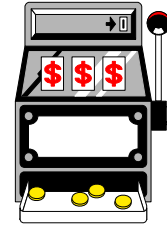


WHY DOES SYCUAN NEED ANOTHER CASINO?

Sycuan “need” for expanded gaming: Does the Sycuan band really need a second casino? Don't its existing casino and other business activities provide sufficient revenue for tribal members? This is an intriguing question.

Chairman Daniel Tucker, in an interview in the San Diego Union-Tribune on 9/13/2006, when questioned about plans for a second casino, said “That's what everyone is doing in Indian country, (developing) golf courses, destination resorts. Why not?” (see *Library for a copy of this article*).

In an opinion piece which appeared in the Union Tribune about 4 months later, Chairman Tucker states, “As a sovereign Indian nation, we use our business ventures to provide for the economic self-reliance of our tribal members now and into the future.” (see *Library for a copy of this article*).



In summary, it appears that the Sycuan band's justification for a second casino amounts to, in simple terms, “everyone else is doing it” and “we need the money.”

But does the band really need the money? To answer that question, let us try to reconstruct the financial resources of the Sycuan band. The band does not make financial statements publicly available, but from the band's own website we compiled a list of business properties currently owned, as well as our estimate of their value:

• Existing 305,000 square-ft casino	\$200,000,000
• US Grant Hotel, San Diego	75,000,000
• Sycuan Resort at Singing Hills	25,000,000
• Marina Gateway Co (National City)	12,500,000
• Hotel Solamar (San Diego)	10,000,000
• Sycuan US Value mutual fund	1,000,000
• Sycuan Ringsider Promotions	1,000,000

Total	\$324,000,000

Admittedly, these are very crude estimates, but we have tried to be conservative in our valuation. For example, the band has disclosed that the US Grant Hotel recently underwent \$52 million in renovations. We have not fully accounted for the value of those renovations. It should be noted that several of these projects, such as the hotels in National City and the Hotel Solamar, are not yet completed. We also do not know how much, if any debt has been assumed by the band in conjunction with any of these projects.



Given that there are 145 residents on the Sycuan reservation (see *Library article, "Sycuan band builds \$800K homes for its members"*) the average interest in this wealth is approximately \$2,200,000 per Sycuan band member.

The same article referred to in the last paragraph also states that the band has built and is building 3,000-square-foot homes for its members, which are provided free of charge to them. The value of the homes, stated in the article, is \$800,000. Thus, for Sycuan band members who own homes on the reservation built by the band, their net worth appears to be in excess of \$3 million. On the basis of the last several paragraphs, it is not unreasonable to state that the members of the Sycuan band are all multi-millionaires.

In addition to their vested wealth, all band members receive regular distributions as their share of the band's business income, from gaming and other sources. The band will not disclose the amount of those payments. When asked recently, a tribal spokesman said that we should ask individual members of the band to discover that information. However, we suspect that the payments are substantial; in our opinion, they exceed \$8,000 per month per band member for a "full share". This is another component of tribal wealth.

Based on the above computations, **it is our opinion that the Sycuan band is now "economically self-reliant" by any definition of the phrase.** There is no need for a second casino, particularly one in such an objectionable location. By continuing to invest its business income in other, less controversial projects, the band could continue to build its wealth, without placing terrible impositions on its non-Indian neighbors. In sum, the Sycuan band has options as to the direction of its future business activities; we who live here have no options other than leaving our homes.

