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MEASURE F CLAIMS ARE “FRAUDULENT & FATALLY FLAWED”

Independent Analysis Shows Measure F to be “Risky Gamble” for Taxpayers

Willows, CA—In a press conference today at *Pat and Larry’s Steak House*, TaxpayersAdvocate.org released its findings of an independent analysis of Measure F, the off-reservation Casino proposal on the June 6th Glenn County Ballot.

“Measure F should stand for fraudulent and fatally flawed,” said Scott Barnett, President of TaxpayersAdvocate.org based in Sacramento and San Diego. According to Barnett, TaxpayersAdvocate.org was invited by the Glenn County Taxpayers Association to do an independent review of Measure F to determine the validity of the proponent’s assertion that the proposed Casino would be a benefit to Glenn County taxpayers. The proponent’s claims of high paying jobs and a tax windfall to local government are “false and misleading,” said Barnett.

“We analyzed numerous reports of economic and fiscal data on similar facilities, and our analysis reveals what really happens as compared to what Measure F proponents claim will happen,” said Barnett. “Contrary to the claims, the types of jobs at these facilities are low wage with significant turn-over, and any tax revenues generated are significantly less than the added costs of public services including police, emergency services and facilities, as well as traffic accidents, congestion and greater criminal activity. In addition, economic activity at and adjacent to the Casino will depress existing commercial activity in the surrounding community. While casino owners hit the jackpot, the community shoots craps,” said Barnett, who concluded that: “Measure F is a risky gamble for Glenn County Taxpayers.”

An overview of findings and documents consulted in the analysis is attached.

TaxpayersAdvocate.org is a private, non-partisan taxpayer’s advocacy group committed to cost effective and efficient government. Scott Barnett has over 25 years of local government and public policy expertise. More information can be found at: www.taxpayersadvocate.org

More

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Key Findings—Measure F

Measure F is a Risky Gamble for Glenn County Taxpayers

Measure F Proponents Claim: “...425 new jobs for Glenn County residents”

Facts: No specific supporting data available for exact number of jobs. No guarantee that “Glenn County residents” will acquire bulk of jobs. More often employees at casino facilities tend to be “transient in nature” with few ties to the community.

Measure F Proponents Claim: “...jobs will offer careers with *living wages* and healthcare benefits”

Facts: Comparisons of other local and regional casinos demonstrate that this assertion is false. “Living wage” is defined as the minimum wage required for a head of household to meet the basic living requirements of shelter, food and related expenses. Living wage varies from community to community but it is estimated that the “living wage” in Glenn County would be at least \$10/hour plus \$2/per hour if health benefits are not given an employee. A survey of wages advertised for jobs in other local casino’s show a range from \$6.75 to \$24 per hour, with the average wage in the \$8/hour to \$9/hour range. (*Note: most advertised casino jobs are at the lower end and those few at the higher end generally require significant technical or financial expertise and in many cases a Bachelors Degree.*)

In addition, the claim that healthcare benefits will be offered to employees cannot be guaranteed, therefore voters would have to rely on the “good faith” of proponents to fulfill this pledge.

Measure F Proponents Claim: “Many employees will make \$40,000 to \$50,000 or more.”

Facts: Wages at other Indian Casinos average 50% less than the wage rates claimed by Measure F proponents. With average wages from \$8/hour to \$9/hour, actual average wages will more likely be from \$16, 640 to \$18,720 annually. Even at \$24/hour, of which there is only a very limited number and offered only to those with technical

or financial expertise, the annual salary for these few positions would be \$49,920. In addition, it is unlikely that these few higher salary jobs would be offered to individuals already living in Glenn County. Individuals who already have similar experience in other casino facilities would most likely be hired to fill such positions.

Glenn County Employment: Data from other casinos demonstrate that new jobs at new casinos have a negligible impact on local unemployment in existing communities

Measure F Proponents Claim: “The Casino will generate \$63.75 million in *economic benefit* to Glenn County.”

Facts: Economic Activity-impact to Glenn County likely to be significantly less than claimed. Measure F proponents have not supplied any supporting material to back up these numbers. In addition, “economic benefit” is a misleading term and highly speculative, because it likely indicates the *total* amount of economic activity in the area that casino developers claim to be created by the casino operation. This would include not only sales of food and beverages and other items sold by retail outlets on or adjacent to the casino, but likely includes the economic “value” of the salaries generated which could be the bulk of the anticipated economic activity. In addition, since there is no data to assume that the bulk of casino employees would reside in Glenn County, the economic activity (or economic multiplier effect) as a result of these salaries would be diminished as well. Therefore, the “economic benefit” claimed by proponents appears to be fabricated, and evidence from other casino locations suggests that the economic activity *does not* likely result in significant revenues being generated to Glenn County.

Cost to Taxpayers: Casino’s impacts will be a drain on Glenn County Taxpayers. Even though casino proponents do not delineate specific estimates of tax revenues to be generated by the project, based on data available from other casino facilities there will likely be a negative fiscal impact on Glenn County. This negative impact is a result of increased stress on public services: police, emergency medical and public safety facilities (including trauma centers and hospitals) plus traffic impacts on road maintenance and other public works infrastructure. This net cost of the project to Glenn County taxpayers will likely result either in a reduction of existing County Services or increased local fees and taxes.

Impact to local Existing Businesses and related job loss: Casino will harm existing local businesses and employees. Data from other casinos placed in existing communities also demonstrates a significant negative impact on the businesses and employees of local businesses. Since the majority of income generated from casinos is as a result of gambling proceeds (funds lost by gamblers) there is an incentive for casinos to “undercut” local businesses by artificially lowering the prices of food, beverages, retail goods and hotel rooms in order to drive business (and gamblers) to the casino. As a result, existing local businesses are harmed and often forced to lower wages or close their doors. Once the competition is eliminated or significantly distressed, then the casinos are free to raise their prices without the fear of competition.

May 25, 2006

Key Findings—Measure F

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Yes on F Ballot Statements

Yes on F Campaign Mailers

No on F Ballot Statements

No on F Web Site

Web site job listings for Agua Caliente, Colusa and San Manuel Casinos

<http://www.city-data.com/city/Willows-California.html>

California State Board of Equalization

Glenn County FY 2005-2006 Budget