

An Initial Review of the Cowlitz Final Environmental Impact Statement

ECONorthwest

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Executive Summary

Parts of the March 2007 *Final Environmental Impact Statement Cowlitz Indian Tribe Trust Acquisition and Casino Project* (“FEIS”) from the Bureau of Indian Affairs (“BIA”) relating to economic issues were reviewed. The purpose of this review was to ascertain the veracity and reasonableness of economic analyses contained within the FEIS and its appendices. This report summarizes four major findings resulting from the review. In summary, they are:

1. The FEIS grossly exaggerates unmet tribal needs for healthcare as ascertained by applying three comparable measures. From this, one concludes that although the northern site alternatives ignored in the FEIS would generate less revenues than would a casino in La Center, they would all nonetheless produce more than enough money to cover the Tribe’s unmet needs. For example, a casino in Vader would be able to produce enough to exceed unmet needs by more than \$26 million.
2. Vader or other similar northern sites that were ignored in by the FEIS would be more convenient than La Center to more than twice as many tribal members as only 2.6 percent of the enrolled Cowlitz members live in Clark County. Locating further north would be particularly beneficial to serving the needs of those tribal members that are challenged by health, disability, poverty, or otherwise limited mobility.
3. The FEIS overstates impacts on the Lucky Eagle Casino and understates them for Spirit Mountain.
4. The FEIS greatly understates the number of workers that would live in the primary study area of La Center, Woodland, and Ridgefield. The FEIS then falsely assumes the Cowlitz operation would have “less than significant” impacts on those communities. The forecasts in the FEIS for housing, residency, and school enrollment growth in the primary study area are contrary to common sense, the experience of a large Indian casino (Spirit Mountain), and even to the payroll data of existing casinos in La Center.

This review focuses on four major issues that the FEIS inadequately addresses. They are (1) unmet needs, (2) the convenience of a northern location, (3) impacts on other casinos, and (4) understating the socioeconomic impacts.

Unmet Needs

The FEIS rejects four northern sites in the Vader-Toledo, Washington area, which were suggested in comments received in response to the draft EIS, by concluding that “the probable annual return from any northern site is approximately \$77 million” and that “none of the four northern sites would adequately meet the Tribes [sic] economic objectives and needs.” To arrive at this conclusion, the FEIS relies on a report, attached as Appendix E, which “details proposed annual expenses totaling \$113,572,316.”¹

This level of unmet needs appears inflated especially in light of the overall affluence of Cowlitz Tribal members. The 2000 Census ranks the 1999 median earnings of Cowlitz Indians 18th highest among 495 tribes for whom earnings are reported. Cowlitz Indians had median earnings that were higher than any other Tribe based in Washington, Oregon, or Idaho.²

Of the unmet needs identified in the FEIS, the most costly in terms of annual operations was “health care and social services” at \$71,810,487 a year.³

The largest healthcare cost cited in Appendix E is tribal health insurance “for all tribal members” at \$39,600,000 followed by \$17,404,720 a year in operating costs for two Cowlitz medical facilities.⁴ In addition, included as an expense at the casino-hotel, the Cowlitz will offer medical insurance to about 3,000 employees.⁵ Furthermore, the casino is to provide employment opportunities for Tribal members.⁶

¹ BIA. *FEIS Appendix B*. Page B-8.

² Based on an analysis of data from the U.S. Census special tabulation #27 for the National Center for Education Statistics. Data for median earnings in 1999 for the population 16 years and over with earnings for 495 tribes.

³ BIA. *FEIS Appendix E*. Page 5.

⁴ *Ibid.* page 13.

⁵ From Cowlitz website April 10, 2007 at <http://www.cowlitzcasino.com/faq.htm>

⁶ BIA, *FEIS*, page 1-6.

Because the FEIS does not net-out duplicate costs, there is double and triple counting of costs in the unmet needs calculation. For example, health insurance would pay some of the operating costs at the medical facilities. Casino health insurance duplicates tribal health insurance for members, which then is duplicated in the costs of the Cowlitz medical facilities.

At \$71,810,487 a year for a tribal membership totaling 3,544,⁷ the unmet need reported in Appendix E of the FEIS is \$20,263 per tribal member. For the average Cowlitz family, the unmet health care need that the FEIS identifies would be \$63,828.⁸

The healthcare unmet need in the FEIS is excessive in comparison to other measures of medical needs and expenditures. For example:

According to the American Indian Health Commission for Washington State⁹ the level of need for healthcare was \$2,980 per member of Washington tribes in 1999.¹⁰ When adjusted for inflation, that need is \$4,025 per tribal member.¹¹ Furthermore, when adjusted for funding from sources such as Medicare, Medicaid, private insurance, and the Indian Health Services, the AIHC finds that 53.06 percent of total needs are funded.¹² Therefore, the unmet need of Washington tribe members, adjusted for inflation and existing sources of funding, is \$1,889 per person. Using this measure, the unmet needs of the 3,544 Cowlitz members would be \$6,694,616 a year or \$65,115,871 less than reported in the FEIS.¹³

⁷ Russell, R. Cowlitz Enrollment Officer. *Letter to Mr. Stanley Speaks, Area Director of the BIA*. August 11, 2006.

⁸ Calculated by multiplying the FEIS unmet need per tribal member of \$20,263 by the average size of Cowlitz families (3.15 persons). The average size of Cowlitz families was taken from the 2000 Census at http://factfinder.census.gov/servlet/DatasetMainPageServlet?_ds_name=DEC_2000_SFAIAN&_U&_progname=DEC&_lang=en

⁹ The American Indian Health Commission for Washington State, is described on its website <http://www.aihc-wa.org/About/about.htm>, as accessed on April 10, 2007, “The American Indian Health Commission for Washington (AIHC) was created in 1994 by federally recognized tribes, urban Indian health programs, and Indian organizations to provide a forum for tribal-state health issues. Membership is open to all federally recognized tribes in Washington State, the Seattle Indian Health Board, and certain Indian organizations. Delegates are officially appointed by each tribe through a tribal council resolution, and representatives from Indian organizations are elected to at-large positions.” The website identified the Cowlitz Indian Tribe as a member of the AIHC.

¹⁰ AIHC. *Washington State Health Disparities in Indian Country*. Briefing paper available on April 10, 2007 at the AIHC website <http://www.aihc-wa.org/Issues/issues.htm#issues>

¹¹ \$2,980 (1999) multiplied by 135.056 (the consumer price index for medical care on February 2007 indexed to December 1999=100), as reported by the U.S. Bureau of Labor Statistics website on April 10, 2007 at <http://data.bls.gov/cgi-bin/surveymost> and divided by 100.

¹² AIHC, page 3.

¹³ Calculated by multiplying Cowlitz membership of 3,544 by the inflation adjusted unmet health cost needs of Washington tribal members according to the AIHC (\$1,889 per person). The total unmet need estimate in February 2007 dollars is \$6,694,616, which is \$65,115,871 less than the FEIS purports.

According to the 2002 U.S. Economic Census of the health care and social assistance industries of Washington State, total revenues were \$24,707,761,000.¹⁴ This represents the official count of total spending on health and social assistance care at establishments with employees in Washington. The total population in Washington in 2002 was 6,070,176.¹⁵ Therefore, the spending at health care and social assistance establishments in Washington State in 2002 averaged \$4,070 per person. Adjusting for inflation to bring this to February 2007 dollars would give us \$5,011 per person.¹⁶ After subtracting 53.06 percent for amounts paid by the IHS, Medicare, Medicaid, and private insurance (the average reported for tribal members in Washington by the AIHC), we arrive at \$2,352 of unmet needs per Cowlitz member or \$8,335,488 in total—\$63,474,999 less than reported in the FEIS.

In 2005, the nine Oregon federally recognized tribes spent 58 percent of the revenues they earned from tribal gaming that went to tribal government purposes on health care, and family and social services.¹⁷ This included money used for health clinics. Eight of the nine tribes have their own health clinic buildings.¹⁸ Thus, they are similar to the Cowlitz plan to add medical facilities and count them in their needs assessment.¹⁹ A total of \$128,601,000 from tribal gaming went to pay for tribal government.²⁰ There were about 23,154 members of the nine Oregon tribes.²¹ Thus, the health and social services costs that were met by tribal gaming were about \$3,221 per Oregon tribal member in 2005.²² Adjusted for inflation to February 2007 dollars makes the total spending per member to be \$3,508.²³ Using this measure, the cost of providing similar services for 3,544 Cowlitz members would be \$12,432,352 or \$59,378,135 less than reported as unmet needs for the Cowlitz Tribe.

¹⁴ U.S. Census. *Washington: 2002 Economic Census health care and social assistance. Geographic area series.* Page 1.

¹⁵ U.S. Census website accessed April 11, 2007 at http://factfinder.census.gov/servlet/DTTable?_bm=y&-reg=DEC_2000_SFAIAN_PCT008:001|54V;DEC_2000_SFAIAN_PCT026:001|54V;&-ds_name=PEP_2006_EST&-TABLE_NAMEEX=&-ci_type=U&-CONTEXT=dt&-mt_name=PEP_2006_EST_G2006_T001&-redoLog=false&-geo_id=04000US53&-format=

¹⁶ U.S. Bureau of Labor Statistics consumer price index for medical care was 135.056 in February 2007 (most current period reported at the time this memo was produced). In 2002, the index was 109.7. To adjust 2002 medical costs to February 2007, the value for 2002 was divided by 109.7 and then multiplied by 135.056.

¹⁷ ECONorthwest for the Oregon Tribal Gaming Alliance. *The contributions of Indian gaming to Oregon's economy in 2005.* Page 22.

¹⁸ Northwest Portland Area Indian Health Board website accessed April 16, 2007 at http://www.npaihb.org/member_tribes/oregon_member_tribes/

¹⁹ BIA. *FEIS Appendix E.* Page 13.

²⁰ *Ibid.* page 23.

²¹ From the Oregon Blue Book, State government website accessed on April 10, 2007 at <http://bluebook.state.or.us/national/tribal/tribal.htm>

²² \$128,601,000 in total tribal services spending times 58 percent that was health and social services, divided by 23,154 enrolled members of Oregon tribes.

²³ Adjusted for inflation using the consumer price index for medical care, which was 135.056 in February 2007 and 124.0 in 2005.

The average overstatement of unmet needs for Cowlitz tribal member health and social care costs from the three comparable measures shown is \$62,656,335 a year.²⁴ Therefore, correcting for this overstatement using an average of three comparable measures that more accurately reflect real world costs of providing health and social services care for people, the appropriate level of unmet needs that an economic development project of the Cowlitz Indian Tribe would have to achieve to meet the requirements of its members would be \$50,915,981 or \$14,367 per member.²⁵

Conclusion: Vader Site would exceed unmet needs by more than \$26 million.

The FEIS states, “The Hovee analysis indicated that the probable annual return from any northern site is approximately \$77 million, confirming that the northern sites would not adequately meet the financial objects [sic], goals and needs of the tribe.”²⁶ However, as this analysis demonstrates, the unmet needs after correcting for only²⁷ the overstatement in health and social service costs, would be \$50,915,981 a year. Therefore, any northern site, including one at Vader, would suffice in completely meeting those unmet needs and leave approximately \$26,084,019 a year in revenues in excess of tribal needs.²⁸

Convenience of a Northern Location

The FEIS states, “The Cowlitz Indian Tribe, which is currently landless, wishes to create a Tribal land base for its members and establish a Tribal Headquarters from which its Tribal Government can operate to provide housing, health care and other governmental services, and from which it can conduct the economic development necessary to fund these Tribal Government services and provide employment opportunities for its members.”²⁹ The first analysis presented in this memo finds that a casino at a northern site would adequately fund Tribal government services.

However, also at issue is whether a northern site would be more appropriate for addressing the housing, health care, employment, and other governmental needs of Cowlitz members than would a site in La Center. The evidence is clear that the site north of La Center, such as near Vader, would be more accessible to many more tribal members.

²⁴ This is the average of \$65,115,871 (American Indian Health Commission for Washington State method), \$63,474,999 (using the total spending per capita calculated from the U.S. Census of health and social service providers in Washington State), and \$59,378,135 (using inflation adjusted 2005 health, family, and social services spending paid for by gaming by the nine tribes in Oregon).

²⁵ Calculated by subtracting the overstatement of health and social service care unmet need in the FEIS, which was determined to be \$62,656,335, from the reported total unmet needs in the FEIS of \$113,572,316 a year. The per-member value equals the unmet needs (\$50,915,981) by the number of enrolled members (3,544) based on comparable measures.

²⁶ BIA. *FEIS*, Appendix B. Page B-8 – B-9.

²⁷ This analysis did not examine other “unmet needs” in the FEIS, which may have been excessive.

²⁸ Calculated by subtracting \$50,915,981 in unmet needs from \$77,000,000 annual return from northern sites.

²⁹ BIA. *FEIS*. Page 1-6.

Vader would be a better location from which to offer tribal members good jobs and for providing government services to tribal members in greatest need—the elderly, frail, disabled, poor, and young—that have the least mobility and would benefit from the center of tribal government being nearer to their existing homes—most of which are well over an hour north of La Center.

According to the Cowlitz Enrollment Officer, Mr. Randy Russell, the tribe has 95 members living in Clark County—the home county of La Center. That equals 2.7 percent of the total enrollment of the Cowlitz Indian Tribe. Immediately to the south on the Interstate-5 corridor are Multnomah and Washington counties, Oregon, which have 85 and 26 Cowlitz members, respectively. The county just north of Clark along the Interstate-5 corridor is Cowlitz County and it has 274 tribal members. Following that is Lewis County, where Vader is, and it has 201 tribal members. Above that is Thurston and then Pierce counties with 351 and 504 Cowlitz tribal members, respectively.³⁰

Pierce County has the most members of any county mentioned in the Enrollment Officer’s letter to the BIA. Pierce County is just south of King County, which is the home of Seattle, Washington. That area too has a high concentration of tribal members as evidenced by a statement made by Mr. Phil Harju when asked about a proposed federal rule that would require Indian casinos to locate within 50 miles of at least half the tribal members. He said, “The only place in the state of Washington where the Cowlitz could do that would be in downtown Seattle.”³¹ King County, however, was not included in the Enrollment Officer’s letter to the BIA.

La Center is in Clark County. That county, the two counties north of it, and the two counties south of it have a total of 681 enrolled tribal members (19.2 percent).³² Vader is in Lewis County and when combined with the two counties to the north of Lewis County and the two counties to the south, the Cowlitz Enrollment Officer’s figures reveal that there are 1,425 members of the Tribe living in the vicinity (40.2 percent).³³ Thus, there are 744 more tribal members (more than twice as many) living within two counties of Vader than within two counties of La Center.

Regarding the use of the La Center reservation for housing, the only housing listed in the FEIS is a set of “approximately 16 tribal elder housing units.” The remaining land area would be occupied by 1,183,635 square feet of casino and hotel building space, 7,250 parking spaces, offices, a museum, cultural center, and tourism facilities. There would be no other tribal housing no health care facilities, and no tracts of vacant trust land on which to build them at a later date.³⁴

³⁰ Russell, R. *Letter to Mr. Stanley Speaks, Area Director of the BIA*. August 1, 2006.

³¹ Mize, J. *Feds mull new rule for Indian casinos*. *The Columbian*. April 16, 2005. Page 1-A.

³² This is the sum of the tribal members living in Washington (26), Multnomah (85), Clark (95), Cowlitz (274) and Lewis (201) counties.

³³ This is the sum of tribal members living in Clark (95), Cowlitz (274), Lewis (201), Thurston (351), and Pierce (504) counties.

³⁴ BIA. *FEIS*. Page 2-9 – 2-10.

The paucity of tribal housing appears not to be a concern. Mr. David Barnett, of the Tribe, thinks most members will stay where they now live and was quoted saying with regard to the La Center site, “It is not as if 1,000 Cowlitz in Seattle will get on 40 buses and come.”³⁵

Conclusion: Vader Site would be more convenient than La Center to more than twice as many tribal members.

The decision to try and locate trust land further away from the Vader area where more than twice as many tribal members live to a county with only 2.6 percent of the total Tribal population solely because it is closer to the Portland gaming market violates the premise that the purpose of the trust land would be to help Tribal members. In the Vader area, where open land is more plentiful and less expensive than off Exit-16 near La Center, the Cowlitz could acquire more land for tribal housing and healthcare needs in addition to building a casino that would provide the necessary economic development for the membership.

Furthermore, the cost of the casino would be less and would put the tribe at less of a financial risk than would the larger \$510,260,000 development proposed for La Center.³⁶ The proposed \$510,260,000 project for La Center exceeds the total amount of non-residential construction done in Clark County during 2.84-fold.³⁷

Impact on Other Casinos

The FEIS alludes to the impact a casino sited north of Clark County would have on the Lucky Eagle Casino in Rochester, Washington and a casino sited in Clark County would have on the Spirit Mountain Casino. Other tribes own both of these competing casinos.

Regarding casino locations to the north the FEIS states, “In brief, these alternatives were found to suffer from being inconvenient to both the Seattle and Portland/Vancouver markets, and to not adequately meet the economic objectives and needs of the Tribal government.”³⁸ The analysis discussed in this memo finds that any of the suggested northern sites, including Vader, would meet the needs of the tribe.

³⁵ Church, F. *Vancouver Cowlitz, County adjust to Tribe’s new status*. The Oregonian. April 2, 2002. Page C-3.

³⁶ BIA. *FEIS*. Page 4.7-1.

³⁷ According to the fourth quarter 2006 F.W. Dodge construction statistics, \$179,859,000 in new non-residential construction was done in Clark County, Washington for the full year 2006.

³⁸ BIA. *FEIS*. Page 2-41.

To further challenge the appropriateness of a northern site the FEIS states that if a casino were built in Vader a “range of outcomes experienced by the Lucky Eagle facility could vary widely, from curtailment of operations to relocation of facilities toward a comparable I-5 site to other reconfiguration for improved competitive presence. E. D. Hovee & Company, LLC appreciates the opportunity to provide this analysis behalf [*sic*] of Analytical Environmental Services. Questions and suggestions regarding any aspect of this draft report are appreciated.”³⁹ It should be noted that Analytical Environmental Services works for both the Cowlitz and the Chehalis Tribe’s Lucky Eagle Casino.⁴⁰

While a casino in Vader would have some adverse effects on the Lucky Eagle Casino in Rochester, Washington, the casino would remain a formidable competitor for several reasons. However, FEIS discounts any such probability by posing that a “curtailment of operations” or “relocation” would be necessary for the Lucky Eagle to remain viable. These suggestions are pure hyperbole and absurd.

One reason why the Lucky Eagle Casino’s viability would not be threatened by a casino in Vader is simply because the two casinos would be far apart. The Lucky Eagle is 41.70 miles and 47 minutes from Vader.⁴¹ The level of competition between them would not be so severe as to compel the Lucky Eagle to close or relocate.

Indeed, the Lucky Eagle retains competitive advantages in some key local markets over Vader, while a casino in Vader would still capture a sizable share of the Portland/Vancouver market, which the Lucky Eagle draws little from. The Lucky Eagle’s two biggest local feeder markets, Centralia and Chehalis, are both closer to it than they are to Vader. Centralia, with 10,258 adult residents (2000 U.S. Census) is 15.57 miles from the Lucky Eagle, but 27.41 miles away from Vader. Chehalis, with 7,003 residents (2000 U.S. Census) 21 years and older, is 19.62 miles from the Lucky Eagle and 23.12 miles from Vader.⁴²

Another reason why the Lucky Eagle would likely still thrive is that the largest local market to it, Olympia, is closer to the Lucky Eagle Casino than to Vader. Olympia and Tumwater, the community south of Olympia, had (2000 U.S. Census) 40,617 adults 21 and older.

³⁹ BIA. *FEIS Appendix N*. Page 18.

⁴⁰ Herrington, G. *Casino study is far from impartial*. The Columbian. March 30, 2007.

⁴¹ As calculated using the Lucky Eagle Casino’s locator website (Mapquest) on April 13, 2007 at <http://www.luckyeagle.com/gettinghere.html> and typing in Vader, Washington as the drive from location.

⁴² As calculated using the Lucky Eagle Casino’s locator website (Mapquest) on April 13, 2007 at <http://www.luckyeagle.com/gettinghere.html> and typing in Centralia and Chehalis, Washington as the drive from locations. Mapquest was then used to determine driving distances between Vader and Chehalis and Centralia, Washington.

The Chehalis Tribe also will soon be opening a conference center, indoor water park, and eight-story hotel complex. These are part of a \$100 million, 441,600 square foot development ten minutes from the casino and off Exit-88 on Interstate-5. A shuttle will connect it to the Lucky Eagle Casino and Hotel. This property, which will be run by Great Wolf, is expected to attract 300,000 customers a year and will add to the flow of customers at the Lucky Eagle.⁴³

Finally, with the exception of the Lummi Nation Casino back in August 1997, no tribe has closed a compacted casino in Washington or Oregon due to poor profits or competitive pressures, so it is highly doubtful the Chehalis would close theirs. Indeed, the Lummi Nation itself opened a new casino, called the Silver Reef Casino, on April 9, 2002 once the tribe was able to secure Class-III gaming machines—an advantage they did not have in 1997.⁴⁴

Although the FEIS suggested terrible impacts on the Lucky Eagle, it had concluded quite the opposite for the Spirit Mountain Casino, which is owned by the Grand Ronde in Oregon. The FEIS found the following about having a casino in La Center: “the proposed Cowlitz casino could be supported if built and in operation by 2011 without significantly affecting existing operations of the existing gaming facilities serving the Southwest Washington and Northwest Oregon gaming market—including the existing Spirit Mountain facility.”⁴⁵

The Grand Ronde disagrees. Their own analysis finds that their casino’s largest market is the Portland market area and that “the presence of a casino in La Center will cause Spirit Mountain’s local day trip market to decline by 42 percent.”⁴⁶

The analysis in the FEIS that concludes a La Center casino would not significantly impact Spirit Mountain relies, in part, on Figure 1 from Appendix L of the FEIS.⁴⁷ This figure shows the number of casino visits *per capita* by driving distances taken from a sample of casino players. The figure shows that there are less than 0.1 per year from places 60 or more miles from casinos.

⁴³ Szymanski, J. *Great Wolf makes a splash*. The Olympian. October 22, 2006. Page D-1.

⁴⁴ From Washington State Gambling Commission website accessed on April 13, 2007 at www.wsgc.wa.gov/docs/tribal/tribe_update.pdf

⁴⁵ BIA, *FEIS Appendix L*. Page 26.

⁴⁶ The Confederated Tribes of the Grand Ronde Community of Oregon. *Draft environmental impact statement comments, Cowlitz casino-resort project*. Submitted July 14, 2006. Page 24.

⁴⁷ BIA, *FEIS Appendix L*. Page 4.

Figure 1: Copied from FEIS Appendix L.

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TIFF (LZW) decompressor
are needed to see this picture.

It has been the experience of ECONorthwest that visitation rates by distance falls with distance from a casino, but at rates not as steep as shown in Figure 1 from the FEIS. Indeed independent data suggests that successful casinos can attract large numbers of guests from areas that are 60 or more miles away. The Mohegan Sun, for example, attracts 38.4 percent of its patrons from Massachusetts and New York, which are more than 60 and 98 miles from the casino, respectively.⁴⁸

Spirit Mountain relies heavily on customers from the Portland area because they are generally more affluent and have poorer access to Indian casinos than most other Oregonians and Washingtonians. A casino in La Center would be appreciably closer for most Portland residents than would one in Grand Ronde. Thus, its impact on Spirit Mountain would be significant.

Conclusion: The FEIS overstates impacts on the Lucky Eagle Casino and understates them for Spirit Mountain.

The FEIS understates the impact that a casino in La Center would have on Spirit Mountain while exaggerating the impact a casino in Vader would have on the Lucky Eagle Casino. This appears to be an attempt to discredit the notion that any of the possible northern sites are viable casino locations or appropriate places for Cowlitz trust land.

⁴⁸ University of Massachusetts. *New England Casino Gaming: A Foxwoods Resort and Mohegan Sun, 2004 Update*. January 2004. Page 5. Table entitled, "Estimated patron origins by state: Foxwoods and Mohegan, 1999." Based upon survey of 6,517 automobiles and 183 tour buses visiting the Mohegan Sun Casino.

Understating Socioeconomic Impacts

The FEIS does not take into consideration the concerns expressed in the comments to the draft EIS regarding the apparent understating of local population impacts from the establishment of the trust land near La Center. Thus, the FEIS repeats the conclusions of the Draft EIS that the impacts of the Cowlitz development would be “less than significant” on local schools and towns.⁴⁹

The basis for the “less than significant” findings is the faulty conclusion that the development would not lead to enough migration into the area, and more specifically, into Ridgefield and La Center. One apparent reason for the understatement was the miscalculation of employment.

Employment. To estimate the actual impacts to the City of La Center, ECONorthwest was forced to build its own model of the casino and layout employment estimates for all aspects of the trust land development. The FEIS and draft EIS show employment, which appear to be for only the hotel-casino portion of the entire development, as is suggested by the average wage rate of only \$28,000.⁵⁰

ECONorthwest drew this conclusion because the known average wage, including gratuities, at Oregon Indian leisure and hospitality entities in 2005 was \$26,736.⁵¹ The average wage rate for Oregon tribal government was 26.9 percent higher and there were, statewide, 44 tribal government workers for every 100 in casinos, hotels, and related leisure businesses owned by tribes.⁵² Therefore, ECONorthwest assumed that the FEIS and draft EIS did not count all forms of direct employment, as tribal government facilities are part of the FEIS plan.

The EIS also did not consider the non-direct employment impacts when considering the socioeconomic effects of introducing such a large employer to the area. “Only direct employment is anticipated to generate in-migrant employees/households” in the socioeconomic analysis in the EIS.⁵³ This too yielded an artificially low assessment of migration by simply ignoring indirect and income-induced employment impacts.

⁴⁹ BIA, *FEIS*. Page 4.7-6 and 4.7-10.

⁵⁰ BIA. *Draft EIS: Socioeconomic assessment*. January 2006. Page 57.

⁵¹ Oregon Tribal Gaming Alliance and ECONorthwest. *The contribution of Indian gaming to Oregon's economy in 2005*. Page 21.

⁵² From data supplied by the Oregon Employment Department.

⁵³ BIA. *Draft EIS: Socioeconomic assessment*. January 2006. Page 63

Comparison to Other Employers. If one were blindly to accept the direct operational employment of 3,151⁵⁴ from the FEIS as the employment impact, it remains unrealistic for this much employment between two small cities to have no significant impact on schools, housing, and city government. At that level of employment, the Cowlitz casino resort alone would be the largest employer in Clark County—exceeding the next highest by 478 workers.⁵⁵

The County’s largest private employer is the Southwest Washington Medical Center, with 2,490 full-time equivalent employees. The largest manufacturer is Hewlett-Packard with about 1,800 workers.⁵⁶ Employment growth is recognized as one of the main contributors to population growth in Clark County.⁵⁷ Population growth further stimulates the need for more housing and schools.

Understate Local Residencies. Perhaps the most peculiar finding of the EIS is that there would be a “relatively insignificant amount” of students added to school districts in Clark and Cowlitz counties.⁵⁸ When the computations are carried out to the local level, the DEIS found that fewer than two new students would be enrolled in the Ridgefield, La Center, and Woodland school districts because of the Cowlitz operations.⁵⁹

The EIS socioeconomic forecast concluded that only five new households would move to La Center, Ridgefield, and Woodland, Washington (defined as the primary study area in the EIS) because of the Cowlitz development.⁶⁰ This appears to contradict the author’s conclusion regarding an economic development project in nearby Portland where an estimated 9,000 new jobs were predicted to support the need for 3,700 housing.⁶¹

The basis of the FEIS low finding comes from an assumption that an increase of 315 households would net-migrate to Clark and Cowlitz counties because of the 3,151 employees it forecasts to work at the Cowlitz resort (a ratio of one-to-ten).⁶² This, the FEIS concludes, “would generate a maximum of 145 students, distributed throughout Clark and Cowlitz counties which currently has 89,000 students and 144 schools.”⁶³

⁵⁴ *Ibid.* Page 57.

⁵⁵ Anderson, J. *How we work: Job market cools but still growing.* The Columbian. February 25, 2007.

⁵⁶ *Ibid.*

⁵⁷ Clark County. *2004 Comprehensive Growth Management Plan.* Page 9-4. Available at <http://www.clark.wa.gov/longrangeplan/review/documents/09chap09.pdf>

⁵⁸ BIA. *Draft EIS: Socioeconomic assessment.* January 2006. Page 84.

⁵⁹ City of La Center and ECONorthwest. *Impact study for the City of La Center, Washington.* June 2006. Page 31.

⁶⁰ BIA. *Draft EIS: Socioeconomic assessment.* January 2006. Page 70.

⁶¹ E.D. Hovee & Company. *North Macadam urban renewal area return on investment (ROI) analysis update.* Prepared for the Portland Development Commission. August 2003. Page 1.

⁶² BIA, *FEIS.* Page 4.7-10.

⁶³ *Ibid.*

ECONorthwest analyzed the school impacts using a method that it has employed for other tribes in casino planning. The residencies of workers are determined by distributing an estimate of total workers on the trust lands throughout all zip codes in the region. The basis for the direct employment distribution was the pattern of employee residencies observed at other casinos. The analysis, when applied to the Cowlitz situation, found that 388 workers would live in either La Center or Ridgefield.⁶⁴

In the Northwest, casino workers tend to live close to employers. For example, in a study for the Cow Creek Tribe, which has a large resort-casino off Exit-99 on Interstate-5 in Oregon, a review of payroll data found that 95.6 percent of all employees at year-end 2006 lived in the same county as the casino.⁶⁵

Since Indian casino data are proprietary unless the tribes publicly release findings, as the Cow Creek have, an alternative source to base a residency forecast could have been used in the FEIS such as the U.S. Census. For example, La Center and Ridgefield are the two zip codes that are less than ten minutes from the Cowlitz site. If one were to simply take publicly available commutation data from the most recent U.S. Census (2000), the result would show that 13.1 percent of workers commute less than ten minutes. This implies that 413 Cowlitz workers would live in La Center or Ridgefield.⁶⁶

The FEIS on at least two occasions makes references to the Spirit Mountain Casino and falsely poses that many of its employees drive appreciable distances to work there. ECONorthwest has done commutation research for the casino and to its knowledge only a small number of casino workers there come from beyond the 30-minute driving range represented by the cities of McMinnville, Salem, and Lincoln City.

Nonetheless, the FEIS states, as a means of supporting the contention that few Cowlitz workers would live in La Center, Ridgefield, or Woodland, that “Comparable facilities show a clear propensity for workers to commute from a large labor shed that can extend 30-60 minutes driving time from a casino facility. This is the case, for example, for the Spirit Mountain Casino in Grand Ronde—the largest comparable to the proposed Cowlitz Casino project.”⁶⁷ This is simply not true.

⁶⁴ City of La Center and ECONorthwest. Page 13.

⁶⁵ <http://www.cowcreek.com/ca/ImpactStudy.2006Highlighted.pdf>

⁶⁶ Calculated by taking the simple average of the percentage of workers living in La Center and Ridgefield that commute less than 10 minutes to their jobs (13.1 percent — the average of 15.4 percent for La Center residents and 10.8 percent for Ridgefield residents, according to the 2000 U.S. Census) times 3,151 workers as reported by the FEIS.

⁶⁷ BIA. *FEIS Appendix K*. Page 29.

The U.S. Department of Housing and Urban Development, for example, currently reports that, “Thirty-four percent of [Spirit Mountain] Casino employees live in the immediate communities of Grand Ronde, Willamina and Sheridan, accounting for more than 10 percent⁶⁸ of the population of those towns. The rest of the workforce lives in the surrounding valley area, including Salem, McMinnville, and Lincoln City.”⁶⁹ Grand Ronde, Willamina and Sheridan are all less than ten minutes of the casino’s front door. Salem, McMinnville, and Lincoln City are 30 minutes away.

The best published data on where casino workers at the Cowlitz facility in La Center would likely reside comes from the payroll records of the Last Frontier and New Phoenix, which were the two highest grossing cardroom casinos in Washington in 2006.⁷⁰ This employment data was cited for its credibility by the FEIS.⁷¹ These two cardrooms or mini-casinos are in La Center. They have bars and restaurants, blackjack tables, pokers, and various other house-banked casino card games. Table 1 shows the home zip codes of the 435 employees of the two largest cardroom casinos in Washington and in La Center.⁷²

Table 1: The Distribution of Employees at Two La Center Cardroom Casinos in 2006 by Home Residences and the Number of Forecast Cowlitz Casino Employees by Residences Determined by Applying the Same Distribution as Observed in Actual La Center Casino Payroll Data

Employee Residence by their home zip code	Actual Cardroom Employees in 2006		Cowlitz Using Same Percentages
	Number	Percent	Number
La Center (zip code 98629)	58	13.6%	430
Woodland (zip code 98674)	27	6.4%	200
Ridgefield (zip code 98642)	12	2.8%	89
FEIS Primary Study Area Total	97	22.8%	719
Vancouver zip codes	205	48.2%	1,520
Other Clark County	46	10.8%	341
Elsewhere	77	18.1%	571
Total	425	100.0%	3,151

Source: Employee count data from the New Phoenix and Last Frontier card rooms and the FEIS total employment figure for the Cowlitz casino and resort. ECONorthwest distributed the 3,151 Cowlitz employees forecast in the FEIS according to the percentages of La Center cardroom casino employees by home residences.

⁶⁸ The ten-percent only counts employees and not their family members.

⁶⁹ From the U.S. Housing and Urban Development website accessed on April 17, 2007 at <http://www.hud.gov/local/shared/working/r10/nwonap/giving.cfm?state=wa>

⁷⁰ In fiscal year ending June 30, 2006 these two cardrooms had net gaming revenues of \$19,670,936. Data is from the Washington State Gambling Commission website accessed April 17, 2007 at http://www.wsgc.wa.gov/docs/stats/cardroom/cr_gross.asp

⁷¹ BIA. *FEIS Appendix K*. Page 23.

⁷² This data also appears in the previously cited report to the City of La Center by ECONorthwest. Page 13.

In 2006, 22.8 percent of the cardroom workers lived in the primary study area. If 22.8 percent of the Cowlitz Casino project's 3,151 employees would also live in the primary study area, then one would expect 719 Cowlitz workers living in those town. The FEIS, however, says that only five households and two school students would move into those three towns. This hardly resembles the experience of Spirit Mountain Casino, which sees over a third of its workers living in its primary area and accounting for ten percent of their total population.

The Cowlitz project logically should have a larger impact than even Spirit Mountain has had on its three closest towns. The Cowlitz Casino is forecast in the FEIS to be more than twice as busy, as indicated by traffic. As noted in March by Siobhan Taylor, public affairs director for Confederated Tribes of Grand Ronde, on "a busy summer weekend at the casino generates an average 8,500 vehicles a day."⁷³ The FEIS forecasts that the Cowlitz project would generate 19,574 vehicle trips on an average weekend day.⁷⁴

Conclusion: The FEIS greatly understates the number of workers that would live in La Center and Ridgefield, and, in turn, falsely assumes the Cowlitz operation would have "less than significant" impacts on local schools, housing, and the like.

If putting a 3,151-employee business—the largest in Clark County—on farmland would have a "less than significant" impact, as the FEIS suggests, then would not the closures of the current largest employer, the Southwest Washington Medical Center and the largest manufacturer, Hewlett-Packard, likewise not be significant to the County's economy and population? Common sense says such closures would.

It is simply implausible to bring such a large employer as the Cowlitz to the edges of rural Clark County and expect a "less than significant" impact. The conclusion contradicts the commutation patterns from the 2000 U.S. Census, the payroll data of two casinos in La Center, and published statements about the Grand Ronde's casino by a federal agency.

⁷³ Nkrumah, W. *Spirit Mountain Casino grows, but not the highway*. The Oregonian. March 25, 2007.

⁷⁴ BIA. *FEIS Appendix O*. Page 43.