

November 19, 2024



E-TRANSMITTAL/ U.S. REGULAR MAIL  
Email: [city.clerk@cityofvallejo.net](mailto:city.clerk@cityofvallejo.net)

Mr. Robert McConnell, Mayor  
City of Vallejo  
555 Santa Clara Street  
Vallejo, California 94590

With e-copies to:  
Vallejo City Council  
Vallejo City Manager Andrew Murray

**RE: COMMENT LETTER ON VALLEJO CITY COUNCL AGENDA ITEM #9 – E. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A COOPERATIVE AGREEMENT WITH THE SCOTTS VALLEY BAND OF POMO INDIANS OF CALIFORNIA RELATING TO THE PROPOSED APPLICATION TO PLACE LAND WITHIN THE CITY OF VALLEJO IN TRUST FOR THE BENEFIT OF THE TRIBE**

Dear Honorable Mayor McDonnell and Vallejo City Council:

On behalf of the City of San Pablo City Council, I am forwarding this letter of concern for formal consideration by the Vallejo City Council. This letter pertains to Agenda Item #9 – E. regarding authorization to execute a Cooperative Agreement between the City of Vallejo and the Scotts Valley Band of Pomo Indians related to the proposed Scotts Valley Casino Project to be located within the City of Vallejo, CA.

As expressed earlier to U.S. Department of Interior/Bureau of Indian Affairs (DOI/BIA) officials on July 22, 2024, the City of San Pablo and other interested stakeholders strongly believe that the preparation of a **full Environmental Impact Statement (EIS)**, pursuant to NEPA, is necessary at this time due to the extensive scale of the project and the multitude of significant, unmitigated impacts that were identified in the initial Environmental Assessment (EA) (See Attachment). The City of Vallejo agreed with this position in their own comment letter dated August 22, 2024, in which it also requests that the Bureau prepare an EIS on the project due to the flawed and incomplete nature of the EA.

To conduct a proper environmental review under NEPA, the City of San Pablo believes that completion of this EIS **should precede** any project-specific negotiations that may subsequently be contemplated by the City of Vallejo or other parties. Further, San Pablo

officials urge the City of Vallejo to continue to encourage a full, comprehensive EIS analysis under NEPA be conducted to identify and mitigate all potentially significant impacts associated with the Scotts Valley project, and to encourage meaningful public review by all those individuals and agencies that will be affected.

The City of San Pablo is located just 16 miles from the proposed Casino project site in Vallejo, CA. As a result of this close proximity to the proposed project and its potential to exact a substantial economic impact on our community, the City of San Pablo **strongly urges** the City of Vallejo to include a complete and comprehensive analysis of all socio-economic and environmental justice concerns associated with the project on nearby communities, including San Pablo. As noted in our July 22, 2024 BIA comment letter, San Pablo is a socio-economically disadvantaged community with one of the lowest household incomes in the Bay Area, and with significantly lower household incomes than in Vallejo, CA. According to the initial Environmental Assessment, San Pablo stands to lose 20% or more of the community impact revenue it receives from the much smaller scaled San Pablo Lytton Casino. This revenue impact, which would amount to an estimated \$8 to \$10 million annual reduction, is essential for San Pablo to maintain critical municipal services to its local residents.

The City of San Pablo understands that formal authority is being requested at this time to allow City of Vallejo officials to develop a new, Cooperative Agreement concurrently with any federal application approved by DOI/EIA officials in the foreseeable future. In the spirit of good governance and intergovernmental cooperation between local CA cities, where revenues are critical to sustain local municipal services, we believe that there needs to be a primary focus on, and thorough analysis of, all socio-economic and environmental justice impacts. This is particularly the case given the financial impact any new Native American gaming establishment will have on other nearby local cities that already have similar cooperative agreements in place.

Under the Municipal Services Agreement entered into between the City of San Pablo and Lytton Casino in 1999, nearly 65% of the City's annual General Fund revenues are received from the San Pablo Lytton Casino. This revenue is essential for San Pablo to sustain our local community, especially emergency services and response (police and fire), youth and senior programs, and other health and safety services. These critical services will be substantially impacted by the emergence of a large-scale Casino project in such close proximity. The result will be substantial erosion to, and potential elimination of, these critical services that San Pablo officials must provide to its residents. Therefore, we believe that there needs to be substantial public review and a financial equity analysis when addressing all associated benefits and impacts of this proposed Scotts Valley project, and its corresponding impact to surrounding local cities and government stakeholders.

Mayor Robert McConnell  
City of Vallejo, CA  
November 19, 2024  
Page 3

In closing, the City of San Pablo appreciates the opportunity to submit our concerns on this matter and respectfully urges City of Vallejo officials to uphold good governance and intergovernmental cooperation in the region when it comes to its responsibilities as a local regulatory and governmental authority. Consistent with the position previously articulated by the City of Vallejo itself, and in accordance with all applicable Federal and State laws, we continue to request the preparation of a full Environmental Impact Statement (EIS) prior to any subsequent consideration and action with respect to the proposed Scotts Valley Casino Project.

Should you have any further concerns or questions, please contact San Pablo City Manager Matt Rodriguez at (510) 215-3000, or via email at: [MattR@sanpabloca.gov](mailto:MattR@sanpabloca.gov)

Thank you for your time and consideration of this matter.

Sincerely,



Patrica Ponce, Mayor  
City of San Pablo, CA

Attachment: Public Comment Letter from City of San Pablo to DOI/BIA officials  
dated 07/22/24

cc: US Senator Alex Padilla  
US Senator-elect Adam Schiff  
US Congressional Representative John Garamendi (D-8<sup>th</sup> District)

San Pablo City Council  
San Pablo City Manager  
San Pablo City Attorney  
San Pablo Assistant City Manager  
San Pablo Community Development Director  
San Pablo Administrative Services Director

July 22, 2024



CITY OF SAN PABLO  
City of New Directions



**E-TRANSMITTAL & U.S. REGULAR MAIL**

Sent via email to: [amy.dutschke@bia.gov](mailto:amy.dutschke@bia.gov)  
[chad.broussard@bia.gov](mailto:chad.broussard@bia.gov)

Amy Dutschke, Regional Director  
Bureau of Indian Affairs, Pacific Regional Office  
2800 Cottage Way, Room W-2820  
Sacramento, CA 95825

**RE: COMMENT LETTER ON THE NOTICE OF AVAILABILITY/ENVIRONMENTAL ASSESSMENT FOR THE SCOTTS VALLEY CASINO AND TRIBAL HOUSING PROJECT FROM THE CITY OF SAN PABLO, CA**

Dear Ms. Dutschke:

Thank you for making the Notice of Availability/Environmental Assessment (EA) for the proposed Scotts Valley Casino and Tribal Housing Project available for public review. Unfortunately, certain public agencies which are in close proximity to this proposed project, and who are directly impacted by the proposed project, were not properly noticed of the EA document released on July 8, 2024. However, the City of San Pablo appreciates the opportunity to provide comments at this time given the limited timeframe.

The City of San Pablo considers itself to be an interested party regarding this proposed project due to our close proximity, and the vested interest that our community has with San Pablo Lytton Casino for which we are the host community. The San Pablo Lytton Casino is located in central San Pablo just off of I-80 freeway corridor in Contra Costa County which is approximately 16 miles from the proposed project site.

The San Pablo Lytton Casino is located on federal trust land established by the federal government and the Lytton Rancheria Band of Pomo Indians (Lytton Tribe), within City incorporated limits. The Lytton Tribe owns and operates the San Pablo Lytton Casino, and has a vested interest in the consideration of the development of this proposed project by the Scotts Valley Band of Pomo Indians, who desire to formally establish federal trust land for this new mega casino gaming operation, which was previously denied by BIA officials in 2016.

Since 1999, San Pablo has served as host community for San Pablo Lytton Casino which has been an important economic partner for our community for the past 25 years. The City of San Pablo recognizes that, through the City's Municipal Services Agreement (MSA) with the Lytton Tribe, Casino revenues provide a much appreciated and relied upon source of funds that comprise nearly 65% of the City' annual general fund budget each year. Casino revenues fund critical municipal services through the MSA agreement to the San Pablo community (pop. 32,000), including but not limited to, the following: police and fire protection, emergency management services, building health and safety, youth and senior services, etc.

In addition to providing critical funding for the City, the Lytton Tribe and the San Pablo Lytton Casino partnership is an important contributor to our local economy through creation of jobs and attraction of visitors who patronize our local commercial corridors and contribute to our local economy. Each year, the Lytton Tribe's generous annual contributions also benefit local seniors and non-profit community service organizations who provide our local residents with health care, services for the disabled, local youth programs, and more through the San Pablo Community Foundation Grant Program.

### **Preliminary Concerns on Economic Analysis**

San Pablo is one of the lowest-income communities in the Bay Area and includes several tracts which are categorized as *Disadvantaged Communities*, according to U.S. Census. These are areas throughout California which suffer immensely from a combination of economic, health, and environmental burdens. By way of contrast, San Pablo's median household income is significantly less (16%) than that of the City of Vallejo.

Within its Economic Analysis, the EA for the project projects a reduction of over (-20%) in annual gaming revenues for the San Pablo Lytton Casino due to the relatively close proximity to the proposed project, which would be just 16 miles north along Interstate 80. Because the MSA with San Pablo is based on a percentage of the casino's revenue, this will result in a direct commensurate **negative impact** in benefits that accrue to the City of San Pablo, and its ability to serve its local residents. This impact must be considered a significant **socio-economic and environmental justice impact** of the proposed project, and is obviously of tremendous concern to the City of San Pablo officials, and its residents. The EA document fails to include any analysis of the off-site environmental justice impacts on the City of San Pablo, from which the project will syphon a considerable portion of Casino revenue which has a corresponding economic and negative impact to the City of San Pablo, and its program and service delivery. Based on the projected 20% reduction in annual gaming revenues to the San Pablo Lytton Casino, there would be a potential \$8-\$10M estimated annual reduction in critical local funding to the City of San Pablo as a result of this mega casino project.

### **Preliminary Concerns on Environmental Impacts**

**In our opinion, it is very clear that the proposal has the potential to create significant adverse environmental impacts that must be further studied and mitigated.** The site is located beyond the urbanized area of the City of Vallejo in an area that lacks urban infrastructure and is characterized by steep unstable slopes, grassland, and areas of sensitive oak woodland habitat. The project itself would be of disproportionately high impact and intensity, consisting of an eight-story structure with restaurants, bars, and ballroom for events, open 24 hours, 7 days a week, year-round. The proposed casino building would contain over two million square feet (i.e. 2,209,970 square feet), and over 4,000 parking spaces. Of the eight stories, all or portions of seven floors would be dedicated to parking, with floor 5 containing the casino facility itself. There would be a total of 10 bars/restaurants on this level, with the remaining area devoted to gaming. Floor 6 would contain a Grand Ballroom and parking. The project would further include 24 housing units and a new, Tribal Administration Building of 12,555 square feet. The massive building would step-up

along the hillside, creating a major visual impact in what is currently an undeveloped grassland hillside in Vallejo, CA.

### **Preliminary Concerns on Land Use Impacts**

In terms of **land use impacts**, just the southernmost portion (about 15%± of the site) of the 160-acre parcel is planned for urban development in the 2040 City of Vallejo General Plan, which shows this area as future Business/Limited Residential, and the remaining 85%± is shown as Parks, Recreation and Open Space. Intensifying the entirety of the site to an eight-story, high-density 24-hour commercial development with regional draw is a significant deviation from the projections of this General Plan and in itself must be considered a significant environmental impact. The alternatives analysis for the future EIS should consider locations which are less of a deviation from the carefully planned land uses foreseen in Vallejo. Other locations that would not result in exurban expansion and growth inducement should be investigated. Due to increasing environmental concerns, wildfire hazards, and limited water supply, intensive greenfield development on the urban edge should be avoided, especially in areas that lack transportation alternatives.

The site itself may be unsuitable for the scale and type of development proposed. The proposed site consists of rolling hillsides with grassland, marshland, oak woodland, and natural drainageways. The **geological study** contained in the Environmental Assessment shows that there are at least four (4) landslides existing on the site, including underlying those areas which are proposed for the eight-story casino building and the casino housing. It should be noted that San Pablo also has portions of its planning area that consist of unstable hillsides. These areas have been zoned for Open Space in order to avoid the significant environmental impacts of slope instability and the loss of property and life that can result. The City of Vallejo also understands the danger of development on these hillsides and have wisely planned for Open Space in this area, a future land use designation with which this project would directly conflict. The **geologic characteristics and natural hazards** present at this site create the potential for significant environmental impacts that may not be practically mitigated.

With respect to **hydrologic resources**, the site plan would result in the elimination of existing natural drainageways that cross the property, as well as areas of wetland. In terms of **biological resources**, the site contains a variety of natural habitats and its development would potentially adversely affect several Federal endangered and State-Listed special status species, such as the California red-legged frog and the Callippe Silverspot Butterfly. Providing a reserve is a poor substitute for the naturally occurring habitat present on the site that would be destroyed by the proposed project.

With over 2,000,000 square feet of building and 4,000 parking spaces, the project would result in a projected 8,500 trips per day with **significant unavoidable traffic and circulation impacts**. Unlike the San Pablo Lytton Casino, the proposed location offers little to no opportunity for access using modes other than personal vehicles, such as public transit or pedestrian access. This will result in a huge increase in traffic volumes and significant impacts on the levels of service for surrounding intersections. The analysis contained in the Environmental Assessment (EA) does not include any assessment of vehicle miles traveled (VMT) which is the current statutory requirement for traffic impact analysis in California and the state of art for traffic assessment. How many more

VMT would this project add to the area and what are the mitigation measures that can reduce this level? Are there Transportation Demand Management techniques that should be applied?

The potential **impact on regional air quality and climate change** through greenhouse gas emissions from trips generated to and from the site demands further study. The analysis in these areas should be expanded to reflect these analysis methods as part of the EIS.

The project would require up to 431,000 gallons of water per day and would potentially depend on on-site groundwater, a precious resource which could deplete water availability elsewhere and impair future agricultural uses in the region. There are similar concerns if water service is sought to be provided by the City of Vallejo. According to the City of Vallejo's 2020 Urban Water Management Plan, the City of Vallejo under current conditions would barely be able to meet water demand in an increasingly likely five-year drought scenario. The immense water usage of the proposed project would push the City's water demand well over what it can provide in this circumstance. Close to 300,000 gallons of wastewater would be generated each day and would likely require an onsite wastewater treatment facility, producing quantities of sludge and brine that will need to be transported off-site for disposal. The regional implications of these impacts should be studied further in the EIS.

The project also has the potential to **strain other local services**. Most notably, the City of Vallejo has a police force of just 47 (including 34 patrol officers) to provide protection to its 96,000 residents. In fact, in July 2023, the City of Vallejo declared a state of emergency over police shortages. The addition of the casino with the high potential for crime-related activity could further strain local police and compromise its ability to service residents of the area. With respect to fire protection, the site is within a high Fire Hazard Severity Zone with local responsibility (LRA FHSZ), and epitomizes the urban wildland interface that has been the cause and focus of the State's crisis of wildfires experienced in recent years. Protecting a development of this magnitude is likely well beyond the capability of local fire agencies.

A review of the EA shows many areas that require further environmental analysis should be conducted. It is unsupportable to find that a project of this scope in this location would not result in significant environmental impacts.

### **Request for Environmental Impact Statement (EIS) Review**

**Therefore, we strongly urge BIA officials to require the preparation of an appropriate Environmental Impact Statement (EIS) focused on the potentially significant impacts of the proposed project, including socio-economic conditions and environmental justice, land use, geological stability and wildfire hazards, public services and utilities, transportation and circulation, air quality, biological resources, and cultural resources.**

The City of San Pablo looks forward to participating in the continued environmental review and development review processes to ensure that our **formal interests** are taken into consideration.

Please feel free to contact San Pablo City Manager Matt Rodriguez directly at (510) 215-3016, or via email: [mattr@sanpabloca.gov](mailto:mattr@sanpabloca.gov) to expand on these matters as expressed by the City of San Pablo.

Amy Dutschke, Regional Director  
Bureau of Indian Affairs, Pacific Regional Office  
Date of Transmittal: July 22, 2024  
Re: Comment Letter - Notice of Availability/Environmental Assessment for the Scotts Valley Casino and Tribal Housing Project from the City of San Pablo, CA  
Page 5

Thank you for the opportunity to articulate our formal concerns over the EA for the proposed Scotts Valley Casino and Tribal Housing Project.

Sincerely,



**PATRICIA PONCE, MAYOR  
CITY OF SAN PABLO**

cc: Honorable Tribal Chairperson Andrew Mejia and Lytton Rancheria Band of Pomo Indians  
Congressional Representative John Garamendi, D-8<sup>th</sup> District  
State of CA Assemblymember Buffy Wicks, D-14<sup>th</sup> District  
Contra Costa County Supervisor, John Gioia, District #1  
San Pablo City Council  
Matt Rodriguez, City Manager  
Brian Hickey, City Attorney  
Elizabeth Tyler, Community Development Director



Amy Dutschke, Regional Director  
Bureau of Indian Affairs, Pacific Regional Office  
Date of Transmittal: July 22, 2024  
Re: Comment Letter - Notice of Availability/Environmental Assessment for the Scotts Valley Casino and Tribal  
Housing Project from the City of San Pablo, CA  
Page 6