

Economy

Current Economic Situation in Sonoma County

- The unemployment rate jumped to 9.1% in February – the highest rate since 1983. Unemployment in the county increased nearly 88% since February 2008 when the jobless rate was at 5%.
- Local construction, manufacturing, finance, professional services and hospitality have experienced a decline in profits from last year.
- The county faces a \$21 million shortfall in its general fund. Sales and property taxes and related real estate taxes and fees are all down sharply, as is revenue from the tourism industry.
- Meetings and conferences, which account for about 30% of the county's tourism, have declined up to 60% at some destinations. Preliminary figures show travel spending in Sonoma County plunged in the fourth quarter, resulting in a bed-tax drop of 13% compared with a year ago.

Economic Benefits Resulting from the Resort

- The resort casino will bring an estimated \$275 million in annual economic benefit to the region through increased consumer spending, business investment, job creation, payroll, and sales and property tax revenue.
- The project is estimated to generate \$61 million in demand for local goods and services.
- The resort will include a large, state-of-the-art convention facility that will bring additional visitors, business interests and tourist dollars to Sonoma County.
- Conventions and other tourism-related activities at the resort casino will cause a spillover effect, increasing occupancy and patronage at nearby hotels, restaurants and other businesses. This boost is critical because tourism is central to the county's economy. Hotels and restaurants employ 18,000 people, or 9% of the total work force, and generate significant tax revenue for local governments.

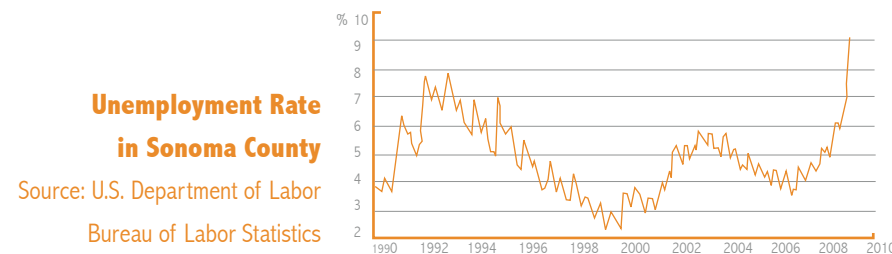


The resort will provide approximately 2,500 permanent jobs and 700 construction jobs. Over time, as many as 1,655 new jobs will be created by local vendors doing business with the Tribe.

Employment

Current Employment Outlook for Sonoma County

- Since early 2008, the construction sector lost 2,200 jobs, creating a 40% unemployment rate in the industry.
- The manufacturing sector lost 1,200 jobs and the finance sector (including banks, mortgage lenders and real estate services) lost 700 jobs.
- Numerous businesses, including Lombardi's Petaluma French Bakery, Mervyn's, Linens-n-Things, Circuit City, Yardbirds, Magnolia Audio Video, KB Toys, O' Reilly Media and Sharper Image, have closed their doors.
- Salary reductions, furloughs and shorter hours are hitting a broad spectrum of employment sectors as a way for employers to control costs and avoid layoffs. In the county, furloughs have affected nearly 3,000 state employees.



Employment Benefits Resulting from the Resort

- Resort construction will require approximately 700 jobs with an annual payroll of \$30-40 million.
- Resort operation will directly produce approximately 2,500 jobs with an annual payroll of \$67 million.
- Construction jobs and 2,500 other permanent jobs at the resort casino will include a living wage and a comprehensive benefit package.
- Over time, as many as 1,655 new jobs will be created by local vendors doing business with the Tribe, which will add another \$153 million to the local economy. As much as possible the Tribe will be relying on local vendors for food, supplies, goods and services.



Local Government

Current Economic Situation in Rohnert Park

- Rohnert Park has entered the fiscal year with a deficit of at least \$7-8 million. The city sold excess lands valued at \$5.8 million but still faces an annual deficit of \$3.4 million due to the sewer rate rollback.
- The city had an unanticipated deficit of \$600,000 in revenue this year, primarily because of declining sales and property taxes, and that amount could increase to \$1.5 million before the fiscal year ends June 30.
- In order to balance the 2009 city budget, Rohnert Park cut spending by 10%, impacting government-provided services. Even with the reductions, the city is expected to exhaust its reserves and run out of money by the end of 2010.
- The Cotati-Rohnert Park Unified School District, the third largest in the county, faces funding cuts to school programs due to the state's fiscal crisis. The School District has issued layoff notices which could result in a possible cut of 54.8 full-time positions, including 32 elementary school teachers.
- The School District has already reduced spending for sports and eliminated specialized courses.

Project Benefits to Rohnert Park

- The Tribe will give over \$200 million to the City of Rohnert Park over 20 years including \$9 million in annual payments and at least \$18 million in one time payments.
- The Tribe will provide \$5 million each year in lieu of city taxes and will donate \$2,664,000 to the city in lieu of normal development fees.
- The Tribe has advanced \$2.2 million under the Rohnert Park MOU to establish a special public safety unit to combat gangs and other criminal activity. The Tribe will also contribute \$2.7 million to purchase land for public parks and pay an annual contribution of \$50,000 to improve storm drainage on those lands.
- The Tribe donated \$60,000 to save after school sports programs for students.
- The Tribe has donated \$2 million for organic community gardens.
- The Tribe will donate \$1 million annually to the Graton Rancheria Education Foundation for the Cotati-Rohnert Park Unified School District.