in Sonoma County and beyond. First, since the Wilfred and Stony Point sites are located closer to large population centers (specifically, San Francisco) some people will choose to visit the Graton Casino instead of either the River Rock or Twin Pine Casinos, solely based on a shorter travel distance (convenience losses). Second, per capita gambling participation rates would increase as the availability of slot machines increases from current levels (participation gains). Therefore, some people might choose to visit the Graton Casino other than River Rock or Twin Pine due to ease of access; while other people will choose to gamble at the River Rock, Twin Pine, and Graton Casinos that would not have otherwise done so.

After the implementation of Alternatives A, B, or C River Rock would experience a 13 percent convenience loss, Twin Pine would experience a 14 percent convenience loss; whereas, both would experience participation gains of 38 percent. Both losses and gains would be lower under Alternative D or H. Thus, although it appears that increases in market participation would offset losses due to the convenient location of the proposed Graton Casino, even assuming a worst-case participation gain of 0, both the River Rock and Twin Pine Casinos are expected to remain profitable (although unavailability of revenue data at Twin Pine does not allow a detailed analysis). Therefore, disproportionately high and adverse effects to nearby tribes would not occur and a less-than-significant environmental justice effect would result. Note that should the Dry Creek Band expand their casino substantially as recently announced, they should be able to compete more effectively with the Graton Casino, despite Graton's more convenient location to the Bay Area (Santa Rosa Press Democrat, 2007).

ALTERNATIVE F

In **Section 3.7.4**, four minority communities and one low-income community were identified, that have the potential to be adversely affected by Alternative F. These communities are all located in Solano County, in or near the City of Vallejo. The environmental effects of Alternative F on these communities would be limited to increased traffic and possibly localized carbon monoxide (CO) increases caused by traffic congestion.

After the implementation of Alternative F, intersections located within the four minority and low-income communities would operate at an acceptable level, with the exception of the study intersections within the City of Vallejo (see **Section 4.8.7**). Impacts on these intersections from Alternative F would be less-than-significant with the implementation of mitigation, as described in **Section 5.2.7**. However, at two freeway segments/ramps, Wilson Avenue EB Off-Ramp and Wilson Avenue WB On-Ramp, significant traffic impacts would remain in 2020. Thus, significant traffic impacts would disproportionately impact minority/low-income communities, resulting in a significant environmental justice impact.

Regional air quality effects would not disproportionately affect minority or low-income communities. Carbon monoxide "hot spots" (areas with high levels of CO) can result near large intersections that are heavily congested. Thus, an initial screening was conducted to determine the need for detailed microscale dispersion modeling of CO concentrations at intersections within minority and low-income communities. The potential impact of Alternative F on local CO levels was assessed by applying screening procedures described in the *Transportation Project-Level Carbon Monoxide Protocol* (Institute of Transportation Studies, University of California, Davis 1996) and then, if indicated by the screening procedures, conducting detailed microscale air quality dispersion modeling.

The screening procedure applied focuses on the effects of Alternative F and intersection operations. Since elevated CO concentrations are associated with traffic congestion, a project is considered to have no potential for significant impacts on CO concentrations if it does not substantially contribute to excessive traffic congestion.

According to Section 4.7.4 of the *Transportation Project-Level Carbon Monoxide Protocol*, projects that would result in operation of a signalized intersection worsening from a Level of Service (LOS) D or better to a LOS E or F are considered to have the potential for resulting in a significant CO air quality impact. In addition, according to Section 4.7.3 of the protocol document, projects that will result with the worsening of a signalized intersection already operating at LOS E or F are considered to have the potential for resulting in a significant CO air quality impact.

Projects that would meet these criteria are considered to have the potential for resulting in a significant CO air quality impact. According to the Protocol document, detailed dispersion modeling is not needed for projects that do not meet these criteria. Based on Section 4.7.4 of the *Transportation Project-Level Carbon Monoxide Protocol*, Alternative F is not considered to have the potential for resulting in a significant CO air quality impact at these intersections within minority and/or low-income communities.

Competition

Alternative F would include the development of a casino at the Lakeville site, which is in the same general market as the Wilfred and Stony Point sites. Thus, similar impacts to nearby tribal casinos would result. Due to the location of the Lakeville site being closer to San Francisco, convenience losses would be slightly higher for Alternative F. With the implementation of Alternative F, River Rock would experience a 22 percent convenience loss, Twin Pine would experience a 23 percent convenience loss; both would experience a 38 percent participation gain. Thus, as with Alternatives A through D, it appears that increases in market participation would offset losses due to the convenient location of the proposed Graton Casino. Even assuming a worst-case participation gain of 0, both the River Rock and Twin Pine Casinos are expected to remain profitable. The unavailability of Twin Pine revenue data obscures the impact to this casino under Alternative F. Under a worst case scenario the Twin Pine Casino may be pushed closer to the point where it is not profitable as it currently operates. Given that even under a worst-case scenario, both competing Tribal casinos would remain profitable (although profitability would decrease), a disproportionately high and adverse effect to nearby tribes would not occur and a less-than-significant environmental justice effect would result. For these reasons, a less-than-significant environmental justice effect would result from competition.

ALTERNATIVE G

Under the No Action Alternative, no development is proposed on the Lakeville site and no disproportionate effects to low-income or minority populations would occur.

Development associated with the City of Rohnert Park's Northwest Specific Plan would occur on the northeast corner of the Wilfred site (see **Section 2.8**). However, since this development does not include a casino (with associated competition-related impacts) and no low-income or minority communities are present in the vicinity of the Wilfred site, no environmental justice impacts would occur.