



July 29, 2003

Pastor Joseph Green
New Life Fellowship
134 West Main Street
Barstow, CA 92311

Dear Pastor Green:

At the meeting of July 8, 2003, held at the Barstow Veterans Home, several questions were not answered or fully answered regarding the casino. I made a commitment to have all of the questions answered. Enclosed you will find those questions and the answers to them.

If there is any further information I can get for you, please do not hesitate to contact me.

Sincerely,

Lawrence E. Dale
LAWRENCE E. DALE
Mayor

Enclosure

**ANSWERS TO QUESTIONS RAISED AT THE
JULY 8, 2003 LUNCHEON MEETING
BARSTOW VETERANS HOME CHAPEL**

Ron Rector, Economic Development/RDA Manager, City of Barstow prepared this report

1. Pastor Dave Henry – Calvary Chapel

Question: How Many of the jobs related to the Casino project will pay minimum wage?

Answer: The management group does not foresee anyone only making the minimum wage. The average wage will be approximately \$30,000+. Many of the workers will be employed in tip jobs (wait staff, dealers) and they will earn a minimum service worker's wage plus tips. The tip employees are some of the best paid employees at a casino.

2. Pastor Joe Green – New Life Fellowship

Question: What type of health care will be furnished for employees (some kind of welfare program)?

Answer: Health care will be provided through an accredited insurance company to all full time employees and some part time employees. The coverage will be competitive with other employers in the area and in the industry. Other benefits will include a 401k plan.

3. Pastor Charles Mattix – First Assembly of God

Question: How did we come up with the induced figure of 990 jobs (multiplier of 1.6)? From Page 3 of the Executive Summary.

Answer: The people in the direct and indirect positions make the normal expenditures of every day life, which in turn creates employment. These sequential rounds of spending are often called the multiplier or ripple effect. Industry multipliers of 2.0 (which serves to double the total jobs created) or higher are often used to estimate induced employment. For the Barstow project, a relatively low multiplier of 1.6 is utilized. This

conservative figure is used because the extent of the area to capture the induced spending and induced employment are uncertain.

4. Pastor Charles Mattix – First Assembly of God

Question: What are the names and locations of casinos that BarWest operates at this time?

Answer: BarWest was formed to work specifically on this project. The principles of BarWest have been involved in the Motor City Casino in Detroit, Bay Mills Casino and Resort in Brimley, Michigan and the Little River Casino in Manistee, Michigan.

5. Pastor Joe Vail – Mojave Desert Church

Question: How many entry-level jobs?

Answer: See answer to number one.

6. Pastor Joe Vail – Mojave Desert Church

Question: What websites are we getting our information from?

Answer: City staff has researched several web sites. The American Gaming Association was found to have the best and most balanced information on the gaming issue. AGA has collected information from credible sources such as Universities and state commissions. AGA did not create the information they just gathered it. Staff has also used national magazine articles as references.

7. Pastor Charles Mattix – First Assembly of God

Question: How many entry-level jobs?

Answer: See answer to question one.

8. Pastor Everett Odegard – House of Faith

Question: How do we address other businesses on Indian ground?

Answer: Only the casino and ancillary businesses will be on “trust land.” The Los Coyotes have agreed that they will not hide behind their tax-exempt status. To keep from disadvantaging other businesses, they have agreed to pay all property, sales, and transient occupancy taxes. Every employee, whether they work in the casino or outside of it, will pay State and Federal taxes.

9. Pastor Jerry Winders – Church of the Nazarene

Question: What will the impact be to Barstow with an extra 2 million people stopping in Barstow?

Answer: The Resort/casino is located outside of downtown near the Outlet mall area, and therefore, the increase to traffic in the downtown area will be low. It is hoped, however, that some of the visitors will visit all of the amenities in our town, which will help our local businesses to grow and prosper. In fact, the City will encourage visitation by the tourist. The increase in sales taxes from this patronage will pay for improvements in town. The Los Coyotes will pay for infrastructure improvements in the Outlet Center area, as would any business of that size moving into town. Keep in mind that the project will be paying taxes, which are designed to pay their fair share for upkeep of the cities infrastructure. Because of the concessions made by the Los Coyotes, this project will be no different than another project of equal size built in Barstow.

10. Jay Crosier – Trinity Baptist

Question: The people working in the casino – will they pay Federal and State employee payroll tax?

Answer: Yes.

11. Pastor Joe Green – New Life Fellowship

Question: Statement made about gamblers having a budget – is there any statistics that say how many gamblers actually stick to a budget?

Answer: The initial research was conducted by Peter D. Hart Research Associates, Inc. and The Luntz Research Company. Please refer to www.americangaming.org/survey2002 for more detailed information. Be sure to review the reference page of this survey. It will provide you with research methodology and contact information for the researchers.

12. Pastor Jeff Kennedy – First Baptist Church

Question: What is the economic impact to Barstow?

Answer: Significant. \$48 million in new payroll. Over \$1 million in transient occupancy taxes, estimated \$380,000 in sales tax revenues from off-site purchases by the project. What we don't know for sure is the economics from new housing and the demand to service that growing industry. 2,600 people will need to live somewhere, and the housing market in Barstow is depleted. Other projects that city staff is working on to make this a truly "Destination Resort" will add to a growing and prosperous Barstow economy. It is expected that new spending at the Outlet Malls will increase significantly. There is no template for this project except the Thunder Valley project in northern California, which is too new to derive much, if any, information from. To focus on only the casino is a mistake. It is a small piece of a very large project.

13. ??????? –

Question: Where do the statistics of alcohol dependence – 13.8, drug dependence – 6.2 percent and major depression – 6.4 percent come from (from Tribal Casino Gaming Myths and Facts, under Gambling Addiction)?

Answer: City staff's information was taken from a 1999 United States Congressionally mandated report prepared by the National Gambling Impact Study Commission. This and other information can be reviewed at www.americangaming.org.

14. Eric Hammerstein – Vineyard Christian Fellowship

Question: Was the casino decision a mandate from the City to go after a casino?

Answer: No. Barstow's economy has been in decline for at least a decade. All efforts to attract new business to the area have met with failure for one reason or another. Staff recommended to Council that the City leverage it's locational advantage along the I-15 corridor by working to create a destination resort that would have the potential to fire up the City's decaying economy. This project will achieve that goal. The housing market will flourish, support industries will spring up, existing businesses will grow and prosper, and people will go to work reducing demand for social services.