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## Graton Rancheria wields growing influence

Imminent opening of RP casino puts once-struggling tribe on path to power

By **JEREMY HAY**

THE PRESS DEMOCRAT

The Federated Indians of Graton Rancheria, a landless tribe eight years ago, now stands on the verge of great wealth as it readies to open the Bay Area's largest casino on the outskirts of Rohnert Park.

Through revenue-sharing deals with Rohnert Park and Sonoma County that could steer half a bil-

lion dollars to those jurisdictions over 20 years, the tribe already is a major actor in the North Bay.

And its leaders are clear about the tribe's desire to be an increasingly influential force in the region once its \$800 million casino opens later this year.

"This opportunity will empower us to be important and engaged in this community on all sorts of issues and questions, particularly on questions of the land," Tribal Chairman Greg Sarris said, referring to casino income and to the tribe's oft-stated goals of preserving and restoring natural habitats.

"We'll have the financial re-

**INSIDE:** Tribal program uses federal, state funds to aid low-income members **A13**

sources to own the natural resources," he said.

But after nearly 13 years on the public stage — often in a withering spotlight of critical scrutiny — the sovereign nation of 1,300 people remains relatively unknown for a social and governmental entity of its size and potential sway.

However, public documents that include financial reports and audits obtained from the federal and state governments, as well as

TURN TO **GRATON**, PAGE A12



Workers raise the sign on the Graton Resort & Casino in Rohnert Park last month. Tribal leaders say casino revenues will allow them to help tribe members and the general community.

JOHN BURGESS / The Press Democrat

Immigrant advocates say federal program designed to help undocumented residents with minor criminal records is falling short

## Deportation dread



CHRISTOPHER CHUNG / The Press Democrat

**WAITING:** Josefina Velasquez cooks dinner in her family's Cotati apartment last month. Velasquez is facing deportation after being arrested for having a false ID, she said. She and other undocumented immigrants arrested for minor offenses are hoping to get help from a federal program designed to cut deportations.

By **MARTIN ESPINOZA**

THE PRESS DEMOCRAT

In a small cell somewhere in San Francisco — with nothing but a window, door, toilet and three other women also bound for the border — Josefina Velasquez sank deep into despair.

Her cellmates offered no solace. They echoed what immigration officials told Velasquez just before putting her in the cell.

"We're all headed to Arizona," they said. After that, there would be a final

trip across the Mexican border. "There's nothing you can do about it."

Velasquez, 36, whose belief in God was rooted in tradition rather than spiritual faith, thought of her son, her daughter and her husband back in Sonoma County and fell to her knees.

"God, if you really exist, please let me stay, let me stay here with my family," she pleaded. "He got me out of that room."

Velasquez was released on bail. Two years later, she is facing deportation. And like hundreds of thousands of other undocumented immigrants facing remov-

al from the United States, she'll likely need another miracle.

That's because President Barack Obama's promise to rein in the deportation of people without serious criminal records largely has been a failure, according to immigration attorneys and advocates.

In June 2011, the Obama administration announced new ground rules for applying "prosecutorial discretion," or PD for short. The policy would focus immigration enforcement on serious criminals and high-priority immigration viola-

TURN TO **IMMIGRANT**, PAGE A11

*"Every once in a great while, some deserving soul gets a reprieve, but many have their requests dismissed without even a reason given."*

**RICHARD COSHNEAR**, Santa Rosa immigration attorney and member of the Committee for Immigrant Rights of Sonoma County

## Obama seeks vote on Syria

President abruptly delays military strike, asks Congress for authorization

By **PETER BAKER** and **JONATHAN WEISMAN**

NEW YORK TIMES

WASHINGTON — President Barack Obama abruptly changed course Saturday and postponed a military strike against the Syrian government in retaliation for a chemical weapons attack so he could seek authorization first from a deeply skeptical Congress.

In one of the riskiest gambles of his presidency, Obama effectively dared lawmakers to either stand by him or, as he put it, allow President Bashar Assad of Syria to get away with murdering children with unconventional weapons. By asking them to take a stand, Obama tried to break out of the isolation of the last week as he confronted taking action without the support of the United Nations, Congress, the public or Britain, a usually reliable partner in such international operations.

"I'm prepared to give that or-

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## GRATON: Tribe's ranks grew rapidly after leaders announced plans for a casino in 2003

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interviews with Sarris and others, add to the portrait of the Graton Rancheria.

Sarris, the tribe's chairman for 21 years, agreed to speak about certain subjects raised in the documents. About others, he declined, saying they are "in-house business and do little that profiles us as a people." He would not confirm or disclose any of the tribe's financial details.

The documents show how rapidly the tribe grew after its plans for a casino were announced in 2003; that it has received tens of millions of dollars in federal and state aid; and that this year it asserted considerably greater control over its Wilfred Avenue reservation property.

They flesh out the tribe's demographic makeup, and also show that it has divided among its members more than \$12 million in funds that tribes with casinos pay to the state, which redistributes them to tribes without gambling operations.

Taken together, the documents show how the Graton Rancheria has worked to provide for its citizenry and other area Indians. They sketch out how the tribe developed and grew as an organization. They highlight its aspirations for influence and depict an entity that has, often adroitly, laid the groundwork to achieve that goal.

### Early years

The Graton Rancheria's status as an Indian nation was restored by an act of Congress in December 2000, and in its early years, the tribe urgently sought funds to sustain itself.

On March 7, 2002, in Washington, speaking to the U.S. Senate Committee on Indian Affairs, Sarris appealed for money for his tribe. Until then, it had received \$95,800 from the government, records show.

"We have no ability to hire an administrator and only limited ability to respond to the needs of tribal members," Sarris told the committee, describing how the tribe was using donated furniture and financial contributions from other tribes.

"We cannot even plan basic next steps because of the uncertainty about future funding," Sarris said, according to a transcript of the hearing.

That October, the tribe received \$467,761 for housing programs from the federal government.

But the tribe's needs grew more acute as its membership spiked after Sarris announced



KENT PORTER / The Press Democrat

The \$800 million Graton Resort & Casino rises on Wilfred Avenue in Rohnert Park in June. The casino, which will have 3,000 slot machines, is expected to open later this year.

in 2003 that the tribe would build a casino.

According to Indian Housing Plans obtained from the federal Housing and Urban Development Department's Southwest Office of Native American Programs — which in 2011 gave the tribe \$686,125 — the tribe's membership nearly doubled to 1,055 from 2002 to 2004.

"Now you have a casino, and everyone's checking their ancestry," said one of the tribe's attorneys, Mike Pfeffer, in an April interview in which he recalled the rush of people applying for tribal membership.

Records show that through this June about \$22.5 million in grant funds for housing and social service programs and for government operations has flowed to the tribe.

Through its various funding sources, the tribe has developed into a multimillion-dollar entity that helps support its members — about 500 of whom are under age 18 — with income supplements and social service programs that include housing assistance and employment training.

Tribal Council members and employees who manage the tribe's business are eligible for a 401(k) plan with a 4 percent employer match. As of 2011, the seven-member council split \$240,000 a year in pay. That is about \$100,000 less in compensation than when the tribe operated with a five-member council.

"They have an infrastructure and it's working like clockwork," said Bob Holden, grants management director for the federal housing department's Southwest Office of Native American Programs.

### Families in need

A partial portrait of the tribe's membership and its priorities



**Greg Sarris**  
Graton Rancheria tribal chairman says casino revenues will benefit the land.

emerges from the annual Indian Housing Plans it has filed since 2002 with the federal Department of Housing and Urban Development.

The tribe has its roots in the Coastal Miwok and Southern Pomo populations of current-day Marin County and southern Sonoma County. It has had no central physical site since the federal government terminated its tribal status in 1958 and distributed its 15-acre rancheria near Graton to families then living on the property.

While many tribal members still reside in the tribe's historic areas, others are spread throughout the region and beyond. The new 254-acre reservation — the Rohnert Park casino site — has no residential structures.

In 2002, the tribe said it had 577 members and had identified 11 low-income families who lived in substandard housing needing rehabilitation.

The next year, the tribe reported to the government that it had hired a housing administrator and started a rental assistance program.

The 2003 report said the tribe had 426 families, 57 of those elderly. It also said that 50 of its families lived in crowded conditions. Of its members, 64 percent were low-income, the report said.

For the first time, the tribe that year said that if it had enough funds, it would try to provide housing assistance to non-member Indians.

By 2008, the Graton Rancheria's housing program was providing rental assistance of \$650 a month to Indians who were qualified veterans, disabled or elderly. It also was giving rental assistance to other income-qualified Indians, \$450 a month for six months. And it was offering one-time \$1,500 grants to help families with security deposits.

By that year, the tribe was rehabilitating two homes a year and holding workshops on hazardous housing conditions and managing finances. And it had expanded its service area from Marin and Sonoma counties to include Napa, Mendocino, Lake, Yolo, Sacramento and Solano counties.

Notably, in 2008 the tribe got about 40 percent more money for the housing program than it did in 2003. But its membership had grown much more than that — by an eye-opening 94 percent.

The 2008 report listed 1,159 members and 827 families, 150 of which were elderly and 154 of which lived in substandard housing.

In 2012, the tribe's report shows, it budgeted \$145,000 for homebuyer assistance; \$295,000 for programs providing up to 36 months of rental assistance; \$300,000 for housing rehabilitation; and \$50,000 for housing-related counseling.

In the case of housing, the reports may be an incomplete gauge of the extent of tribal members' needs. That's because the funds the tribe gets are based on its base roll, the number of members it had when it was federally restored in 2000. That number was 568, less than half the current figure of 1,300.

### Growing expertise

While the tribe's housing and welfare programs may be less than adequately funded, the ben-

efits extend well beyond the needs of the members they serve, experts say.

"When you get these federal dollars and you start running these programs, almost automatically you start to give people administrative experience, you start building capacities," said Stephen Cornell, co-director of the Harvard Project on American Indian Economic Development.

That internal capacity took the tribe years to develop, according to audits of its financial statements and activities from 2002 through 2012 done by outside accounting firms.

In its first five years, the tribe went through four housing coordinators, lost its chief financial officer and experienced high turnover in its accounting department, the audits say.

Specific problems included tax- and payroll-related errors to the tribe's detriment: it withheld monies from tribal council members' paychecks that it shouldn't have; it also overstated its own tax liability to the federal government.

In 2006 public furor over the casino was at a height and the tribe was receiving anonymous threats of violence. That prompted the tribe to implement security measures, including \$94,000 at Sarris' home on Taylor Mountain, that year's audit said.

The value of those residential security arrangements should have been classified by the tribe as income, the audit said.

In addition, the audits found that the tribe's controls over its federal grant programs were weak; it was late filing mandatory audits and housing program reports, and it had not spent its federal grants in a timely fashion.

In its 12 years, the tribe also

TURN TO GRATON, PAGE A13

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# Tribal program uses fed, state funds to help those in need

Graton Rancheria has received \$16.5 million in assistance since 2008

By JEREMY HAY

THE PRESS DEMOCRAT

More than half the federal and state funding since 2002 for the Federated Indians of Graton Rancheria has gone to its tribal program that provides services to low-income people.

The Tribal TANF program is a personalized version of the federal Temporary Assistance to Needy Families welfare plan that tribes, by law, have the latitude to design to suit their needs.

For the Graton Rancheria, 2008 was a banner year. After six years of trying, it launched its own TANF program, substantially augmenting its housing and related social services. It has since received about \$16.5 million, or roughly \$3 million a year, in combined federal and state funds for the program.

As of March, 146 people — 52 adults and 94 children — were enrolled, qualifying for monthly cash grants or employment assistance such as counseling and job training, according to the state Department of Social Services, which contributes about half the yearly TANF funding.

The recipients make up 61 families. Of those, 53 get cash assistance while the other eight get only other forms of aid, said Michael Weston, the department spokesman, who said the tribe reported those client numbers.

It was unclear how many families are served during a full year. The tribe has declined to discuss details of its assistance programs.

At a glance, those numbers suggest a membership with fewer low-income people than are described in tribal surveys.

According to federal reports of the Graton Rancheria housing program, the most recent tribal survey, in 2007, concluded that 71 percent of respondents in its eight-county service area were low-income.

But the numbers of TANF recipients provided by the state may not completely measure the number of tribal members who need aid.

That's because funds the Graton Rancheria gets for its TANF program are based on a 1994 Census of American Indians in the service area, a much lower number. The tribe gets considerably less than it would under a current census, limiting its TANF program's reach.

Also, the tribe early on made a decision to use its TANF monies to assist other Indians in the area who are not tribal members. It now manages the Tribal TANF program for both Sonoma and Marin counties, serving at least three other local tribes, though not the 1,100-member Dry Creek Rancheria Band of

Pomo Indians, which owns River Rock Casino.

Tribal chairman Greg Sarris would not provide a breakdown of how many TANF recipients are tribal members and how many are not. Weston, of the state social services department, said the number of TANF clients included those served by both the federal and state funding streams for the program.

In an interview, Sarris said that monthly cash advances from the tribe's Las Vegas partner, Station Casinos, were used to help fill the need created by the growing membership.

Starting in 2003, Station Casinos advanced the tribe \$100,000 a month to use as it saw fit. Since 2009, that amount has been \$90,000 a month.

"We've all along been subsisting with money from Station," Sarris said.

"We have a system prioritizing the neediest of the needy and that's an ugly situation," he said. "But it's the situation we're in until we can start to supplement it with casino income."

Quarterly financial reports give a sense of the tribe's priorities.

A financial report obtained from the federal Department of Health and Human Services shows that in 2009, as the tribe got its program off the ground, of \$1,570,412 in federal funds the tribe got for the TANF program:

- \$514,848 was spent on assistance programs, \$422,281 of it on cash aid;

- \$270,257 was used for what are called nonassistance services that include employment training, job counseling and child care.

- \$549,599, or 35 percent, went for administration, far exceeding the program's 15 percent administrative spending cap.

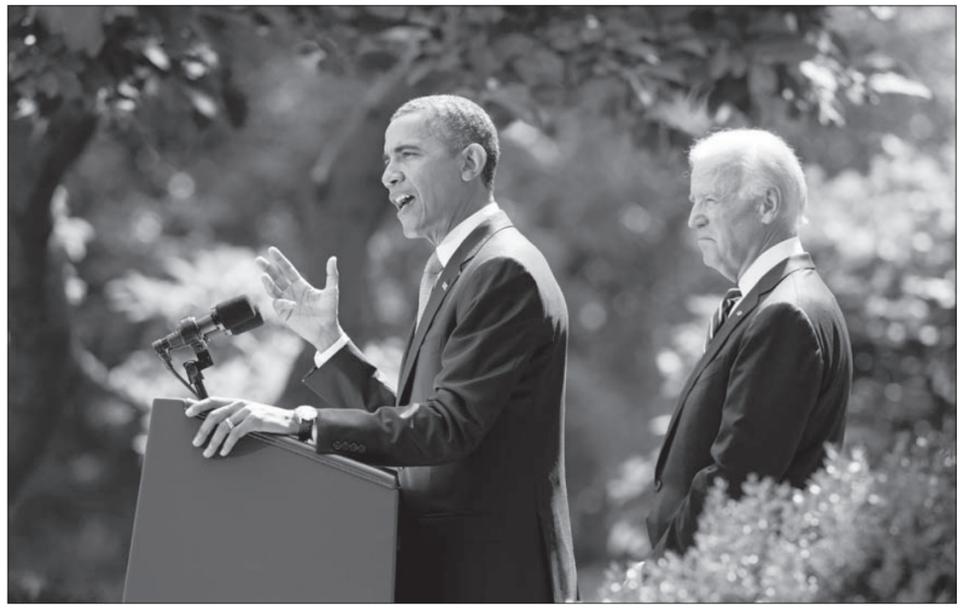
But by last year, records show the TANF program, now managed by tribe Vice Chairwoman Lorelle Ross, was spending far less on overhead.

Of the \$1,444,286 the tribe received that year for TANF from the state, \$624,269 was spent on assistance, 82 percent of that on cash payments; \$182,474, or 12 percent of the total, was spent on administration, and \$578,269 on nonassistance expenditures.

Other income that has helped support tribal members comes from the state's Revenue Sharing Trust Fund, or RSTF. That comes from casino revenue from other tribes that is distributed to tribes without casinos.

As of March, the Graton Rancheria has received a total of \$12,092,594 in RSTF payments, in quarterly installments that equal about \$1.1 million a year. It elected to apportion it among its members, according to audits of the tribe's financial statements obtained from the federal government.

Sarris would not say how the RSTF money is divided. Several members also declined to detail the payments.



EVAN VUCCI / Associated Press

Vice President Joe Biden listens Saturday as President Barack Obama announces his decision to seek authorization from Congress on carrying out a military strike on Syria.

## SYRIA: President at political mercy of House GOP

CONTINUED FROM PAGE A1

der," Obama said in a hurriedly organized appearance in the Rose Garden as U.S. destroyers armed with Tomahawk missiles waited in the Mediterranean Sea. "But having made my decision as commander in chief based on what I am convinced is our national security interests, I'm also mindful that I'm the president of the world's oldest constitutional democracy."

Although congressional leaders hailed his decision to seek the permission of lawmakers who had been clamoring for a say, the turnabout leaves Obama at the political mercy of House Republicans, many of whom have opposed him at every turn and have already suggested Syria's civil war does not pose a threat to the U.S. His decision raises the possibility that he would be the first president in modern times to lose a vote on the use of force, much as Prime Minister David Cameron of Britain did in Parliament last week.

Obama overruled the advice of many of his aides who worried about just such a defeat. Republican congressional officials said Saturday that if a vote were taken immediately, the GOP-controlled House would not support action. Interviews with more than a dozen members of Congress made clear that the situation was volatile even in the Senate, where Democrats have a majority.

"Obama hasn't got a chance to win this vote if he can't win the majority of his own party, and I doubt he can," Rep. Tom Cole, R-Okla., said in an interview. "Democrats have been conspicuously silent. Just about his only support is coming from Republicans. He is a war president without a war party."

Yet the debate may also put on display the divisions in the Republican Party between traditional national security hawks and a newer generation of lawmakers, particularly in the House, resistant to entanglements overseas and distrustful of Obama.

"It will be an uphill battle for

the president to convince me because I think he has handled this entire situation quite poorly," said Rep. Tim Griffin, R-Ark. "And frankly I am reluctant to give him a license for war when, with all due respect, I have little confidence he knows what he is doing."

Even Sens. John McCain of Arizona and Lindsey Graham of South Carolina, two Republicans who have pressed Obama to intervene more aggressively in Syria, said Saturday they might vote no because the president's plan was too limited.

"We cannot in good conscience support isolated military strikes in Syria that are not part of an overall strategy that can change the momentum on the battlefield," they said in a statement.

Against that backdrop, the wording of the authorization of force may be critical. White House officials drafted a proposed measure that tried to strike a balance between being too expansive and too restrictive, and sent it to Congress on Saturday evening.

The proposal would empower Obama to order military action to "prevent or deter the use or proliferation" of chemical or biological weapons "within, to or from Syria" and to "protect the United States and its allies and partners against the threat posed by such weapons."

Still, White House officials indicated Obama might authorize force even if Congress rejected it.

As Syrian forces braced for attack, the president's decision effectively put it off for more than a week, since Congress is not due back in Washington until Sept. 9. Obama did not push for Congress to come back sooner, and House leaders opted to keep to their schedule. Senate leaders set committee hearings for the next few days with a vote "no later" than the week of Sept. 9.

In the interim, lawmakers will be in their home states, where polls show constituents are not eager to attack Syria.

"One constituent said to me, 'It is horrendous that these children were killed, but they are

being killed in other ways also. What's the difference?'" said Sen. Susan Collins, R-Maine.

Sen. Bob Casey, D-Pa., said public opinion would pose a challenge for the president and Congress.

"I'd be very surprised if the position of going forward with the strike would reach 50 percent in our state," he said. "I don't think it would get to 50."

Russian President Vladimir Putin, who has effectively blocked U.N. action, suggested Saturday that the chemical attack was a provocation by rebels intended to draw the U.S. into their war against Assad.

Presidents in modern times have used military force both with and without congressional authorization. While Obama said as a candidate that a president has no power to launch a military attack except to stop "an actual or imminent threat to the nation," he acted unilaterally in Libya in 2011 and had no plans to act differently in Syria this time. But he found it much harder to proceed alone, given the British vote and polls showing the vast majority of Americans want Congress to decide.

Even allies like Sen. Tim Kaine of Virginia, one of Obama's earliest supporters for president and his hand-picked Democratic Party chairman, publicly argued that he had to go to Congress for permission.

"The worst thing we can do is put people out on that limb and ask them to potentially risk their lives based on equivocal political support," Kaine said.

In making his request, Obama argued more forcefully than he ever had for military action against Syria, echoing some of the moral outrage expressed by Secretary of State John Kerry a day earlier.

"What message will we send if a dictator can gas hundreds of children to death in plain sight and pay no price?" the president asked.

Obama also dispatched Kerry, Defense Secretary Chuck Hagel and others to brief senators by telephone Saturday and authorized a classified briefing on Capitol Hill today.

## GRATON: Tribe is first in U.S. to win right to lease its property without federal approval

CONTINUED FROM PAGE A12

has gone through at least three tribal administrators, a job that now is held by Tribal Vice Chairwoman Lorelle Ross. Two of those administrators were contacted but would not comment for this article, citing confidentiality agreements they had signed.

By 2010, however — the year the tribe's reservation in Rohnert Park was taken into trust by the federal government, the problems were cleared up. The audit of that year's financial statement showed no material weaknesses in its financial statements or federal grant programs.

### Self-determination

And by 2013, the tribe's ambitions and organizational acumen were on full display, illustrating how far it had come as a self-governed nation since the days when Sarris had to plead for money.

On Feb. 1, Graton Rancheria became the first United States tribe to win, under the 2012 Hearth Act, the right to lease its lands without federal approval for purposes ranging from business and industrial use to housing.

"It has to be considered a big step forward from the point of view of tribal self-determination," Cornell said.

Most immediately, that al-

lowed the Graton tribe to dictate, in a way that previously might have required a long and costly approval process, the terms under which the casino's 13 restaurants will operate.

By requiring the businesses to lease the casino space from the Graton Rancheria, the tribe was able to easily impose terms that the restaurants have to pay employees 10 percent to 30 percent more than the prevailing Bay Area wage for similar jobs.

"That was key for us," Sarris said. "I wanted those restaurants, each of the leases and the terms to be determined by the tribe, not the BIA (Bureau of Indian Affairs)."

Other tribes still are trying to get Hearth Act approval, said Sarah Stevenson, an attorney with the Indian law group of Modrall Sperlberg Lawyers in Albuquerque, N.M.

"I think it speaks to a certain level of governmental organization and commitment of the . . . tribal government to really want to get out in front of this," Stevenson said of the Graton Rancheria.

"It took knowing who to talk to and when to move," Sarris said.

The Hearth Act approval opened the door for the tribe to develop the remainder of its 254-acre reservation in Rohnert Park as it sees fit, providing projects are subjected to a tribal

environmental impact report.

There are several development alternatives for the property that the tribe ruled out before moving ahead with its casino. Those included a shopping center, an office complex and a vineyard — all of which required startup capital the tribe had no access to then, but now does.

Sarris in June said that the plans are first for a 200-room hotel that will complete the resort. Blueprints are being reviewed now and it may get underway next year, he said.

Then, he said, the tribe intends to start an organic farm that will hire disadvantaged youth, young people who have aged out of the foster care system, undocumented workers and low-risk parolees.

Beyond that, he said, "That land will never be developed."

### \$1 billion investment

Today, the tribe's investment in the Graton Resort & Casino, with 3,000 slot machines, 146 table games and 13 restaurants, nears \$1 billion, making it one of the largest development projects in history.

To get to where it is today, in 2010 it agreed to take on a greater debt when it renegotiated its management contract with Station Casinos, then in bankruptcy.

The change hiked the casino company's management fee to 27 percent of net revenues from 24

percent for the final three years of its seven-year contract. The maximum percentage allowed without special approval from the National Indian Gaming Commission is 30 percent.

The new contract also pushed up the interest rate on the tribe's debt to Station Casinos to 13 percent, instead of the prime rate plus 1.5 percent. That led to millions of dollars in increased costs for the tribe because the prime rate varied from about 3.25 percent to about 8 percent since 2003.

By December 2011, the interest the tribe owed on its debt, primarily for the purchase of its reservation land, was \$63 million, up from \$50 million in 2010. The tribe's total debt to Station Casinos reached \$224 million that year.

However, experts said the new contract is in line with industry standards.

"The agreement is well within the norm," said attorney Rory Dilweg, a partner with the Los Angeles firm of Tilden, McCoy and Dilweg, who has worked on such management contracts nationwide.

A year ago, with its final approvals from the state and federal government in hand, the tribe multiplied its debt by securing \$850 million in loans and bond financing for the project's final push to open.

Those funds were to be used to

build the 322,000-square-foot casino and repay \$194 million to Station Casinos for the advances it has made to the tribe over the past 10 years, including for the 2005 purchase of the Wilfred Avenue property.

As enormous as the debt is, observers say the Graton Rancheria has steered itself to the edge of an enormous win.

"This tribe finds itself in a very fortunate position," said Kristi Jackson, co-founder and vice chairwoman of Tribal Financial Advisors, a Los Angeles investment bank that specializes in tribal financing.

"They're poised, by the account of just about every person involved or not involved, to make an enormous amount of money," said Jackson, whose bank was not involved in the Graton project, which Standard & Poor has projected will bring in \$440 million annually by 2016.

A separate market analysis performed for Station Casinos in 2012 projected an annual net gambling revenue of \$522 million.

"Because they've entrusted the development to someone who is very skilled, who really knows what they're doing, this is going to be a home run," Jackson said.

You can reach Staff Writer Jeremy Hay at 521-5212 or [jeremy.hay@pressdemocrat.com](mailto:jeremy.hay@pressdemocrat.com).