

April 7, 2026



CITY OF SAN PABLO  
City of New Directions



**E-TRANSMITTAL AND REGULAR MAIL**

Mr. Matthew Lee  
Senior Advisor for Tribal Negotiations & Deputy Legal Affairs Secretary  
Office of Governor Gavin Newsom  
1021 O Street, Suite 9000  
Sacramento, CA 95814

**RE: REQUEST FOR INFORMATION - PROPOSED VALLEJO CASINO POTENTIAL ECONOMIC IMPACTS ON EXISTING GAMING ACTIVITIES TO LYTTON RANCHERIA OF CALIFORNIA AND CITY OF SAN PABLO PARTNERSHIP**

Dear Mr. Lee:

I write to express strong support for the concerns raised by the Lytton Rancheria of California in their letter dated April 3, 2026, regarding the proposed Class III casino by the Scotts Valley Band of Pomo Indians in Vallejo, and to underscore the **serious financial consequences this project would impose on the City of San Pablo, CA.**

The City of San Pablo is uniquely dependent on annual revenue generated by the San Pablo Lytton Casino to fund essential municipal services under an existing partnership via a Municipal Service Agreement (MSA) executed in September 1999.

As the attached Lytton Rancheria letter notes: **“65% of the budget of the City of San Pablo comes from Lytton’s casino operating revenue.”** This level of reliance is extraordinary and reflects decades of partnership between the Lytton Rancheria and the City - one that has enabled San Pablo to sustain ongoing public safety services, community programs, infrastructure, and social services that would otherwise be unattainable for a small, economically disadvantaged community, located in the East SF Bay/Contra Costa County region.

The *Economic Impact Study* (Study) commissioned by Federal Department of Interior/BIA officials and Scotts Valley Band itself projects that the proposed Vallejo casino would cause a **21.1% decline in San Pablo Lytton Casino’s gross gaming revenue**, which the study characterized as a **“sharp, negative impact.”** In fact, this newly proposed casino is projected to have a greater negative impact on the San Pablo Lytton Casino than on any

other Native American gaming operation in the region. The consequences of this proposed casino for the City of San Pablo would be **immediate and severe**.

The Study further concludes that the Scotts Valley facility would “**dwarf [San Pablo Lytton Casino] in attractiveness, game offerings, and diverse and quality amenities,**” drawing visitors away from San Pablo from multiple counties even when travel distances are greater. The expected loss of Casino revenue in the Casino San Pablo market puts the City's finances at **extreme risk** and could drain its Operating Reserves in an attempt to **offset the loss of critical revenues** necessary for the continued delivery of essential services and programs to its residents, including the real threat of fiscal insolvency.

San Pablo is described in the Study as “**an economically depressed community**” that “**has grown dependent on those revenue streams**”. A projected revenue loss of this magnitude would threaten the City's capacity to maintain essential services like police services, emergency medical response, building and life safety inspections, youth, recreation and senior programs, and capital improvements.

**No alternative General Fund revenue source exists that could replace the scale of funding currently provided through the City's Municipal Service Agreement (MSA) with the Lytton Rancheria of California / Casino San Pablo partnership.**

The proposed Scotts Valley Class III casino would disrupt the planned expansion of the San Pablo Lytton Casino which is already underway and seeking required permitting from the City. This expansion began with no expectation of competition just 19 miles away. As the Lytton letter explains, the federal *Economic Impact Study* incorrectly assumed that Lytton “**do[es] not have plans to expand the property,**” an error that further distorted the Federal DOI/BIA review process.

Given these facts, the proposed Scotts Valley casino presents a **direct and disproportionate existential economic threat** not only to Lytton Rancheria's economic stability but also to the fiscal health and well-being of the residents of San Pablo. **The City's ability to function - and to provide essential public services - depends on the continued viability of the San Pablo Lytton Casino, now and well into the future.**

Approving a competing Class III casino nearby would have effects that reach far beyond the current native tribal gaming markets - it could substantially destabilize a City already facing socio-economic challenges, where local residents depend on this critical revenue to fund essential public services for its community.

Mr. Matthew Lee  
Senior Advisor for Tribal Negotiations & Deputy Legal Affairs Secretary  
Office of Governor Gavin Newsom  
April 7, 2026  
RE: REQUEST FOR INFORMATION - PROPOSED VALLEJO CASINO POTENTIAL ECONOMIC IMPACTS ON EXISTING  
GAMING ACTIVITIES TO LYTTON RANCHERIA OF CALIFORNIA AND CITY OF SAN PABLO PARTNERSHIP  
Page 3

For these reasons, I respectfully urge Governor Newsom and his Administration to give substantial weight to the list of economic risks to the City of San Pablo when evaluating any potential Class III state compact with Scotts Valley Band in Vallejo, CA.

City officials are willing to further expand on specific economic impacts on San Pablo's programs and service delivery if given the opportunity to do so as you begin deliberations over a potential Class III state compact with Scotts Valley.

Thank you for your consideration of this critical matter.

Sincerely,



Elizabeth Pabon-Alvarado, Mayor  
City of San Pablo

Attachment:

- (1) Lytton Rancheria Letter to M. Lee e-transmitted on 04/03/25 re: Request for Information - Proposed Vallejo Casino - Potential Economic Impacts on Existing Gaming Activities

cc: Honorable Lytton Rancheria of California Chairperson Andy Mejia  
Lytton Rancheria of California Casino San Pablo Officials  
San Pablo City Council  
San Pablo City Manager  
San Pablo City Attorney

Mr. Matthew Lee

Senior Advisor for Tribal Negotiations & Deputy Legal Affairs Secretary

Office of Governor Gavin Newsom

April 7, 2026

RE: REQUEST FOR INFORMATION - PROPOSED VALLEJO CASINO POTENTIAL ECONOMIC IMPACTS ON EXISTING GAMING ACTIVITIES TO LYTTON RANCHERIA OF CALIFORNIA AND CITY OF SAN PABLO PARTNERSHIP

Page 4