



COLUSA INDIAN COMMUNITY COUNCIL
CACHIL DEHE BAND OF WINTUN INDIANS

February 13, 2012

The Honorable Jerry Brown
Governor of the State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Re: Opposition to Proposed Gaming Acquisition on Behalf of the Enterprise Rancheria

Dear Governor Brown:

We write to you today on behalf of the Cachil Dehe Band of Wintun Indians of the Colusa Indian Community ("Colusa" or "Tribe"), a federally recognized Indian tribe. The purpose of this letter is to inform you of our opposition to the acquisition of land by the U.S. Department of the Interior on behalf of the Estom Yumeka Maidu Tribe ("Enterprise") for gaming purposes in Yuba County, and to encourage you to oppose it as well. Although we support the right of every tribe to conduct tribal government gaming on their reservations in compliance with the Indian Gaming Regulatory Act ("IGRA"), we oppose the proposed gaming acquisition on behalf of Enterprise because it would unfairly and detrimentally impact the local community, including Colusa and other nearby Indian tribes. (25 U.S.C. § 2719(b)(1)(A).)

Although Enterprise's ancestral lands and current reservations are farther from metropolitan areas than those several other Indian tribes, the proposed gaming acquisition would permit Enterprise to "leapfrog" over other tribes to build a casino close to Sacramento. The proposed Enterprise casino would actually be closer to Colusa than it would be to Enterprise's own reservation lands. Notwithstanding its less than ideal location for a casino, Colusa has not sought to beggar other Indian tribes by purchasing land closer to metropolitan San Francisco or Sacramento for a casino. Instead, all of Colusa's land acquisitions are designed to provide housing and economic opportunity for tribal members at home. The proposed Enterprise acquisition is a cynical attempt to intercept the gaming customers from the Sacramento metropolitan area who would otherwise patronize current tribal casinos built up over many years and at great expense. As a result, the proposed acquisition would benefit Enterprise at the expense of Colusa and other tribes and the local communities that they benefit directly and indirectly.

As discussed in the attached letter submitted to the Bureau of Indian Affairs ("BIA") by our attorneys on September 7, 2010, the economic analysis of the effect of the proposed Enterprise casino included in the Environmental Impact Statement ("EIS") prepared by Enterprise for BIA is deeply flawed, self-serving, and out-of-date. Despite having eight years in which to do so, Enterprise and its contractors did not consult with Colusa and the other tribes whose customers it proposes to intercept, preferring instead to prepare an economic analysis based on mere speculation about the markets for those casinos. That faulty analysis, prepared well before the recession, is now six years out-of-date.

In contrast, Colusa has not merely speculated about the impacts of an Enterprise casino; we have analyzed hard data on how the opening of other casinos impacted Colusa's casino. For example, when the Auburn Rancheria opened its Thunder Valley Casino in Lincoln, CA, in 2004, revenues at Colusa's casino fell by 23% despite significant differences in the gaming provided at the two casinos and despite the fact that it is over 50 miles from Colusa. The impact on Colusa will be much greater if Enterprise opens its proposed casino near Yuba City because it will be more than 20 miles closer to our casino and will not just divert many of our customers from the Sacramento area but local customers as well. Unlike Thunder Valley, it is our understanding that the proposed Enterprise casino would provide a similar gaming experience to Colusa's. Our analysis projects that the Colusa casino will probably lose over 40% of its revenues, but could lose up to 60%, depending on economic conditions. In the graphic terms used by Enterprise in the EIS it prepared for BIA, the proposed Enterprise casino would "cannibalize" Colusa's casino.

The detrimental impacts on the local community will stretch well beyond the Tribe into the non-tribal community. The Colusa casino makes nearly all of its purchases locally, spending hundreds of thousands of dollars in the community. The casino spends over \$80,000 annually at one vendor in Colusa City alone. If revenues fall as projected, the casino will have to cut back on its purchases from local vendors and lay off employees, leading to further economic hardship in Colusa County, which is already hard-hit by the poor economy.

Because Colusa County has a small population, the casino draws its workforce from a wide area. As a result, employees' home counties benefit from their employment at the Colusa casino. For instance, one-quarter of the Colusa casino's employees commute from the Yuba City area, which benefits from their Colusa casino-paid wages. Conversely, if Enterprise opens a casino near Yuba City, it will cause the layoffs of many Colusa casino employees, a quarter of who are likely to come from the Yuba City area. In addition to its employees, Colusa's casino draws a significant number of customers who patronize local businesses, such as restaurants and gas stations, in the City and County of Colusa. The effect of the purchase of goods by the casino and its employees and customers within Colusa County is multiplied when local businesses and their employees purchase goods and services locally. Likewise, the treasuries of the City and County of Colusa and the State of California all benefit from sales taxes on spending fueled by the Colusa casino. While the State might offset its loss of sales tax revenues in Colusa County with gains in other jurisdictions, the City and County of Colusa would have no possibility of regaining those lost revenues.

A decrease in the revenues of the Colusa casino will cause layoffs of a nearly equal percentage of employees. To illustrate, if casino revenues drop by 40%, the casino will have to lay off 37% of its workforce, and tribal revenues will drop by 45%. The average unemployment rate in Colusa County in 2011 was over 20%. A significant decrease of income from the casino will also cause many of our Tribal members, who now pay more to the state in taxes than they consume in services, to rely more heavily on state medical and other services once again. The decrease in tribal revenues will also decrease the amounts available for the Tribe to ameliorate the economic situation in Colusa County through the Special Distribution Fund and charitable donations. It goes without saying that a decrease in revenues at the Colusa casino will also decrease Colusa's ability to address future impacts, if any, of the Casino on the local community.

While an Enterprise casino in Yuba County may create some economic benefits in its immediate vicinity, the net economic and environmental effects will be detrimental to the

communities around it. We therefore urge you to oppose the U.S. Department of the Interior's acquisition of land in trust for gaming purposes for the Enterprise Rancheria.

Please do not hesitate to contact me to discuss the detrimental impacts of the proposed Enterprise casino on the local community, including Colusa, or your staff may contact the Colusa Indian Community Council Office at (530) 458-8231.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Daniel Gomez". The signature is fluid and cursive, with the first name "Daniel" written in a larger, more prominent script than the last name "Gomez".

Daniel Gomez
Chairman
Colusa Indian Community Council

Cc: Jacob Appelsmith