

## City Administrator: Newsletter Article

June 2005 Issue of "The Locks Tender"

By now, you will have all heard that Governor Kulongoski came to Cascade Locks on April 6, 2005 and signed a historic compact with the Warm Springs (WS) Tribes authorizing a casino/resort in the Industrial Park. This project has now moved to the BIA in Washington DC for final approvals. That process will take some time to complete. In the meantime, the City Council and the Port Commission have started a public discussion for planning for our future with a casino. This process is being called "Planning Our Future." The first meeting was held in the Gorge Pavilion in the Marine Park on May 5, 2005. The purpose of the first meeting was to provide information to the community about the compact with the State, the agreement between the City and the WS (the "MOA"), and the agreement between the Port and the WS (the "Lease/Purchase Agreement or L/P). I won't repeat the details about the compact or the L/P agreement. I do want to talk briefly about the MOA and what it means to the residents of CL.

To understand the MOA and what's in it, you have to know the history of the document. The WS first approached the City in 1998. Mike Bridges was the City Administrator at that time. Mike was very thorough in his research and analysis concerning a casino in CL. He visited and talked to a number of casinos and casino town managers. He researched the impact of casinos all across the country. He also read a number of studies and reports. The results of that research fill two 3" binders. That research was made available to the elected officials at the City and the Port. It was also available to anyone in the community who wanted to come in to the City Hall and review it. In fact, it still is available to any citizen. I am very impressed with the quality of Mike's research. He reached two conclusions:

- The impacts of a tribal casino are measurable, are predictable, and they can be mitigated by negotiating a comprehensive agreement with the tribe before it is built; and
- A tribal casino can be beneficial to a small town in meeting its existing and future needs if the town's relationship with the tribe is good. Usually, the relationship is better if the town supports the casino from the beginning and the benefits to the town are better if that support is received early.

The elected officials then held joint meetings and town hall meetings to get this information and Mike's conclusions out to the community. In November 1998, the elected officials developed (at public meetings) a comprehensive list of the current needs of CL, the needs if a casino is built, and all of the impacts that could be expected from a tribal casino. They then asked Mike to summarize his research and employ an independent, outside consultant to find out whether CL supported or opposed the idea of embracing a WS casino. Mike prepared a one page summary and an 11 page memo that detailed what the impact of a tribal casino would be on CL. He discussed gaming in general in Oregon and the United States. He laid out a framework that became the basis for the MOA concerning payments in-lieu of property taxes and transient room taxes, a requirement that the casino support all local city utilities (sewer, water, storm drainage, electric, CATV/CLBB, etc.), and pledges for financial support for fire, ambulance, and police functions. He also discussed in detail the general impacts on the city, including traffic, housing, schools, employment, police and crime, existing local businesses, gambling addiction, other social problems, and cultural impact. To the extent he believed these things needed to be addressed, they are addressed in the MOA.

If you hear someone say that there has been no public discussion or "referendum" on the casino, or if someone says that the city "ignored" the potential impacts that are negative (such as addiction),

refer them to me. I'll be happy to share this very open, very public, very thorough, and very impartial process that Mike and the elected officials followed in 1998 and 1999. In fact all of this, and an impartial survey prepared and conducted by an outside firm were all completed before the City Council took any formal position on the WS casino proposal. The survey reported that 67% of the registered voters in CL supported the casino. Any informal survey taken after that one (like one in the City Newsletter or a show of hands at another Town Hall meeting in 2002) show about the same, or stronger, support for the casino. As a result of that community support, the Council has consistently supported the WS in their efforts to build a tribal casino in CL.

The question as to whether we want a casino in CL was asked and answered by the community in 1998. Even though a small minority of residents do not accept that decision and want to look backwards, the Council and the majority are looking to the future with a casino. They adopted an MOA on April 25, 2005 which will give the community the resources to build a quality future. The following power point pages from the recent Town Hall meeting summarize the financial pledges made by the WS in the MOA and what these pledges mean to the financial future of our community:

## MOA Local Financial Benefits

- **Community Benefit Fund** (assumes \$50 million annual net revenues)
  - \$1.1 million annually
  - 1st \$100,000 pledged to City each year
- **Annual Pledges for General Services** (\$4.1475 per \$1,000 assessed value)
  - \$1,037,000 per year (assumes \$250 million investment)
 

■ City of Cascade Locks Share	\$ 676,000 per year
■ Hood River County Share	\$ 355,000 per year
■ Port of Cascade Locks Share	\$ 6,000 per year
  - 3% annual growth rate
- **Transient Room Tax** (assume 250 rooms, \$75 nightly rate, 85% occupancy)
  - \$407,000 annually
- **Public Safety**
  - \$432,000 annually (Fire, Police, Emergency Services)
  - \$95,000 start up costs (Before Casino Opens)
  - \$345,000 1<sup>st</sup> Year of Operation (EMS Bldg, Public Safety Needs)

The following power point page summarizes all of these pledges on an annual basis:

## Financial Benefits Projections

	Start up	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<i>Pledge for General Services:</i>	-	\$ 676,250	\$ 696,538	\$ 717,434	\$ 738,957	\$ 761,125	\$ 783,959
<i>CL Pledge from CBF</i>	-	45,000	100,000	100,000	100,000	100,000	100,000
<i>Transient Room Tax</i>	-	270,000	311,000	357,000	407,000	407,000	407,000
<i>Pledge for Police</i>	40,000	272,000	272,000	272,000	272,000	272,000	272,000
<i>Pledge for Fire &amp; Ambulance</i>	55,000	160,000	160,000	160,000	160,000	160,000	160,000
<b>Total</b>	<b>95,000</b>	<b>1,423,250</b>	<b>1,539,538</b>	<b>1,606,434</b>	<b>1,677,957</b>	<b>1,700,125</b>	<b>1,722,959</b>
<b>Running Total</b>	<b>\$ 95,000</b>	<b>\$ 1,518,250</b>	<b>\$ 3,057,788</b>	<b>\$ 4,664,221</b>	<b>\$ 6,342,178</b>	<b>\$ 8,042,303</b>	<b>\$ 9,765,262</b>
<b>Other Contributions</b>							
<i>Pledge for New Fire Hall</i>	-	\$ 300,000	-	-	-	-	-
<i>CBF (assuming \$50M by yr 6)</i>	-	-	-	\$ 400,000	\$ 600,000	\$ 700,000	\$ 1,000,000
<b>Total Assessed Property Value</b>		\$ 45,491,411					
<b>Property Tax Collected 2003-04</b>		\$ 119,688					
<b>Tribal Resort Contributions Year 6</b>		\$ 1,722,959					
<b>Transient Room Tax 2003-04</b>		\$ 96,405					
<b>Transient Room Tax w/ Resort</b>		\$ 407,000					

As you can see, the casino would bring almost \$10 million dollars into the community in its first 6 years of operation. This money can be used by the City to implement our downtown plan, hire fire fighters and paramedics, hire police officers, improve our parks and recreation program, solve our traffic problems, extend sewer and water mains to undeveloped property south of the freeway, etc. etc. We will finally have sufficient resources to solve our existing crime problem, traffic problem, and the chronic under funding of our fire/ambulance department. Share this information with anyone you hear say that the tribal casino “won’t pay taxes” or that it will only create problems. Actually, they will pay much more than Google will ever pay in The Dalles, and they will pay it from year one. We will finally have the financial means to start solving some of our problems that have kept businesses from locating here. I hope you will watch for notice of the next “Planning Our Future” Town Hall meeting. A brochure will be mailed out to everyone in town. It will be held in the Gorge Pavilion in the Marine Park. We hope to schedule it sometime in June 2005. Our focus needs to shift to planning our future with a casino and we need to avoid getting caught up in a retro-debate about questions that we have already asked and answered. It’s time to stop asking whether we want a casino here and begin talking about what kind of community we want to become. It seems, because of the decision made by the community in 1998, we’re finally going to have a choice!

Have a safe and wildfire-free summer!